

6<sup>th</sup> July, 2023

BSE Limited  
Listing Dept. / Dept. of Corporate Services,  
Phiroze Jeejeebhoy Towers,  
Dalal Street,  
Mumbai - 400 001.

National Stock Exchange of India Ltd.  
Listing Dept., Exchange Plaza, 5<sup>th</sup> Floor,  
Plot No. C/1, G. Block,  
Bandra-Kurla Complex,  
Bandra (E),  
Mumbai - 400 051.

**Security Code : 539301**  
**Security ID : ARVSMART**

**Symbol : ARVSMART**

Dear Sir / Madam,

**Sub: Submission of Annual Report for the Financial Year 2022-23.**

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are submitting herewith the Annual Report of the Company for the financial year 2022-23 alongwith the Notice convening the Annual General Meeting scheduled to be held on Wednesday, 2<sup>nd</sup> August, 2023 at 10:00 a.m. through Video Conference ("**VC**") / Other Audio Visual Means ("**OAVM**").

The aforesaid Annual Report is also uploaded on website of the Company's at [www.arvindsmartspaces.com](http://www.arvindsmartspaces.com).

Thanking you,  
Yours faithfully,  
**For Arvind SmartSpaces Limited**

**Prakash Makwana**  
**Company Secretary**

Encl.: As above

#DESIGNEDTOINSPIRE

**Arvind Smartspaces Limited :**

**Regd. Office:** 24, Government Servant Society, Near Municipal Market, Off C.G. Road, Navrangpura, Ahmedabad. 380009, India.  
**Tel. :** +91 79 68267000 | **Web.:** www.arvindsmartspaces.com | **CIN :** L45201GJ2008PLC055771

#designedtoinspire

15th Annual Report  
2022-23



**ARVIND**  
**SMARTSPACES**  
RESIDENTIAL • COMMERCIAL • HOSPITALITY

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## Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report contains statements - written and oral - that we periodically, 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realised, although we make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects' believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



**At Arvind SmartSpaces,**  
we have distinguished  
ourselves in a  
crowded market.

Not just by scale  
but by scope.

Not just by size  
but by style.

**And that has made all  
the difference.**





# #designedtoinspire

CORPORATE  
SNAPSHOT

In a market that is consolidating towards organised corporate developers, Arvind SmartSpaces Limited represents a new age Indian real estate company synonymous with design, brand, governance, trust, legacy and track record.

*The Company is engaged in the development of distinctive customer-centric properties – spacious and aesthetic – that are designed to enhance the quality of life of its customers.*

*The Company enjoys strong scalability in horizontal and vertical developments, across its targeted geographies of Ahmedabad, Bangalore and Pune.*

*The Company has achieved a critical mass in operations marked by healthy profitability and operating cash flows.*

*The Company is net debt-free, among few Indian listed real estate companies to enjoy this distinction.*

*The promoters have shown their deep commitment to the business through three capital infusions; the Managing Director and Chief Executive Officer demonstrated ‘skin in the game’ through a capital infusion.*

These distinctive capabilities are the result of an overarching commitment to our philosophy:  
**‘Designed to Inspire.’**

### Vision

To create value for all stakeholders by redefining standards of excellence and trust in the real estate industry.

### Mission

To raise the standards of living by creating unique real estate solutions. To achieve customer delight through innovation and thoughtfulness in everything we build. To build from the ground up, a company that symbolises stability and prosperity in the real estate industry.



Arvind The Edge

Projects  
classification  
(ongoing and  
planned), March  
2023



## Brand value

The 'Arvind' brand enjoys a strong mindshare across India due to the Lalbhai Group's 120-year legacy. The Arvind Group is a USD 1.7 Bn conglomerate, run by professional management. The Arvind brand is synonymous with values, repute, strong governance and CSR.

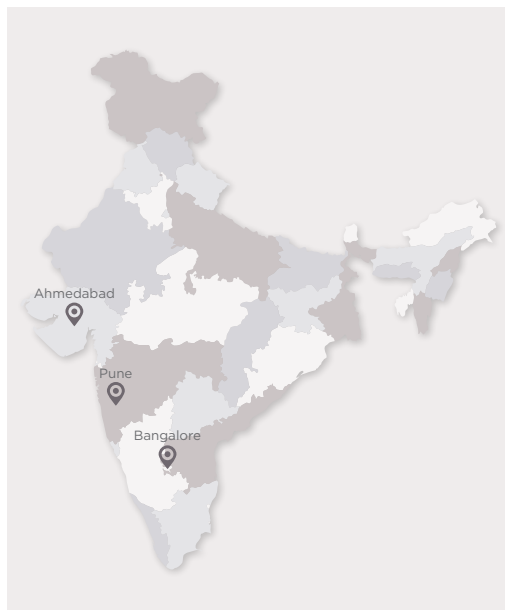
The Group is present across businesses like textiles and clothing, branded apparels, technical textiles,

water stewardship, omni-channel, telecommunications and heavy engineering.

Arvind SmartSpaces has capitalised on the Arvind Group brand, facilitating joint development agreements, business associations, customer relationships, service provider eco-system, process partners, investors and lenders.

## Background

Arvind SmartSpaces is a prominent real estate development company in India, headquartered in Ahmedabad. Founded in 2008, it is the real estate arm of the Lalbhai group. With over 30 Mn square feet of total project portfolio across the country, the Company is committed to provide real estate solutions that enhance the quality of life for its customers. Arvind SmartSpaces is rapidly emerging as a major player in the corporate real estate sector in India.



## Our presence

Arvind SmartSpaces operates in three major Indian markets - Ahmedabad, Bangalore and Pune - with a presence in key real estate segments (residential, industrial, commercial and hospitality). With 29 projects under various stages of development, the Company has developed a diverse range of real estate offerings, including residential villa townships, apartment complexes, plotting, commercial complexes, and industrial parks.

## Credit rating

India Ratings and Research (Ind-Ra) mobilised Arvind SmartSpaces' long-term issuer rating from IND A- to IND A with a outlook in February 2022. The improvement is the result of improving credit indicators, superior operating results and a lower reliance on debt.

## Listing

The equity shares of Arvind SmartSpaces are listed on the National Stock Exchange (NSE) and the Bombay Stock Exchange (BSE). The Company was valued at Rs. 1,436 Cr as of March 31, 2023.

## Partnership

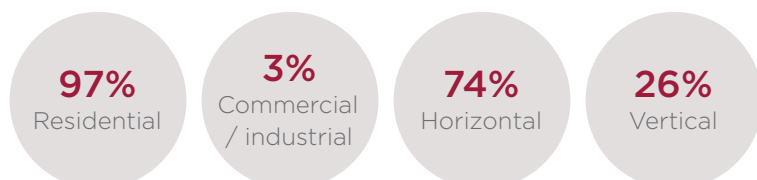
Arvind SmartSpaces Limited and HDFC Capital Advisors entered a partnership, creating a massive Rs. 900 Cr residential development platform with a revenue potential between Rs. 4,000 and Rs.5000 Cr.

## Human capital

The Company comprised a talented workforce of 289 employees as on March 31, 2023. They possess diverse skills and experience in various fields, making them capable of handling complex engineering projects while delivering aesthetically pleasing solutions. The Company builds entrepreneurs out of managers through training and empowerment in domain-specific skill sets and critical thinking.

## Offerings

Arvind SmartSpaces Limited is committed to provide differentiated residential solutions. The Company's focus lies in innovative residential projects that blend comfort, convenience and luxury. With a de-risked product portfolio that features horizontal offerings, such as plotting and villas and vertical options, including luxury and mid-income group residential housing, the Company caters to a diverse range of customers.





**Awards and  
accolades**

**Company level**

**May 8, 2015:** Arvind SmartSpaces won The 'Emerging Developer of the Year - Residential' while Uplands was awarded the 'Luxury Project of the Year' in Realty plus Excellence awards.

**February 20, 2016:** Arvind SmartSpaces bagged the 'Emerging Developer of the Year - India' award in ABP News Real Estate Awards 2016

**April 11, 2016:** Mr. Kamal Singal, MD and CEO of Arvind SmartSpaces Ltd., was recognised as the 'Real Estate Most Enterprising CEO of the Year' by 'The Golden Globe Tigers Award 2016'

**January 24, 2017:** Arvind SmartSpaces Ltd. was chosen as Asia's Greatest Brands 2016 by Asiaone magazine for its performance (financial year 2015-16). Mr. Kamal Singal, MD & CEO, was adjudged among Asia's Greatest Leaders 2016.

**June 30, 2017:** Mr. Kamal Singal was given the 'Scroll of Honour' at the 9<sup>th</sup> Realty Plus Conclave & Excellence Awards 2017

**September 26, 2018:** Arvind SmartSpaces Limited received the Prestigious Rising Brands - Real Estate at the Award Ceremony, presented by Her Excellency Mariam Al Rumaithi, Chairperson - Abu Dhabi Businesswomen Council, and Ms. Chaity Sen, Publishing Director - Herald Global.

**August 25, 2019:** Arvind SmartSpaces was awarded 'Best Real Estate Company' by India News Gujarat at Gujarat First Conclave.

**March 15, 2022:** Arvind SmartSpaces Ltd was recognised as the Developer of the Year - Residential at the CNBC Awaaz Real Estate & Business Excellence Awards.

**April 21, 2022:** Arvind SmartSpaces Limited won the 'e4m Pride of India - The Best of Bharat' Awards 2022'.

**August 01, 2022:** Mr. Kamal Singal was recognised as the Inspiring CEO of India 2022 @ 2<sup>nd</sup> Edition of The Economic Times CEO Conclave

**Dec 16, 2022:** Arvind SmartSpaces was recognised as the Fastest Growing Realty Brand of the Year at 14<sup>th</sup> Realty+ Conclave & Excellence Awards 2022 South

## Project level

**February 20, 2016:** Uplands won 'Integrated Township of the Year - India' award in ABP News Real Estate Awards 2016.

**April 11, 2016:** Uplands was adjudged as 'Integrated Township of the Year' at the prestigious 'The Golden Globe Tigers Award 2016' at Pullman City Center Hotels and Residences, Kuala Lumpur, Malaysia, on April 11, 2016

**July 1, 2016:** Arvind Citadel was awarded the 'Residential Property of the Year' by Realty Plus Conclave & Excellence Awards (Gujarat) - 2016

**December 8, 2016:** Arvind Expansia won the Residential Property of the Year at Realty Plus Excellence Awards (South) 2016 held on 08<sup>th</sup> December, 2016 at Bangalore.

**June 30, 2017:** Uplands by Arvind SmartSpaces was awarded 'Design Project of the Year' at 9<sup>th</sup> Realty Plus Conclave & Excellence Awards 2017.

**July 6, 2017:** Arvind Expansia won 'Luxury Project of the Year' award at the National Awards for Marketing Excellence in Real Estate and Infrastructure organised by Times Network at Taj Lands End, Mumbai, on July 6, 2017

**June 14, 2019:** Arvind Aavishkaar won the 'Affordable Housing Project of the Year' award at the prestigious Realty Plus Conclave & Excellence Award 2019

**September 13, 2019:** Arvind SmartSpaces was awarded 'Best Golf Course Architecture (national award) for Arvind Uplands' at The Golden Brick Awards, Dubai

**March 31, 2021:** Arvind SmartSpaces was recognised as the 'Most Trusted Real Estate Brand of the Year'; Arvind Forreste was conferred 'Most Admired Project of the Year' at the CNN News 18 India Real Estate & Business Excellence Awards 2021.

**August 27, 2021:** Arvind Uplands was recognised as 'Ultra Luxury - Lifestyle Project of the Year' at the Realty+ Conclave 2021

**August 27, 2021:** Arvind Highgrove was recognised as 'Plotted Development of the Year' at the Realty+ Conclave 2021

**August 27, 2021:** Arvind Forreste was recognised as 'Villa Project of the Year' at the Realty+ Conclave 2021

**March 10, 2022:** Arvind Uplands was recognised as the Residential Project of the year at The Economic Times Real Estate Awards - West

**March 12, 2022:** Arvind Elan was recognised as the Iconic Project of the Year at Realty+ Conclave 2022.

**March 15, 2022:** Arvind Bel Air was recognised as the Residential Property of the Year at the Real Estate & Business Excellence Awards

**June 1, 2022:** Arvind Bel Air was recognised as the Digital Innovation

of the Year at the Realty+ Idea Awards.

**June 24, 2022:** Arvind Forreste was recognised as the Themed Project of the Year at the 14<sup>th</sup> Edition of Realty+ Conclave & Excellence Awards 2022 Gujarat.

**June 24, 2022:** Arvind Uplands was recognised as the ultra-luxury project of the year at the 14<sup>th</sup> Edition of Realty+ Conclave & Excellence Awards 2022 Gujarat.

**November 25, 2022:** Uplands won the 'Integrated Township of the Year - India' award in DNA Real Estate & Infrastructure Round Table & Awards on 25<sup>th</sup> November 2016 at Taj Land Ends - Mumbai.

**December 16, 2022:** Arvind Oasis won Themed Project Of The Year at 14<sup>th</sup> Realty+ Conclave & Excellence Awards 2022 South

## Our journey across the years

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**2015**

Listed on NSE and BSE  
following a demerger from  
Arvind Limited

**2018**

Infusion of funds by the  
Promoter and Promoter  
Group

**2016**

Infusion of funds by the  
Promoter and Promoter  
Group

**2019**

Strategic partnership with  
HDFC Capital Advisors for  
long-term platform funding  
Entered the Pune market

# 2020

Commencement of our first project under the Development Management model - Forrester

# 2021

Sales crossed the Rs. 500 Cr mark despite the Covid-19 disruption

In April 2021, a preferential issue of 7.4% equity was made to the Managing Director & Chief Executive Officer

Preferential issue of Rs. 85 Cr was made to HDFC Capital Advisors (8.8% on a fully diluted basis) and Promoters

# 2022

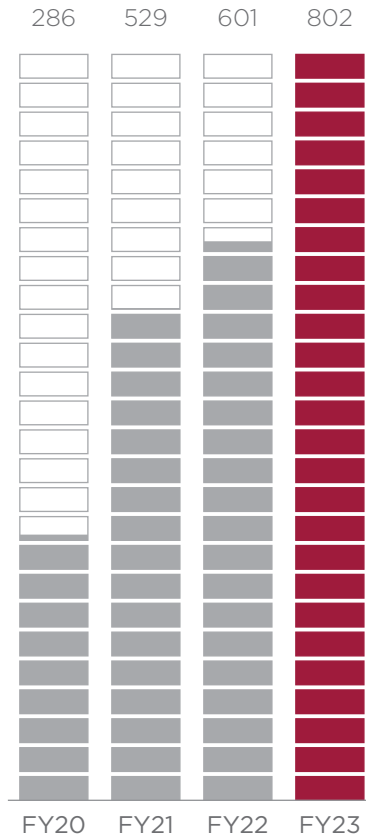
Rs. 900 Cr residential development platform was created with HDFC Capital Advisors with a revenue potential of upto Rs. 5000 Cr

# 2023

Sales crossed the Rs. 800 Cr mark



How Arvind SmartSpaces has strengthened its business across the years



**Bookings (Rs.Cr)**

Growth: (YoY 33%)

**Definition**

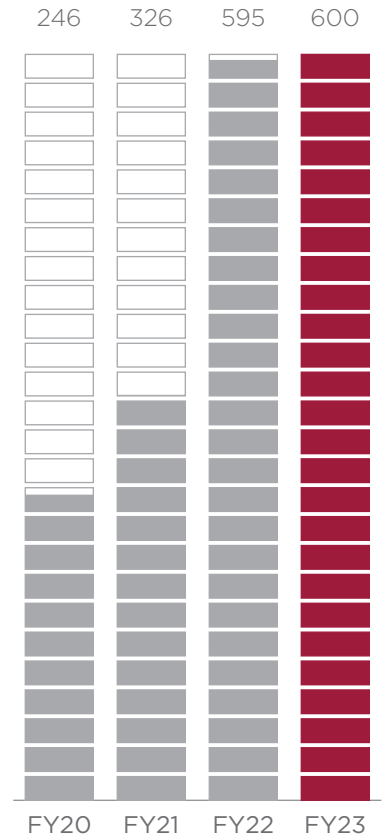
Bookings indicate the value of real estate sold in a financial year, indicating existing and prospective revenues (until handover to the customer).

**Why we measure**

Bookings by value provide an index of prospective revenues, collections and profit.

**Performance**

The Company reported Rs. 802 Cr of booking value in FY22-23, the highest in any year.



**Collections (Rs.Cr)**

Growth: (YoY 1%)

**Definition**

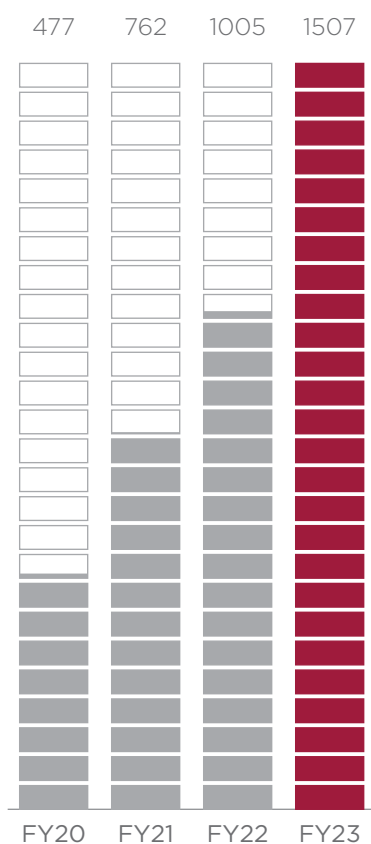
Collections are a financial indicator that measure a Company's ability to collect outstandings on schedule. The higher the collections, the stronger the cash flow.

**Why we measure**

Collections provide an index of the Company's cash comfort in quantum terms.

**Performance**

The Company reported Rs.600 Cr in collections in FY22-23, its highest in a year, highlighting the strong operational cycle of new sales, construction and delivery



### Unrecognised revenue (Rs.Cr)

#### Definition

Unrecognised revenue indicates booking value that has not been recognised in the books of accounts (until transfer of control to the customer). It indicates potential revenue that will flow into the P&L account in the coming years

#### Why we measure

This value provides an index of the prospective size of our P&L account.

#### Performance

The Company reported Rs.1507 Cr of unrecognised revenue as on March 31, 2023.



### Net debt (Rs.Cr)

#### Definition

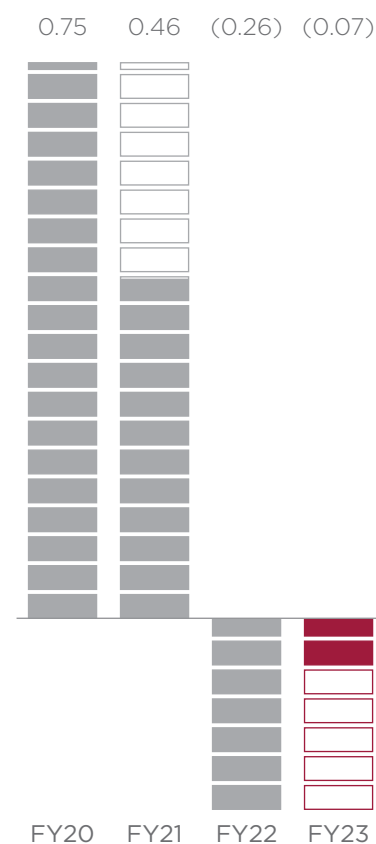
The quantum of debt after deducting cash and OCD / CCD / OCRPS / Zero Coupon NCD on the Company's books. \*The above statement does not include OCD balance of Rs. 38 Cr issued to HDFC Platform 1 (15 years original tenure) after prepayment for joint project in Bangalore, OCD of Rs. 52 Cr issued to HDFC Platform 2 (8 years original tenure + 2 years) for joint project in Ahmedabad and surplus accumulated towards landowners of High Grove and Chirping Woods. The numbers for Gross Debt and Net Debt may appear different in financials basis the reporting as per accounting standards.

#### Why we measure

This number provides a true and fair picture of the Company's intrinsic liquidity

#### Performance

The Company's net debt increased from Rs.107 Cr in FY21-22 to Rs.-29 Cr in FY22-23 due to increased business development.



### Net gearing (x)

#### Definition

This ratio measures net debt to net worth (fewer revaluation reserves).

#### Why we measure

This is one of the defining measures of a Company's financial health, indicating the ability of the Company to remunerate shareholders after servicing debt providers (the lower the gearing the better).

#### Performance

The Company's gearing stood at (0.07) as on March 31, 2023 from (0.26) as on March 31, 2022.

## How we reported a milestone year in **FY22-23**





Highest ever annual sales value of Rs. 802 Cr; a YoY growth of 33%

- Highest ever Bangalore sales value of Rs. 463 Cr in FY22-23, up 228% YoY
- Launched three projects successfully during FY22-23 including Arvind Greatlands, Fruits of Life and Forreste 5, which contributed 56% of the booking value for FY22-23
- For the first time, units sold crossed 1100 units in a year

Highest annual collections of Rs. 600 Cr; a YoY growth of 1%

Acquired new projects with an expected topline of ~Rs. 930 Cr

- Added 60 acres with a topline of Rs. 600 Cr in Bangalore - Doddaballapur Road, North Bangalore and Sarjapura
- Added 125 acres with a topline of Rs. 330 Cr in Ahmedabad - Fruits of Life and South Ahmedabad

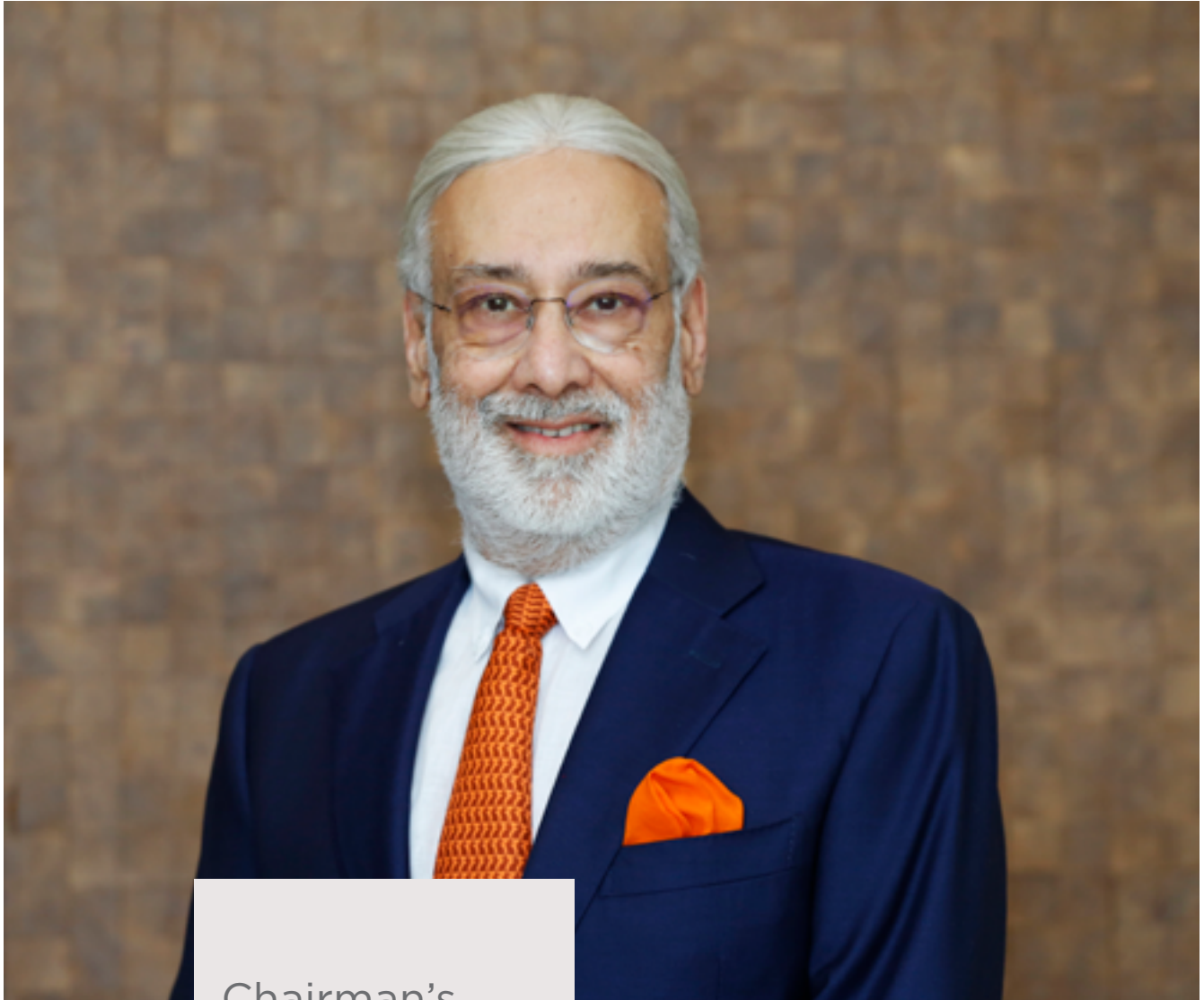
Revenue from operations stood at Rs. 256 Cr as against Rs. 257 Cr in the previous year

EBITDA amounted to Rs. 49 Cr as against Rs. 49 Cr in the previous year

PAT grew by 2% YoY or Rs. 26 Cr as against Rs. 25 Cr in the previous year

The Board of Directors recommended a final dividend of Rs. 1.65 per equity share and one-time special dividend of Rs. 1.65 per equity share (Rs. 3.30 in all) on a face value of Rs. 10 each for FY22-23.





## Chairman's **perspective**

**Sanjay S. Lalbhai**  
Chairman

If there is a central message of my communication, it is that Arvind SmartSpaces is not the usual real estate development company. It is differentiated; it is built with design at its core.

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## Overview

There has never been a more economically optimistic time in the history of India. There is a consensus that the country will grow faster than possibly every country across the foreseeable future and climb from being the fifth largest economy to the third largest by the turn of this decade.

This growth is expected to cascade visibly to the real estate development sector, generally one of the first manifestations of any national economic recovery. This outlook is of relevance to me as an individual, professional and entrepreneur.

I have often been asked where I perceive opportunity in this evolving national landscape. While this may appear to be a simplistic question, the answer is not. It would have been usual for most individuals in my place to answer, 'More property development.' From my perspective, the need to do more of the same – bigger and better, though 'better' is open to interpretation – is boring. A real estate development company engaged in capitalising on an attractive growth runway by doing virtually the same thing it has done in the past indicates an extensive under-utilisation of potential and missing the wood for the trees.

What a changing India needs is a correspondingly transformative approach, which is not more of the same but more of the different. Perhaps nowhere is this need more perceptible than in the real estate development sector, where most properties are being presented around a similar core concept with peripheral changes. Most properties are being marketed around size and location; there are hardly properties that are being positioned around scope and style.

In the sector, the role of design will be more game-changing than ever. More properties will be sold faster because they were designed better – not just in terms of façade or evident spaciousness, but through a superior and prudent curation of lifestyle amenities and facilities. I have used the word 'prudent' judiciously; the curation and combination will not be as much of packing everything into a property as much it will be about the right mix cum balance that makes the biggest lifestyle difference. One cannot over-emphasise the role of design in possibly the largest non-impulse purchase that most people will make in their lives. Design will comprise not just how the property appears but what it may do for those living within.

This is the next big – and enduring opportunity – within India's estate development sector. A modernising and transforming India will need more space to live in; however, this India will also need to live in next generation homes.

By 'next generation', I mean homes whose relevance will deepen across decades; homes that one will not need to change following the next phase of prosperity. What makes this opportunity compelling is that these multi-generation homes will always, when positioned appropriately, encounter a larger demand than the industry's capacity to curate and build.

These homes are being priced better than the prevailing locational or sectorial acreages. These homes are empowering developers to extend beyond the conventional cost-plus approach and graduate into attractively profitable growth companies.

**At Arvind SmartSpaces**, we have positioned ourselves as a company seeking to build multi-generational homes. This warrants an unfactory-like positioning: we build more, and yet we will build better. We may launch more, but yet we will sell faster. We may grow faster, but we will be positioned to be more profitable. We may be present in select and targeted cities, but we will be respected nationally for our strategic clarity and implementation discipline.

If there is a central message of my communication, it is that Arvind SmartSpaces is not the usual real estate development company. It is differentiated. It is a brand with 100 years of legacy and trust, built with design at its core.

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# 120

years of legacy and trust

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Arvind Uplands

Arvind SmartSpaces is an organised developer with access to formal capital and strong governance structures. The Company will seek to provide curated and well thought real estate offerings, enhancing the quality of lives of home buyers.

The other question I am asked is if there is a market for such a concept? We believe that the real estate development momentum in our country is entering the third stage: in the first stage, much of middle-income India lived in small, standalone buildings and houses; in the second phase, this community – now more affluent – moved into gated complexes that appeared to have been rolled off the conveyor belt with minimal differentiation; in the third phase, the same customer seeks to move into properties that are customised around their

lifestyle choices and designed to cater to their individual needs.

**At Arvind SmartSpaces**, we believe that this has happened in a number of countries where homes provide a more enrichingly relaxed existence. Their homes are more spacious, gardens larger, closer to nature and amenities are age-and personal use-appropriate. Modern India will get there as well, influenced no less by the fact that urban road connectivity is improving and broadband connectivity is helping India de-congest. In view of this, we see an opportunity emerging within the gated lifestyle proposition: the coming together of the villa/plot/towers within an exclusive gated facility that is neither too large to become impersonal and neither too small to become inconsequential.

We have selected to 'own' this differentiated market. We do not

wish to be recalled as a real estate company on the grounds that this description is generic and does not faithfully describe our intent; we wish to be recalled as a lifestyle homes curator instead. This differentiated positioning will warrant a design-first approach; it will warrant an ability to work with a range of residential lifestyle options, cherry-pick selectivity based on the location, customer segment and pricing guardrail. This approach will prevent the Company from becoming a commodity and help us push the frontier towards the next frontier on its designs.

We come with a sustainability and design-driven pedigree. The Arvind brand was synonymous with ESG and CSR even before these acronyms were coined. At Arvind SmartSpaces, we are focussed on following a similar path. During the last decade, we distinguished



## We come with a design-driven pedigree.

During the last decade, we distinguished our properties through various initiatives that reconciled aesthetics, spaciousness and a moderated carbon footprint.

our properties through various initiatives that reconciled aesthetics, spaciousness and a moderated carbon footprint.

**At Arvind SmartSpaces**, we recognise that we could do everything right in our business, but if our projects did not empower our buyers to live with a smaller carbon footprint, we would have under-delivered on our rich potential. This is an ethic that runs deep at the Company: we will not just design around comfort but also build around responsibility; we will not only curate to enhance pride but will also build deliver to be good for the earth.

The result is that at Arvind SmartSpaces, we design properties with minimal biodiversity disturbance. We have made an extensive use of eco-friendly products comprising AAC Blocks,

RCC Pavers, fly ash, fiber reinforce plastic, organic waste convertor, renewable energy, water harvesting and sewage treatment plant. The idea is our products are designed to tread lightly on the earth.

**At Arvind SmartSpaces**, this design-led impact will be supported at various levels. For one, we possess no debt on our books, which relieves us from the pressure of compromising our principles for accelerated suboptimal development. Even though the full impact of our property development will only reflect in our books of account once our properties have been completed and delivered, the Company reported strong bookings, collections and profitability in FY22-23. The result is that we finished the year under review with an operating cash flow generation of Rs.201 cr. Drawing

from the strengths and confidence in business performance, I am pleased to share that our Board of Directors recommended a final dividend of Rs. 1.65 per equity share and a one-time special dividend of Rs. 1.65 per equity share.

We are continuously strengthening our business model through a complement of environment sustainability, good governance, disclosures transparency, credible Board of Directors, service orientation and ethical engagement with all our stakeholders.

We believe that we possess the platform, long-term commitment, and strategic clarity to build a company that stakeholders will love.

**Sanjay Lalbhai**,  
Chairman





## Performance review

**Mr. Kamal Singal**

Managing Director and CEO

## Overview

I am pleased to present the FY22-23 performance of the Company.

At Arvind SmartSpaces, we believe that the Indian real estate sector has entered a long uptrend. This optimism is inspired by the understanding that the excess inventory built across the years has begun to decline. This decline was accelerated by the introduction of policy reforms of the last few years that restricted the sector only to organised players. Three years ago, two realities transpired: a continuous decline in home inventory was complemented by increased customer interest in living better. These realities capitalised on an existing trend where mortgage rates, land costs and commodity prices had been affordable for long, enhancing the value proposition of India's real estate asset class.

I am pleased to communicate that even as interest rates and commodity costs rose during the last financial year, the momentum of the Indian housing market was sustained. There was an appreciation in capital values across major Indian cities, coupled with a decline in inventory. There is a growing consensus that the

Indian real estate sector will report sustained growth across the coming years, catalysed by a transformed consumer aspiration that is now visibly reflected in the need to live in functionally designed and distinctive homes.

This transformation in sectorial outlook cascaded into the Company's FY22-23 performance. The Company recorded its highest annual booking of Rs. 802 Cr, a growth of 33% over the previous year. This growth must be seen in the light of the fact that the Indian economy grew around 7.2 per cent during the last financial year.

The highlight of the Company's performance was that for the first time, the number of units sold crossed 1100 units in a year. Brand Arvind continued to resonate with home-buyers across Ahmedabad and Bangalore; this was reflected in the fact that the Company's new launches - Fruits of Life, Forrester V and Greatlands - contributed 56% of booking value in FY22-23.

That this improvement is likely to accelerate is evident from the performance of the fourth quarter when the Company delivered its highest quarterly

booking of Rs. 244 Cr; this was the second consecutive quarter when sales were in excess of Rs. 200 Cr. This sales improvement was corresponded by the highest annual collection of Rs. 600 Cr. Collections were the highest during the fourth quarter, growing 17% YoY to Rs. 188 Cr. The fact that most operating and financial parameters peaked in the fourth quarter indicates the robustness of the business momentum.

The distinctive dimension of this success was not just in the scale of what we achieved but also in the scope. The Company's Greatlands project was sold with speed. The first offering in November 2022, comprising residential units with a total booking value of over Rs. 200 Cr, was sold in ten hours; the second offering residential units with a total booking value of over Rs. 100 Cr was sold in just seven hours. Similarly, the launch of Fruits of Life in Ahmedabad received an overwhelming response with the entire launched inventory of Rs.90 Cr sold within 36 hours (following a launch cycle of only three months). The success of these launches validates the Company's capacity to launch successfully in line with the customer's needs of product, cost, location and aesthetics.

What is creditable is that this accelerated offtake translated into superior cash flows. During FY22-23 and the last quarter of that year, collections were the highest in the Company's existence. This indicated the convergence of an enhanced competence in launches, sales, registrations, construction and delivery. The robust collections and attractive profitability resulted in operating cash flows being

**We are at the right place at the right time with the product offerings around the right price-value proposition to enhance the value for all our stakeholders in a sustainable way.**

more than Rs. 200 Cr. Despite accelerated business development, the Company's Net Debt remained negative at Rs. (30) Cr, indicating enhanced liquidity arising out of earnings.

The principal driver of improvement in the Company's performance was the role of its Bangalore launches. The Bangalore part of the Company's business accounted for Rs. 463 Cr in FY22-23, an increase of a substantial 228%. From accounting for 23% of the Company's total booking in FY21-22, Bangalore bookings increased to 58% during the year under review. This improvement was catalysed by the success of the launch of both phases of its Greatlands offerings, which accounted for complete sale coupled with rapid offtake, strengthening liquidity and revenue predictability. Bangalore is our second home, where the Arvind Group enjoys significant operations and human capital. Over the years, Arvind SmartSpaces has leveraged the group's brand equity in Bangalore and built a meaningful presence marked by a deepening market share. The Company's Bangalore business is expected to be scaled, marked by accelerated launches and business development possibilities.

I am pleased to report that the improvement in our launches did not come at the cost of our financial discipline. There was a turnaround in our liquidity during the last financial year that promises to be the start of a virtuous cycle. The net interest-bearing funds on our books as on March 31, 2023, was Rs. (30) Cr (as against Rs.

(107) Cr as on March 31, 2022), an increase of Rs. 77 Cr during the year). The result is that Net Debt (interest-bearing funds)-to-Equity ratio was (0.07) as on March 31, 2023, as against (0.26) on March 31, 2022.

I must assure our stakeholders that even as the Company was engaged in the construction of ongoing projects and the launch of new properties, it was concurrently engaged in seeding the business for prospective growth.

The Company added a potential topline of Rs. 930 Cr through new project additions in Bangalore and Ahmedabad. The Company added 60 acres in Doddaballapur Road, North Bangalore and Sarjapura projects in Bangalore with a cumulative topline of Rs. 600 Cr. The Company added 125 acres across Fruits of Life and South Ahmedabad projects in Ahmedabad with a cumulative potential topline of Rs. 330 Cr.

While revenues and EBIDTA were virtually at the same level as in the previous year, the undercurrent of new sales and the growth of unrecognised revenue to Rs. 1,507 Cr (as on March 31, 2023) provides optimism that the Company is at the cusp of a robust growth journey.

A significant development during the year under review was the creation of Rs.900 Cr worth residential development platform with HDFC Capital Advisors. The Company and HDFC will invest Rs. 300 Cr and Rs. 600 Cr respectively in this platform. The fund will be utilised to acquire new projects for residential development in

Ahmedabad, Bangalore, Pune and Mumbai Metropolitan Region. The platform will create an overall revenue potential of Rs. 4,000 Cr to Rs. 5,000 Cr, excluding reinvestment potential. The platform is designed to generate a significant upside linked to project performance, adding significantly to the project pipeline. The Company is attractively placed to manage the risk profile of the Balance Sheet in an efficient and effective way. Two projects - Fruits of Life in Ahmedabad and Doddaballapura Road project in Bangalore - have already been added under this platform.

At Arvind SmartSpaces, our optimism is derived from the fact that we focus on delivering real estate solutions that enhance lifestyles for customers in a distinctive way. This focus will deepen, and we are optimistic that we are at the right place at the right time with the product offerings around the right price-value proposition to enhance value for all our stakeholders in a sustainable way.

**Mr. Kamal Singal**

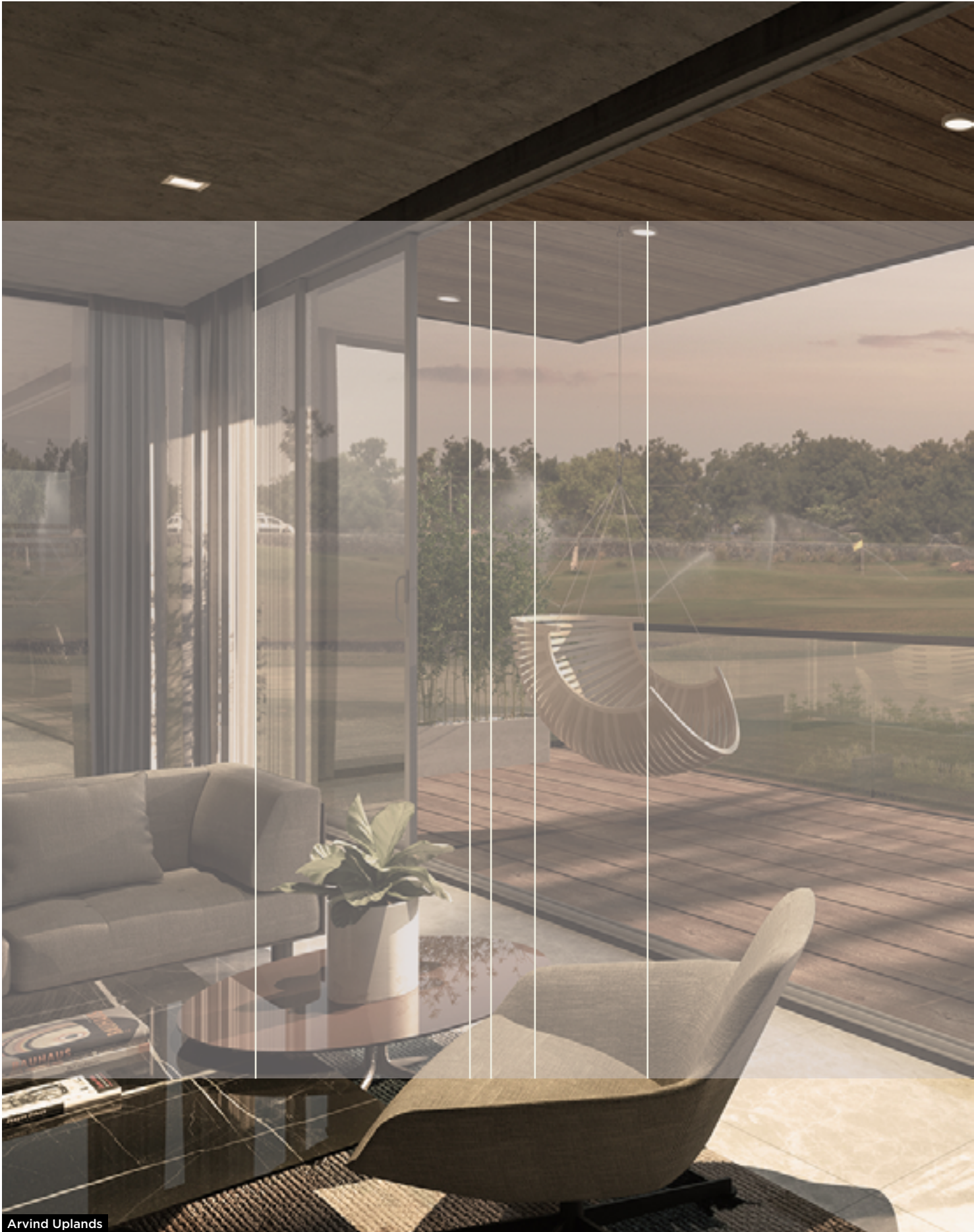
Managing Director and CEO

The principal driver of an improvement in the Company's performance was the role of its Bangalore launches.



Arvind Forreste





Arvind Uplands

## EAGLE VISION

# **Unfactory.** How we are building a completely different kind of real estate company

### Overview

At Arvind SmartSpaces, we are engaged in a business with a virtually untapped headroom. These words have been selected carefully; the operative words are 'virtually untapped', which may come as a surprise to those familiar with the multi-decade nature of our real estate sector.

An explanation from a top-down perspective will enhance clarity on our positioning and prospects.

India is now the most populous country in the world; its non-urban population is also the world's largest corresponding population cluster. This population cluster is migrating consistently into cities, making India potentially the largest urban agglomeration in the world. This indicates that the market for urban real estate could grow exponentially over the long-term.

Even as this real estate market becomes larger, the number of developers has declined in the last few years. Following demonetisation, the introduction of the RERA and the advent of the GST regime, there has been a sectorial churn; the small unorganised players have found the enhanced need for regulatory and municipal compliances beyond their capacity; they have either exited the business or morphed into becoming land aggregators. The result is one of the widest gaps between market demand and competent industry supply that has been seen in a long time.



### Differentiated opportunity

Even as one would have been enthused by this space – volume-driven commodity apartments, at best with the usual complement of predictable features, there is and even bigger and emerging opportunity manifested in products driven and influenced by modern designs, aesthetics and lifestyle preferences of a much more evolved and travelled consumer who has taste, preference, appreciation and capacity to select differentiated products.

The attractive opportunity for such differentiated products exists for some good reasons:

**One**, the segment is marked by relatively low competition which has the ability to price at a premium and generate a superior Return on Equity than what could be derived from commodity properties – for a broad product complement (plots, villas and apartments designed around customer requirements).

**Two**, after the pandemic there is a larger market for relaxed differentiated properties. By ‘relaxed’ one refers to the way these properties are designed and styled distinctively. There is a greater appetite to live better, live within nature and live as an antidote to the stress of modern existence. This is where the differentiated opportunity comes in – neither too large to become impersonal and neither too small to become restrictive. There is a larger traction for such projects in today’s India, where more buyers are recognising ‘This is just the home I need’.

**Three**, the rise of middle and upper middle class in urban India is potentially the biggest driver of growth in Indian economy. This segment of consumers is widely travelled, exposed, has richer lifestyle experiences and hence has enhanced expectations, aspirations and appetite for lifestyle products.

### Attractively positioned

At Arvind SmartSpaces, we possess attractive credentials for addressing this differentiated space.

Differentiation through design and lifestyle resides at the core of Arvind’s mindset. Design is not something we wish to acquire; it is who we are. From bringing some

of the most renowned international lifestyle brands into India to creating design at the center piece of its product strategy in real estate, Arvind has lived this legacy for more than a century.

At Arvind SmartSpaces, by bringing some of the most prominent designers and architects, by creating some of the most innovative real estate ideas like the executive golf courses, world class super-sized club amenities, state-of-the-art infrastructure and tie ups with the best-in-class partners is just our way of living our legacy of design and excellence that has already created a unique niche and



Arvind Highgrove

delivered several large profitable and high ROI projects.

We have created a unique niche not only in vertical developments but also in large scale horizontal lifestyle projects comprising villas, plots, town houses, golf courses etc. In the post pandemic world, preferences evolved into larger, horizontal, spaced out, aesthetically designed homes in emerging city pockets, which have been clear winners. Arvind SmartSpaces will continue to build on a strong track record of executing such lifestyle products.

The growing upper and middle segment in India is not only better exposed to better designs but

also has a significant preference for brands with trust and legacy. Arvind, with a track record of strong governance and discipline, along with being a top of the mind recall brand associated with lifestyle and excellence for more than a 100 years, is poised to capitalise on this opportunity.

**We represent the coming together of a company that is fiscally conservative but creatively audacious; professionally driven business strongly backed by promoters; engaged in a conventional sector with one of the highest proportions of digital sales; engaged in a capital-intensive business with no debt and access**

**to patient, structured capital; we reconcile aggressive scale up with meaningful and profitable growth; we operate in a competitive environment but concurrently generate a healthy return on equity and operating cash flows.**

Across the years, the Company has been asked on various occasions of how best one can describe it.

We have a word that quite describes what we are, how we think and what we do.

**The word is 'Unfactory'.  
The differentiated way.**





## BUSINESS MODEL

# The strategic pillars around which we have built our business

### Asset light

#### **We treat land as raw material:**

At Arvind SmartSpaces, we treat land as raw material as opposed to it being treated as an asset by conventional developers. Where most attempt to enhance value through appreciation, the Company selects to enhance value through accelerated conversion into property creation. In the conventional model, the monetisation tenor is estimated at around ten years while in the model pursued by the Company, the go-to-market is less than nine months with project completion in three to five years. While in the conventional engagement, the focus is on purchase or ownership, the Company has selected to grow through a combination of purchase and partnerships.

**Discipline:** The Company treats the real estate construction business as a process industry, marked by efficiency in land access and execution. This approach is driven by systems, processes, innovation and consumer-centricity.

**Land procurement and monetisation life cycle:** The Company's business is marked by a combination of different approaches for land on the Company's books, land deployed and land monetised. In the first,

all sourcing and procurement is completed in ~3 months; all clearances are completed and commenced in 6-9 months. For deployed land, the project is launched, bookings started immediately on receipt of approvals. For monetised land, the Company completes the sale, construction and collection in 36-48 months.

### Balanced risk profile

#### **Efficient cash flow management:**

The Company targets 30-40% sales from pre-launch activity and successive launch stages to generate a revenue momentum, reducing working capital requirements.

**Debt discipline:** The Company ensures a gearing of below 1.0 due to healthy cash accruals and equity infusion by promoters and HDFC Capital Advisors. The Company could use the headroom available to raise additional low-cost debt while retaining its conservative stance related to leveraging the Balance Sheet

#### **Focused terrain strategy:**

The Company is engaged in conservative horizontal market expansion. The Company treats each market as a business vertical. It will seek to penetrate existing markets marked by a significant

brand presence. Its Ahmedabad exposure will address premium / plotting / villa customers (high end and mid market); its Bangalore presence will address a growing brand-driven mid-market; it will focus on significant markets like Pune and Mumbai.

### Systems and processes

#### **Defined project acquisition**

**process:** The Company works with defined processes for location selection, warranting the involvement of its senior leadership, law firms and landowners.

**Effective sales engine :** The Company's system-driven sales funnel utilises automated data tracking, analytics and call centre across pre-sales, post sales and customer experience management, enhancing the role of digital cum referral sales.

**Design & development:** The Company engages with best-in-class design partners complemented by a professional in-house team.

**Supported by best-in class technology:** The Company is engaged in timely investments in cutting-edge technologies (ERP, Document Management System and Task Management)



Arvind Oasis

### Product innovation

The Company will continue to differentiate its offerings, marked by executive golf courses, homes around sports, jogging track in the sky, lily ponds, international club architecture and urban forest. This will continue to generate a traction from customers who seek such a differentiate lifestyle, reflecting in not just complete project sales but also speed of sale, strengthening liquidity.

### Customer-centric

The Company will seek to delight at every touch point in the customer life cycle through customer-centric offerings, timely delivery, self-service convenience (through the customer portal), value-added maintenance services and innovative Pro-Res services.





Arvind Uplands



## Our differentiating factors in the real estate marketplace

### Efficient and competitive land sourcing

Created joint Development models

Competitive land sourcing

### Successful partnership - long-term value creation

Uplands, High Grove, Arvind B Safai, Tata Value Housing (now under execution by Arvind Ltd.) are examples of successful partnership of Arvind

### On-time execution

100% track record for on-time delivery

### Value for money

Focus on the end customer

Great value through a superior price-product offering over competition

### Leveraging Brand Arvind

Brand equity

Legacy of over 120 years of trust and excellence

### Execution expertise

Executive golf course, company-owned large clubs, Disney tie-up, Sky Club, Sky walk, sport centricity, elevated amenities and common facilities.

10-15% cost advantage through the contracting model, strong in-house technical team and design optimisation

Where  
we wish  
to be  
in **the**  
**future**



### Among India's leading ten real estate players



- Leverage the power of our Balance Sheet and HDFC partnership to grow attractively
- Generate enhanced bookings growth without compromising profitability

### Judicious geographic expansion



- Augment Ahmedabad market share and leadership
- Grow our Bangalore presence substantially
- Address the growing opportunity coming out of the Pune and Mumbai markets

### Strengthen operational excellence



- Accelerate projects execution from project launch to completion to handover
- Deepen technology investments to shrink the construction tenure and enhance digital offtake

### Residential focus



- Focus on the residential segment, the most profitable from a sales velocity perspective
- Judicious mix of horizontal (plotting and villas), vertical (medium income group) and luxury residential offerings
- Enhance destination value through larger land parcels

### Sound capital allocation



- Focus on sustainable and profitable growth
- Acquire six to seven projects in 12 months (cumulative ~Rs. 4,000-5,000 Cr in revenue potential)







## BUSINESS DRIVER

# Strong Sales Engine

## Key highlights, FY22-23

The Company reported the following performance during the year under review.

- Highest annual booking value of Rs.802 Cr, a growth of 33%; new launches performed creditably in new micro markets
- Crossed 1100 units in sales, the highest ever
- Launched three projects (Arvind Greatlands, Fruits of Life and Forrester 5), accounting for 56% of booking value
- Strengthened the Bangalore presence, contributing 58% to the total bookings during the year
- Sold 1108 units as against 542 in the previous year

## How we carved out our spaces

**Ahmedabad:** The Company is one of the leading horizontal (plotting and villa) players in Ahmedabad. The Company has carved out a respect for projects that comprise a larger proportion of open area, enhancing a sense of spaciousness for buyers. Besides, the projects are marked by a high commitment to environment-friendliness. This commitment commences at the design phase, addressing home ventilation, sun path, green materials use and minimal water use.

The Company provides aesthetic yet functional properties, addressing the needs of middle and upper-middle income customers. The Company works with international and national architects of repute, complemented by competent professionals with proven competence (design to delivery).

The result is that Arvind SmartSpaces possesses a rich track record in plotting, villa and villament projects,

capitalising on the horizontal development preference in Ahmedabad. In FY22-23, Fruits of Life was launched in Ahmedabad, which received an overwhelming response with the entire launched inventory of Rs.90 Cr sold within 36 hours.

**Bangalore:** The Company leveraged the Group's brand equity in Bangalore. Following its entry in Bangalore in 2013, the Group added 10 projects (four delivered and six under development). The Company completed several vertical projects like Expansia, Oasis, Skylands and Sporcia. During the year under review, the Company widened its presence in Bangalore, accounting for 57% of bookings. During the year, the Company launched its first plotting project Arvind Greatlands in the city. The Company generated a successful response to Arvind Greatlands Phase 1 and Phase 2 (located in Devanahalli, Bangalore); the entire first inventory phase was sold in just 10 hours in November 2022. This comprised a saleable area of ~0.5 Mn sq. ft. corresponding to a booking

value of more than Rs. 200 Cr. Arvind Greatlands Phase 2 was launched in March 2023; this inventory was completely sold within seven hours, comprising more than 150 units of a value of more than Rs.100 Crs.

## Marketing and advertising initiatives

The Company strengthened its marketing through several initiatives.

- Deepened a systems-driven sales funnel through automated data tracking and analytics
- Integrated software for pre-sales, post sales and customer experience management
- Enhanced digital sales (more than 25% share); a state-of-the-art in-house facilitating call center was set up with a 15-member team
- Moderated the cost of acquired sales at less than 1.75% for most launches
- Sustained a network comprising more than 1,000 partners with detailed CP management systems





Arvind Belair

## BUSINESS DRIVER

# How we are accelerating digitalisation at the Company

With innovation in technology and the launch of multiple media, home buyers now enjoy property selection through multiple platforms (developers, brokers, third party mediators etc.) The direct sales engagement is the most convenient, marked by low human engagement and the highest transparency.

Arvind SmartSpaces responded to this reality with the objective to make customer engagement, marketing and service convenient. The Company's digital engagement is positioned as an experience game-changer intended to take the Company's brand ahead.

The Company's digital sales platform launched for Arvind Belair, Bangalore provides a seamless and transparent experience, marked by service innovation and convenience.

### Platform advantages

The advantages of the Company's digital sales platform comprise the following:

**Convenience:** The platform is accessible 24x7, obviating a need for multiple site visits;

it empowers customers to experience the entire project through an interactive virtual tour. This tour makes it possible to view different residential units room to room from the inside and experience actual views from balconies (shot at the location using a drone).

**Transparency:** The platform showcases the entire inventory and provides a cost break-up, enhancing transactional transparency in an otherwise opaque home buying process.

**Simplicity:** The platform simplicity comprises 'Select unit - Fill the online form - Pay the booking amount'.

**Empowerment:** The platform empowers the customer with a complete control of the home buying journey.

**Convergence:** The Company commissioned the digital sales platform as an extension of its website by combining technologies - website, ERP and virtual reality - to provide a holistic experience.

### Region-wise pre-sales

**463**

Bangalore (Rs.Cr, 57%)

**335**

Ahmedabad (Rs.cr, 42%)

**4**

Pune (Rs.cr, 0.5%)

### Efficient sales mix



■ Digital sales (25%)  
■ Channel partner (45%)  
■ Referral/loyalty (17%)  
■ Direct sales (23%)



**EXCELLENCE DRIVER**

# Customer relationship management

## Overview

At Arvind SmartSpaces, we believe that it is not enough to sell; it is important to engage. It is not enough to deliver a promised product; it is imperative to delight.

## Survey

A critical part of our customer engagement process is the capacity to engage with our customers. Customers provide the purest feedback – on how we may improve our product, service and value proposition.

At Arvind SmartSpaces, we took this engagement ahead by graduating what would have been an academic exercise into one that is integral to our sustainability. The Company engaged in an annual Net Promotion Score survey across customers of its ongoing and delivered projects; the feedback was conducted through direct and telephonic engagement. The Company also conducted a Customer Satisfaction Survey through a third-party consultant across customers of major projects in Ahmedabad and Bangalore (through Google forms and telephony).

## Building customer loyalty

At Arvind SmartSpaces, customer relationship is managed using the Salesforce platform, where responses are measured for all inbound calls and emails. Each customer is assigned a dedicated relationship manager responsible for prompt responses and resolutions. The Company provided customers with a project-specific customer care number and email address to escalate queries. A Customer Care portal helped customers access their property accounts and respective Relationship Manager. The Company engaged customers through the loyalty programme whose first phase was launched, while the second phase is under development.

## Personalised

At Arvind SmartSpaces, we believe in making every customer engagement an opportunity to



Arvind Oasis

**At Arvind SmartSpaces,  
we deliver on time**



leave a favorable impression. The Company strengthened its customer engagement team, comprising a dedicated Relationship Manager, Customer Connect Activities, Post Possession Support and Online Portal (Self-Help Access). The onboarded client is ushered with a welcome call and introduced to the relationship manager. All booking details are verified; hand holding is initiated for the next stage; the client is educated on taxation, TDS filing and other aspects. Besides, clients are sent greetings on dates important to them (birthdays). Besides, clients are updated on corporate activities through a biannual newsletter. The Company curates events for residents after they move into our properties.

### Responsiveness

At Arvind SmartSpaces, we provide customers with project-specific identification number that makes it possible to resolve issues with speed. The Company used the 'My gate' app for those residing in our delivered properties; complaints logged through their apps helped address issues with speed. The engagement was accelerated through a mandate that all incoming and outgoing calls be addressed through Salesforce, enhancing recording and quality scrutiny.

### Outlook

The Company plans to strengthen its loyalty program Arvind Prive, launched in FY22-23 through the addition of personalised features and engagement activities resulting in enhanced referral-driven sales. It seeks to improve process automation and communication to accelerate responsiveness and delight customers.

#### On time

Megatrade  
 | Expansia |  
 Megaestate  
 | Mega Park

#### 3 to 4

Months,  
 Alcove  
 Sporca

#### 6 to 8

Months,  
 Skylands  
 Oasis

#### 18

Months,  
 Aavishkaar



**EXCELLENCE DRIVER**

## We possess a robust financial foundation for sustainable growth

### Overview

At Arvind SmartSpaces, there is a premium on financial sustainability. This need is pronounced in a business where sizable investments may need to be made in property development and other requirements. Besides, the importance of this need is

emphasised by the fact that organised Indian real estate sector has been marked by large debt that has moderated profitability and reinvestment at a time when the sector needs to accelerate in line with the national economic growth and sectorial momentum.

As sectorial consolidation and formalisation accelerate, there will be a bigger priority on a strong Balance Sheet. Besides, the Company's aspiration of emerging among the ten largest real estate players will need to build around a robust financial base, marked by access to liquid resources, absence of debt and no liabilities.

### Our performance

The net interest-bearing funds on our books as on March 31, 2023, was Rs. (30) Cr as against Rs. (107) Cr as on March 31, 2022, an increase of Rs. 77 Cr during the year. This was a result of increased business development.

The Company's net Debt (Interest-bearing funds) to Equity ratio was (0.07) as of March 2023 against (0.26) on March 31, 2022.

The Company moderated the borrowing cost for the debt on its books from 11.5% as on March 31, 2021, to 10.4% as on March 31, 2023.

### Our focus

At Arvind SmartSpaces, we are committed to enhance the role of efficient working capital in our business.

The Company will continue to focus on the launch of properties in line with customer needs that encounter strong traction, marked by 30-40% sales at the pre-launch and launch stages, generating a sizable cash pool to sustain construction. Besides, the quicker these sales are made enhances the Company's liquidity and strength in superior resource procurement – a virtuous cycle. The Company will seek to sustain cash flows, validating its controls on the entire business cycle (acquisition to launch to execution).

The Company is committed to a sustained moderation in the role of debt to a debt-equity ratio of below 1.0, ensuring that it remains sustainable and this translates into a superior credit rating.

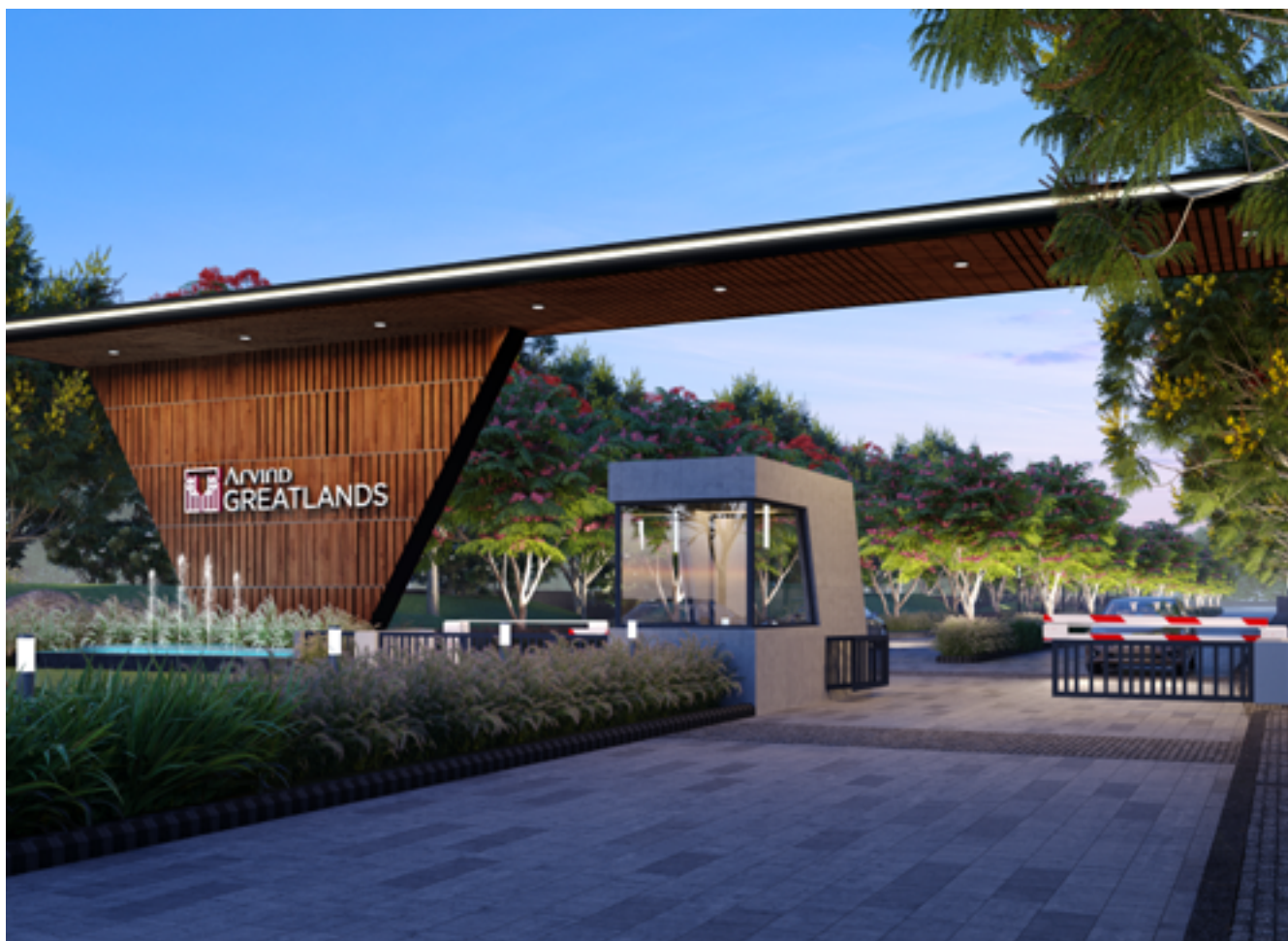
The Company will seek to be adequately capitalised at all times

to remain opportunity-prepared and embark on progressively larger projects.

The Company may judiciously use the headroom available for mobilising cost-effective debt to sustain its growth without compromising its conservative leverage.

The Company will employ consistent applicable accounting standards wherein the revenue recognition will be based on a transfer of control, marked by project completion and performance obligation completion (which could result in a time lag between fresh bookings and financial performance).

The Company will seek to enter into resource mobilisation addressing specific projects that provide the Company with additional capital to



initiate projects that can be repaid as the project progresses (without loading the debt on the Company's Balance Sheet).

### Capital infusions

The promoters indicated their confidence in the business through three timely equity infusions – Rs.51 Cr in May 2016, Rs.53 Cr in February 2018 and Rs.35 Cr in October 21. Besides, the CEO exercised 28,50,000 warrants entailing an investment of Rs.29 Cr, indicating an alignment between the corporate direction and senior management ownership.

### Strategic partnership with HDFC Capital Advisors

The Company strengthened its strategic relationship with HDFC Capital Advisors, marked by the creation of a Rs. 900 Cr platform

in August 2022. The platform will create an overall revenue potential of Rs.4,000-Rs.5,000 Cr, excluding reinvestment potential. The platform structure not only helps eliminate bottlenecks in capitalisation at the Company level, but also possesses flexibility to ensure that long-term patient capital is available while optimising Balance Sheet risk. The sizeable funds being invested by this platform have brought in an orbital change in the scale of operations and the new project pipeline of the Company. HDFC also enjoys an equity ownership in the Company and a seat on the Board, enhancing credibility. The Company set up a separate Special Purpose Vehicle to house the projects under this platform.



### Perspective

“Our partnership with ASL will focus on the development of high-quality housing. This is in line with HDFC Capital's strategy of partnering with top rated developers with a strong track record of development and delivery. We particularly like Arvind SmartSpaces' capital-efficient land sourcing strategy and the strong brand affinity it enjoys with its customers and stakeholders.”

**Mr. Vipul Roongta,**

MD & CEO, HDFC Capital Advisors Limited said

EXCELLENCE DRIVER

## How we are building our growth pipeline

### Overview

At Arvind SmartSpaces, we consistently invest in new business development with the objective to build a pipeline that translates into sustainable growth.

Our new business development is derived from the ability to prospect cities marked a growing appetite for improved living, availability of large land parcels, sub-locations of emerging importance and the right price-value proposition.

### Potential evaluation

At Arvind SmartSpaces, our business development is influenced by distinctive priorities.

**One**, the Company treats land as raw material and its business as one of efficient property development, liberating it from the needs of land banking. In view of this, the Company has invested in its business around a process industry discipline, marked by process efficiency

**Two**, the Company comprises an experienced land acquisition and legal team that vets land titles and other technical issues, making all projects completely safe from a buyer's perspective and translating into a peace of mind

**Three**, the Company's business development is marked by a strong oversight and approval mechanism, making decisions consensual and verified by professionals in positions of authority (directly

handled by the Managing Director and Chief Executive Officer)

**Four**, the business development function comprises methodical due diligence, usually marked by the engagement of reputed law firms with relevant experience

**Five**, the Company's business development is marked by a detailed and conservative viability model that factors all probable business downsides into decision making before proceeding; this comprises strong commercial terms and safeguards

**Six**, the Company enjoys enduring relationships with landowners and channel partners, making it possible to source business development deals and the prospect of being able to liquidate inventory with speed.



Arvind Uplands









Arvind Greatlands

## Focus

At Arvind SmartSpaces, business development represents the capacity to appraise what exists coupled with the ability to perceive what can be.

In view of this, the role of visualisation cannot be discounted. There is a premium on the capacity to estimate how a particular location may evolve, the kind of residents it could attract, emerging connectivity linkages and the projected project lifecycle.

On account of the related challenges, the team at Arvind SmartSpaces develops three kinds of projects – short-term, medium-term, and long-term.

**Short-term projects:** Offer quick returns; the Company's focus is to develop, market and exit.

**Medium-term projects:** Run for four to five years, where the objective is to develop the respect for the neighborhood, resulting in enhanced project acceptability and price appreciation

**Long-term projects:** Extend for around a decade, built in phases; focus is on a consistent revenue model available for reinvestment; land generally purchased early with increased profitability following enhanced project visibility, familiarity and acceptability

## Market analysis

At Arvind SmartSpaces, we have been prudent in our city selection.

We recognise the dangers arising out of an over-extension without fully comprehending locational characteristics. Besides, a successful developer in one region is not necessarily likely to meet with similar success in another.

The related challenges put a premium on the need to study, analyse and understand markets and micro-markets. The Company conducted several trials before moving into Bangalore and Pune where larger and long-standing industry players were present.

In view of the complexities, the Company treats each market as a new business vertical on account of regulatory, viability and technical dynamics. The result is that the Company conducts detailed micro market studies to appraise



locational viability before selecting to buy the land parcel and build.

### Partnership

At Arvind SmartSpaces, we have extended beyond the conventional real estate development approach that comprised outright land purchase coupled with property development.

The Company has selected to enter partnerships or joint ventures instead in exchange for the following business upsides.

**One**, in this arrangement, developers can scale their operations without deploying large capital, making it possible to enhance the sustainability of the business that protects the interests of all stakeholders

**Two**, in this arrangement, the land risk is passed to the landowner, liberating the business developer to focus on managing risks familiar to its domain

**Three**, in the arrangement, developers are empowered to turn projects around faster as the land is usually ready for development (unlike in an outright purchase of land where the developer may need to clear all land related hurdles like conversions or realigning revenue elements before the land is development-ready).

**Four**, joint ventures offer developers higher margins due to a lower upfront investment.

### Outcome and outlook

The Company's ongoing projects increased from 14.0 msf in FY21-

22 to 17.1 msf in FY22-23; planned projects increased from 6.5 msf in FY21-22 to 8.03 in FY22-23. During the year, the Company acquired new projects with an expected topline of ~Rs. 930 Cr. The Company added 60 acres across Doddaballapur Road, North Bangalore and Sarjapura projects in Bangalore with a cumulative topline of Rs. 600 Cr. The Company added 125 acres across Fruits of Life and South Ahmedabad projects in Ahmedabad with a cumulative topline of Rs. 330 Cr. The Company is targeting the deployment of Rs. 1,000 Cr to acquire of about half a dozen projects in the next year across Ahmedabad, Bangalore, Pune and Mumbai with a topline potential of around Rs. 4,000 to 5,000 Cr.



**EXCELLENCE DRIVER**

## Deepening a culture of design excellence

### Overview

At Arvind SmartSpaces, we are engaged in a business that is largely driven by the interplay of functional design and aesthetic presentability. There is a premium on working around the locational dimensions and emerging with a residential solution that enhances life quality.

The Company has drawn from this commitment to design excellence from its promoter and Group

priority. Across the decades, the Group established a reputation for the creation of products that extended beyond the usual and routine; the Group enjoys a recall that 'If it is the Arvind Group, it must be different.' The priority has extended to the nature of properties being developed by the Company, marked by spaciousness, open green area, peace of mind, construction integrity and functional convenience.

### Relevance

At Arvind SmartSpaces, we believe in the increasing design relevance of our offerings. Even as there was always a traction for large properties and spacious residential units (plots, villas and townhouses), there is now an even larger relevance for this value proposition following the pandemic. During the last few years, there has been a customer gravitation towards functional residential apartments, the allocation of one room for professional engagement (following the 'work from home' flexibility) in addition to rooms allocated for specific functions (leisure, dining and rest). Besides, there is a growing traction for walls that

fold and multipurpose furniture, enhancing space efficiency. The feedback-based and iterative nature of engagement makes it possible to adapt and modify design in line with buyer needs.

### Design philosophy

At Arvind SmartSpaces, our design-first approach reconciles the capacity to understand customer needs with customised offerings.

**Sustainable design:** The Company designs properties in harmony with nature, aligned with ventilation, sun path, green materials, and water efficiency. Our properties are designed around sustainability, manifested in the use of renewable energy lighting in common areas,



Arvind Skylands

### Our leadership experience

**30+**

Years, engineering experience

**20+**

Years, architecture and design

### Our knowledge capital

**120**

Engineers

**15**

Architects / designers



car park motion sensor, landscape rainwater harvesting and water percolation pits. Our smart solutions comprise the use of meters to track water consumption; our facility management uses sustainable materials to reduce effluent discharge, water contamination, water recycling and use of low VOC paints.

Our projects comprise minimal biodiversity disturbance; superior landscaping improves residential air quality; the use of sunlight enhances natural lighting; use of energy-efficient interventions help moderate maintenance costs; the use of eco-friendly products (AAC blocks, RCC pavers, fly ash, fiber reinforced plastic, organic waste convertor, solar lights, water harvesting structures and sewage treatment plant) has helped moderate carbon footprint.

### Collaboration

The Company addresses project needs and challenges through a complement of architects, partners, surveyors and architects. Over the years, the Company has worked with best-in-class design partners like Woods Bagot, HOK, RSP and AAA, complemented by a proprietary team of architects.



At Arvind SmartSpaces,  
we do not deliver properties.  
**We promise distinctive experiences.**



**Uplands:** Executive golf course and disney clubhouse



**Sporcia:** Homes around sports



**Skylands:** Jogging track in the sky



**Belair:** Club in the air



**Highgrove:** 3 acres of lily pond



**Forreste :** Urban forest



**Fruits Of Life:** Community fruit orchards



**Oasis:** Water bodies



## Management discussion and analysis



### Global economy

**Overview:** The global economy entered 2022 with the worst of the Covid-19 pandemic over in most countries leading to enhanced cross-border movement of men and materials. By this time, several countries had implemented fiscal and monetary policies to support their economies, including direct payments to individuals and businesses, low-interest rates, and quantitative easing. These policies helped mitigate the pandemic impact.

However, this relief was short lived as Russian Ukraine conflict started

in early 2022, affecting the global economic sentiment in general and the energy and petrochemical sectors (with their respective supply chains) in particular. Energy prices began to ease by late 2022 and there was optimism that global trade would build on the 2.7% growth reported in 2022 and perform better in 2023. (Source: Market Watch)

As the Russia-Ukraine conflict progressed, there was a cascading impact on global inflation. At 8.8%, the highest in decades, inflation impacted disposable incomes and consumption the world over. To



counter this, global central banks moved to increase interest rates that affected the performance of most economies in 2022 and extended thereafter into 2023. (Source: European Council).

The combination of the conflict, inflation and liquidity tightening by central banks moderated global economic growth from 6% in 2021 to 3.2% in 2022.

**Outlook:** The energy shock in Europe came without a recession; the projected market price of gas over the next three years is more than 70 per cent lower, and almost 10 per cent lower than March 2023 forecasts by central banks. If this sustains, the EU region

Regional growth (%)	2022	2021
World output	3.2	6
Advanced economies	2.5	5
Emerging and developing economies	3.8	6.3

could witness lower inflation and improving consumption.

The global economy is projected to grow at 2.6% in 2023 with global inflation being projected at 5.9% in 2023. As of April 30, 2023, none of the world's largest economies - China, US, European Union, India, Japan, UK, and South Korea - are in a recession even as the central banks of most countries have increased interest rates. These large economies are weathering

realities; almost 70% of the global economy demonstrated resilience. The challenges related to global logistics are declining as the post-pandemic world normalises. Supply chain disruptions made de-risking a priority. The result is that stable geopolitical regions or countries like South East Asia and India now anticipate investments by large corporations in diversifying their supply chain. (Source: Financial Times)

## Indian economy

**Overview:** India reported an estimated economic growth of 6.9% in FY22-23, helping retain its position as the second fastest-growing G20 economy and the fifth-largest global economy, which augurs favourably for the global economy.

### India's real GDP growth (%)

FY 20	3.7
FY 21	(6.6)
FY 22	8.7
FY 23E	6.8

### Indian economy growth, quarter by quarter, FY22-23

Q1FY 23	13.1
Q2FY 23	6.3
Q3FY 23	4.4
Q4FY 23	6.1

(Source: Budget FY23-24; Economy Projections, RBI projections)

India's resilience was reinforced by its decision to turn to Russia for cheaper oil that resulted in sizable savings. This prevented the country's inflation from rising further, protecting the competitiveness of its manufacturing sector. India's exports grew 27.16%. India came out with a 'dynamic and responsive' foreign trade policy aiming to push rupee trade, increase outward shipments to USD 2 Trn by 2030 and promote e-commerce exports. The approach of the Foreign Trade Policy (FTP) 2023 is to move from 'incentive to remission'-based regime, encourage collaboration

between exporters, States, districts and Indian Missions, reduce transaction cost and develop more export hubs.

The country's current account deficit declined to 2.2% of GDP in Q4 FY22-23 from 3.7% of GDP in Q2 FY22-23 following a lower merchandise trade deficit and growth in services exports (26.79% y-o-y increase to USD 322.72 Bn). The country's foreign exchange reserves crossed the USD 600 Bn mark as the exchange rate stabilised and there were record remittance inflows from non-residents of USD 107 Bn in FY22-

23. The increase in reserves was partly because of dollar and gold purchases by the RBI and partly due to the an increase in the value of non-dollar assets. The weakening of the Indian currency, stability of the economic momentum, widening of production-linked incentives for manufacturers, competitive wage structure and the world seeking a non-China supply chain partner could strengthen an India opportunity.

India's share in world commercial services exports increased from 3% in 2014 to 4% in 2021. Thereafter, as supply chain challenges, demand

shock of the pandemic and the Russia-Ukraine crisis waned, India's services exports strengthened. Services exports grew 26.8% to USD 322.7 Bn in FY22-23, the highest ever.

What provides optimism is that even as the global structural shifts are creating a wider berth for India's exports, the country is making its largest infrastructure investment. This unprecedented investment is expected to translate into a building block that, going ahead, moderates logistics costs, facilitates a quicker transfer of products and empowers the country to become increasingly competitive. This can benefit India's exports in general, benefiting several sectors like chemicals. (Source: IBEF, India Times, Economic Times)

After the 'China plus one' policy, the world is now discussing the 'European Union plus one' policy. The Indian government

is showcasing the country to multinational companies as a non-China and non-EU destination where they can commission factories. In the Amrit Kaal of independence, comprising 25 years leading to the hundredth year of the country's independence in 2047, India will focus on four 'I's of infrastructure, investment, innovation and inclusion, strengthening its positioning as a global investment destination.

The Economic Survey prepared by the CEA stated that the consumer price inflation (CPI) in India went through three phases in 2022. A rising phase up to April 2022 when it crested at 7.8%, then a holding pattern at around 7% up to August 2022 and then a decline to around 5.7% by December 2022. The rising phase was largely due to the Russia and Ukraine conflict and a shortfall in crop harvests due to heat wave in parts of the country. Heat waves in summer and uneven rainfall thereafter affected the farm sector,

reducing supply and increasing prices of major products. (Source: Economic Times, India Times). India's retail inflation or consumer price index-based inflation (CPI) hit a 15-month low at 5.66 per cent in March versus 6.44 per cent in February. India's factory output, based on the Index of Industrial Production (IIP), rose 5.6 per cent in February 2023 versus 5.2 per cent in January 2023.

The Wholesale Price Index (WPI) inflation stood at 1.34 per cent in March 2023 versus 3.85 per cent in February 2023. WPI inflation stood at 4.80 per cent in January 2023. The WPI inflation hit a 29-month-low in March. Decline in the rate of inflation in March 2023 was primarily contributed by a fall in the prices of basic metals, food products, textiles, non-food articles, minerals, rubber / plastic products, crude petroleum, natural gas and paper and paper products.

### Inflation trend

Year	Indices	Jan	Feb	Mar	Apr
2023	CPI	6.52%	6.44%	5.66%	5.09%
	WPI	4.73%	3.85%	1.34%	-0.92%
2022	CPI	6.01%	6.07%	6.95%	7.79%
	WPI	12.96%	13.11%	14.55%	15.08%

(Source: Forbes, Business Today, CMIE)

A complement of these fundamentals had a catalytic influence on global interest in India. With the economy of most countries turning weaker on account of the factors indicated earlier, global investable capital remained focused on India even though the quantum of foreign direct investment declined in line with the global economic weakness. The fact that after three consecutive years of a rise in India's foreign exchange reserves, the

inflow declined by around USD 70 Bn in 2022 to USD 578.44 Bn as on March 31, 2023, must be seen in a positive light that global interest as sustained in a transforming India.

Besides, at a time when most neighbouring economies became increasingly vulnerable, India's currency weakening was limited - from Rs. 75.91 to a US dollar to Rs. 82.34 as on March 31, 2023. India's per capita income increased a sizable 15.8 percent over the

previous year, indicative of an upside in government policies translating into enhanced general prosperity; as a result, per capita incomes almost doubled in nine years to Rs.172,000 by the close of FY22-23. This indicates the potential to create a larger middle-class with a larger consumption-based economy. When this increase is complemented by the fact that India is now the world's most populous country, the quantum of prosperity shift could

create a multi-year foundation for downstream consumption-based sectors and resource-based industries feeding the former (the chemicals sector included). Besides, much of the optimism appeared to be coming from the fact that India's GDP per capita of 2,320 USD (March 2023) was now closing in on the inflection figure of USD 2500, when it is assumed (based on a review of peer countries) that personal consumption increases with a follow-on spike in economic growth.

It would be pertinent to mention that India's consumption-based growth was manifested most visibly in the country's tax collections, providing the government with the resources to reinvest and build a virtuous cycle. India's goods and services tax (GST) collections achieved its second highest monthly collection of Rs. 1.6 Lac Cr in March 2023, indicating that the momentum is likely to sustain. India is reporting progressively higher tax collections despite having announced lower GST rates, validating the catalytic moderated tax impact on the Indian economy. This upside, in turn, was generated from increased entrepreneurial activity, businesses weathering headwinds and accelerated government reforms.

(Source: PIB)

The construction of national highways in FY22-23 was 10,993 Km; the Ministry of Road Transport and Highways awarded highway contracts of 12,375 km in the last financial year; the Union Budget FY23-24 raised capital investment outlay for infrastructure by 33% to Rs. 10 Lac Cr, equivalent to 3.3% of GDP and almost three times the FY19-20 outlay. The Indian government intends to accelerate road construction in FY23-24 by 16-21% to 12,000-12,500 km. The

overall road construction project pipeline remains at 55,000 km across various execution stages.

### Union Budget FY23-24 provisions

The Budget FY22-23 sought to lay the foundation for the future of the Indian economy through projects like PM GatiShakti, Inclusive Development, Productivity Enhancement & Investment, Sunrise Opportunities, Energy Transition and Climate Action, as well as Financing of Investments. The capital expenditure of the Indian government expanded 35.4% from Rs. 5.54 Lac Cr to Rs. 7.50 Lac Cr. An outlay of Rs. 5.25 Lac Cr was made to the Ministry of Defence (13.31% of the total Budget outlay). An announcement of nearly Rs. 20,000 Cr was made for the PM Gati Shakti National Master Plan to catalyse the infrastructure sector. An expansion of 25,000 km was initiated for the national highways network. An outlay of Rs. 1.97 Lac Cr was announced for Production Linked Incentive schemes across 13 sectors.

**Outlook:** India is expected to grow 6.8% in FY23-24, catalysed in no small measure by 35% infrastructure outlay by the government. India's retail inflation could decline from 6.6 percent to 5.2 percent in FY23-24. The growth in India's personal disposable incomes is expected to sustain; the demographic dividend factor is expected to become manifest; there is a rising aspiration among the country's citizens to live better; the country's consumption economy is expected to deepen. These realities are likely to strengthen demand for manufactured products, including the chemicals sector that accounts for an intrinsic component of most consumer and industrial products.

India is expected to continue holding its fastest growing, large

nation tag. This could create tailwinds for the Indian economy, as global capital and technology finds India a favourable economic destination in an otherwise weak global economic order. This shall create employment opportunities and strengthen the domestic demand base of the country as India becomes a preferred global supplier backed by an improving ease of doing business and global competitiveness scores.

Besides, the outlook for the Indian economy appears encouraging, following the emergence of green shoots in rural demand, retail inflation beginning to tip downwards, corporate Balance Sheets having demonstrated resilience, inflation remaining controlled and Current Account deficit beginning to decline. With India passing through two prominent State elections in 2023 and 2024 being the year of a general election in the country, there will be a premium on geo-political stability for the country to attract investments.

### Indian real estate sector review

Real estate sector is one of the fourteen major economic sectors in India. The market is experiencing significant growth and is expected to grow to USD 9.30 Bn by 2040 from USD 1.72 Bn in 2019.

(Source: IBEF)

This growth momentum is further expected to be catalysed by an unwavering demand in residential market reaching a record nine-year high despite a 250-bps policy rate hike by the Reserve Bank of India in FY22-23 to combat inflation. Moreover, established developers with a proven execution record are finding a growing market for their under-construction inventory, although ready inventory



remains the preferred choice for homebuyers. The real estate sector in India is likely to grow from 6-7 per cent to around 18 per cent by 2030. This growth can be propelled even faster through a focus on strong governance, simple single window-type regulations, and

by leveraging technology as a differentiator, thereby making the sector more attractive to capital. With Indian cities projected to add 416 Mn urban dwellers by 2050, urban development is expected to impact carbon emissions significantly. Sustainable cities are

the key to achieving the circular economy model for the real estate sector, facilitating the efficient use of resources and minimising waste.

(Source: IMAC report)

### Industry trend

City	Launches			Sales		
	FY21-22	FY22-23	Changes	FY21-22	FY22-23	Chnages
Mumbai	62,456	92,611	48%	60,785	83,921	38%
NCR	31,839	64,836	104%	43,361	58,833	36%
Hyderabad	36,643	44,577	22%	24,402	32,353	33%
Bangalore	33,246	45,387	37%	41,474	53,090	28%
Pune	31,667	40,960	29%	33,870	43,473	28%
Ahmedabad	15,628	21,201	36%	9,971	14,182	42%
Chennai	13,523	15,648	16%	11,276	14,522	29%
Kolkata	9,544	12,035	26%	14,428	12,791	-11%
Total	2,34,547	3,37,254	44%	2,39,567	3,13,165	31%

(Source: Knight-Frank report)

#### Big numbers

**2<sup>nd</sup>**

Highest employer in India after agriculture

**13**

% contribution to the country's GDP is expected by 2025

**1**

USD Trn in market size forecasted by 2030

In FY22-23, a total of Rs.3.13 Lac residential units were sold across the major eight real estate markets, reflecting a year-on-year (YoY) growth of 31%. Additionally, the number of new home launches increased significantly by 44% YoY, with 3.37 Lac new units added in FY21-22.

The ticket-size category of less than Rs.50 Lac witnessed a decline in sales from 45% in 2020 to 42% in 2022. Conversely, the segments of Rs.50 Lac to one Cr and greater than one Cr observed an increase in sales from 35% to 37% and 20% to 21%, respectively. The high income categories were less

impacted by pandemic-induced income disruptions than expected, and the initial weak sentiments and lockdown periods resulted in a surge in savings rates, leading to the current upswing in demand.

The time it takes to sell all the unsold inventory decreased from 10.2 to 7.2 quarters in the second half of 2022. This led to a lower Quarters to Sell (QTS) level, which is a measure of market health and sales traction. A lower QTS level is generally considered better.

(Source: Knight-Frank report)



Arvind Elan

## Key demographics

**Ahmedabad:** Ahmedabad has always been a hub for industries with some of the biggest industrial houses headquartered here. Industry friendly policies have led to the establishment of large sector specific industrial hubs. However, in recent years, the government has put in place forward looking policies to encourage the development of the BFSI and IT/ITES sectors. The share of IT and BFSI is only expected to increase as GIFT City grows and Dholera Smart City comes up. Ahmedabad makes a compelling case for inclusion in the top IT cities based on development in the last decade. Ahmedabad has witnessed strong completion of office space largely in SG Highway, Thaltej, Satellite, Gandhinagar and GIFT City. Most

of the commercial take-up in the region has been by IT/ITeS and BFSI which created end-user-driven demand for the residential segment in the North and West. Phoenix Palladium and Nexus One are two big malls in the central/western region of the city with Lulu group announcing a Rs.30 Bn mall in the city – India’s largest mall, reinforcing the city’s growth story.

The city has witnessed tremendous infrastructure boost initiated by the government over the last decade. This includes metro (38km operational and 29km upcoming) and upgradation of several road systems (Ahmedabad-Vadodara, SP Ring Road, SG highway etc.). The city is also well-connected to major hubs through railways (recent addition of Vande Bharat till Mumbai, high-speed rail

corridor expected by 2027) and an international airport (7<sup>th</sup> busiest airport with 5.7 Mn passengers in FY21-22). The city is also well-connected to local hubs like Gandhinagar, Sanand (Gujarat’s auto hub) and Smart Cities in the making like Dholera (upcoming SIR with airport).

According to the Knight Frank Affordability Index, Ahmedabad is possibly the most affordable housing market in India. This is because households in Ahmedabad only need to spend an average of 22% of their income in liquidating their housing loan EMI. Ahmedabad’s real estate sector is thriving due to various factors such as the development of plotting projects, the emergence of GIFT City as a major market trigger and strong demand for real estate in the

region. The residents' willingness to invest in real estate is high, which indicates a positive outlook for Ahmedabad's real estate market.

The demand for residential and office space in Ahmedabad showed a remarkable increase in 2022, with a growth rate of 58% and 88%, respectively, compared to the previous year. These figures are significantly higher than the national average. Likewise, there has been a consistent momentum in the supply of real estate units in Ahmedabad, with an estimated launch of 21,201 units in FY22-23. This represents a 36% increase in year-on-year terms, highlighting the sustained growth in the real estate market. In terms of sales, the market grew by 42% to 14,182 units.

The demand for real estate properties in the Rs.50 Lac to Rs.100 Lac ticket size segment increased from 15% to 30% between H1 2018 and H2 2022. This mid-segment has been driven by the need to upgrade primary residences, accommodate lifestyle requirements and in-migration from rural areas to frontline cities. Conversely, the share of sales for properties with ticket sizes less than Rs.50 Lac has gradually decreased from 76% in H1 2018 to 60% in H2 2022. The ticket-size category of more than Rs.100 Lac has also witnessed an increase in sales from 8% to 10% between H2 2021 and H2 2022.

By the end of H2 2022, the unsold inventory increased by 42% YoY to 22,977 units. However, this figure is still 39% less than what the market carried in 2016. The Ahmedabad residential real estate market continues to be driven by high affordability, comparatively lower prices per square foot and an improving local economic environment. These factors are expected to support market

traction despite any macro-economic headwinds.

(Source: Knight-Frank report)

**Bangalore:** Residential launches in Bangalore grew by 37% YoY in FY22-23 to 45,387, whereas sales grew by 28%YoY to 53,090. Residential sales reached an eight-year peak, while office transaction volume recorded its second-best performance in the same year. This positive momentum is a testament to the city's thriving real estate industry and highlights the ongoing demand for residential and commercial properties.

During H2 2022, 46% of the total launches were in South Bangalore supported by end user demand. Attibele, Sarjapur, and Kanakpura Road attracted key launches across categories, viz. affordable, mid and luxury segments. The development of metro lines on Bannerghatta Road, Hosur Road, Outer Ring Road connecting key employment clusters in Outer Ring Road (ORR), Secondary Business District (SBD) and Peripheral Business District (PBD) South contributed to the real estate prospects of South Bangalore.

Over the past few years, the sale of expensive residential units priced over Rs. 1 Cr has significantly increased due to the growth of high-paying IT sector and the expansion of start-ups and unicorns in Bangalore. This resulted in higher nominal per capita income in Bangalore, standing at Rs. 5,41,638, as per Karnataka Economic Survey FY21-22, which is considerably higher than the national average of Rs. 1,50,000. In FY22-23, the proportion of residential sales for units above one crore rose to 28% in 2022 from 14% in FY18-19. In H2 2022, the weighted average price of residential units in Bangalore increased by 7% YoY to Rs. 5,511 per sq. ft, mainly due to strong demand

and higher construction costs for new projects. Despite the rise in prices, there has been no significant impact on buyer sentiment so far.

Till December 2022, Bangalore's real estate market witnessed a reduction in the volume of unsold inventory to the lowest level in a decade, thanks to strong demand. The number of unsold units fell to 57,398 and the quarters-to-sell (QTS) ratio reached a historical low of 5 quarters. Overall, the real estate market in Bangalore displayed impressive growth in 2022, with both residential and office transactions experiencing substantial activity.

(Source: Knight-Frank report).

**Pune:** Over the past few years, the residential market in Pune experienced attractive growth. In FY22-23, the annual housing sales increased by 28% YoY, reaching 53,090 units. The majority of migrant workforce, particularly salaried employees who opt for housing mortgages, makes up a significant portion of homebuyers, their outlook toward the market remains optimistic, despite consecutive mortgage rate hikes that have affected their purchasing capacity. On the supply side, Pune's real estate market saw a growth of 29% YoY in the number of new residential launches, with a total of 40,960 units launched.

In the Pune residential market, there has been a shift in the contribution of various ticket sizes. The sales of residential properties priced between Rs. 50 Lac - 1 Cr showed a significant increase in market share from 40% in FY21-22 to 45% in FY22-23. On the other hand, residential sales of properties with a ticket size of less than Rs. 50 Lac decreased in share from 52% in FY21-22 to 46% in FY22-23. This change in the share of contributions can be attributed to





The Edge

a general rise in product prices. Additionally, residential properties priced over Rs.1 Cr also experienced an increase in share from 8% in FY21-22 to 9% in FY22-23.

In the second half of FY22-23, residential real estate prices in India showed a Y-o-Y growth of 7%. The initial hike in prices by developers was due to the rising prices of raw materials. However, strong demand since enabled them to maintain prices. The quarter-to-sell (QTS) indicator for the market decreased from 6.3 quarters in FY21-22 to 4.6 quarters in FY22-23, demonstrating the high demand for real estate in Pune market. New and old projects were absorbed, evident from a reduction in the age of unsold inventory from 12.7 quarters in FY21-22 to 11.7 quarters in FY22-23.

(Source: knight-frank report)

**Mumbai:** Residential launches in Mumbai grew by 48% YoY in FY22-23 to 92,611, whereas sales grew by 38%YoY to 83,921. In March 2023, Mumbai city (area under BMC

jurisdiction) clocked highest ever collection in the last 10 years with property sales registration of 13,151 units in March 2023. Of the total properties registered, 84% were residential while 16% were non-residential.

The performance of Mumbai residential market notwithstanding, several challenges comprised the implementation of metro cess, effectively raising the stamp duty by 1% and rise in housing prices. Strong consumer sentiments reinforced by a increase in income levels, and need for home ownership were key enablers for residential sales in the Mumbai market.

A significant proportion of the homes sold in H2 2022 remained in the less than Rs. 50 Lac ticket size although their share shrunk from 51% in H2 2021 to 48% in H2 2022. The Rs. 50 Lac to 100 Lac ticket size market expanded, recording a 32% share take-up in H2 2022 from 23% in H2 2021. This shift was explained by a growth

in property prices. The weighted average residential property prices registered an upward movement since H1 2021. In H2 2022, the residential prices witnessed a 7% YoY increase.

In the coming 18 months Mumbai could witness the completion of four landmark infrastructure projects and provide a long overdue infra upgrade to India's largest property market. Execution on these USD 10 Bn worth infra projects - Mumbai Trans Harbor Link, Coastal Road, Mumbai Metro Line-3 and Navi Mumbai Airport, is in its last phase; with project openings likely over 4Q23-4Q24. The combination of the Trans Harbor link and the new airport opening up by end 2024 could improve connectivity to the Extended Eastern suburbs (Navi Mumbai, Panvel, Kalyan / Dombivli).

## Growth drivers

### **Favourable macro-economic factors:**

The Indian real estate sector is witnessing a remarkable growth phase driven by favourable macroeconomic factors. The country's rising population, increasing urbanisation and growing disposable incomes are boosting demand for both commercial and residential properties. The estimated shortage of housing in urban areas is around 10 Mn units in FY22-23 and an additional 25 Mn units of affordable housing are required by 2030 to cater to the country's urban population growth. Consequently, India has emerged as one of the top 10 markets worldwide for appreciating housing prices.

(Source: ibef.org)

### **Most Preferred asset class:**

According to a survey conducted among 4662 respondents, real estate was found to be the most preferred asset class, with 61% of the respondents investing in it. This was followed by 26% investing in the stock market, 8% in fixed deposits (FD) and 5% in gold. The survey highlights the popularity of real estate as an investment option among the Indian population. Despite the growth and popularity of digital investment options, traditional asset classes like real estate continue to hold their ground in terms of demand and investment attractiveness.

(Source: Anarock report)

**Supportive demographics:** The demand for real estate as the preferred asset class is primarily driven by millennials between 25 and 40 years. According to a survey, 52% of millennials chose real estate as their preferred asset class, higher than the other age groups. The Generation X cohort between 41 and 56 years follows with 30%, while Generation Z,

aged between 6 and 24 years and Baby Boomers, aged between 57 and 75 years, make up 11% and 7%, respectively. This highlights the changing preferences of investors and underscores the need for real estate developers to cater to the requirements of millennials, who are showing significant interest in investing in real estate.

(Source: Anarock report)

### **Market up-cycle and strong baseline:**

The real estate up-cycle is expected to remain strong due to factors such as lifestyle changes, demand for contemporary amenities and the increased adoption of hybrid work models. The cycle is primarily driven by end consumption, making it more sustainable. New launches are contributing to the cycle's growth and there is a good baseline demand for the industry. Organised players in the industry are benefiting from consolidation, even in a slower market. Overall, the industry is seeing sustained growth, driven by consumer demand

**Brand factor:** Corporate players with a strong brand in real estate have an advantage in land deals as buyers place high value on the credibility and capability of the buyer to close the deal within the timeframe with strong cash flows and balance sheet. Buyers are smarter and more selective in choosing partners who can honour promises. This tilt towards corporate players creates opportunities for them in competitive advantages and better deals, despite competition and rising prices in the general market.

**Increasing investment:** NRIs are expected to invest a record USD 14.9 Bn in India's real estate sector in FY22-23. FDI of up to 00% in townships and settlements development projects is allowed, with FDI inflows of USD 55.5 Bn

from April 2000 to December 2022. Private equity investments in the sector reached USD 3.4 Bn in 2022, indicating strong investor interest. These huge inflows are catering to the capital-intensive nature of the industry driving the market.

(Source: ibef.org)

### **Consumer confidence:**

RERA (Real Estate Regulation and Development Act) played a crucial role in boosting the Indian real estate sector by promoting transparency and accountability. It increased consumer confidence and encouraged developers to complete projects on time, which improved the overall quality of construction. RERA also streamlined the industry by ensuring that developers comply with regulations and preventing fraudulent practices. A survey conducted by Magicbricks revealed that 71% of homebuyers prefer to invest in RERA-registered projects, indicating that RERA has become a crucial factor in homebuyers' decision-making.

**Fractional ownership:** The real estate market in India has been witnessing a growing interest in the concept of fractional ownership. With the availability of instruments like REITs and real estate mutual funds, investing in real estate is no longer restricted to large lump sum investments. This has opened up opportunities for small-time investors to be a part of the growth journey of the real estate sector. As per ICRA estimates, Indian firms are expected to raise >Rs. 3.5 Trn (USD 48 Bn) through infrastructure and real estate investment trusts in 2022, as compared with raised funds worth USD 29 Bn to date.

(Source: ibef.org)

## Union Budget allocation

The Indian government has introduced several policy measures in the Union Budget FY23-24 to support the growth of the real estate sector, demonstrating its ongoing commitment to the industry.

### Infrastructure & investment:

According to the Union Budget FY23-24, the government increased capital expenditure of Rs. 10 Trn, which is a 33% increase, is expected to boost the real estate sector by improving infrastructure, transport and urban development. The Budget aims to revitalise 50 airports, heliports, water aerodromes and advanced landing zones and invest Rs. 2.4 Trn in railway capex, the highest-ever amount. Rs. 750 Bn will be invested in 100 critical transport infrastructure projects and Rs. 100 Bn will be allocated to urban development. These investments are likely to create a strong

foundation for future demand in the real estate sector, as improved connectivity and quality of life make areas more attractive for real estate investments.

### Urban Infrastructure Development Fund:

With an investment of Rs. 100 Bn, the establishment of the Urban Infrastructure Development Fund (UIDF) is a proactive and constructive move towards global advancement. In addition to the growth of infrastructure and investment in tier 2 and tier 3 cities, it will lead to the increase of commercial and residential areas. This will also increase private sector investment and boost the economy.

**Reaching the last mile:** The Indian government is highly focused on addressing the housing needs for low-income groups. This is evident in the Union Budget FY23-24, which has increased the funding for the Pradhan Mantri Awas Yojana (PMAY) by 66% to over Rs. 790 Bn.

### Sustainable cities of tomorrow:

The Indian government has partnered with affordable housing developers to utilise land parcels held by PSUs, addressing the high cost of land in the sector. The allocation of Rs.160 Bn to construct 'sustainable cities of tomorrow' is expected to improve the quality of life and increase long-term real estate potential in several cities by delivering integrated infrastructure, mobility and urban sustainability.

**Financial impetus:** The Union Budget FY23-24 aims to enhance financial inclusion and ease credit access through digital services. Rs. 90 Bn has been allocated for collateral-free credit of Rs. 2 Trn for MSMEs and a national financial information registry will be established. The Budget also aims to boost business activities in GIFT IFSC through several measures. These steps are expected to have a positive impact on the real estate sector.

## Company overview

Arvind SmartSpaces Ltd (ASL) is a real estate development company that was established in 2008 in Ahmedabad, as a wholly owned subsidiary of Arvind Limited. ASL is a part of the Lalbhai Group, which is USD 1.7 Bn dollar conglomerate, and operates as its real estate arm. The Company's residential projects include villas, apartments and plots, which are targeted towards middle income and high-income group customers. The Company's existing integrated townships comprise executive golf course with villas, apartments, retail, commercial and recreational areas. On a selective basis, ASL also undertakes commercial and industrial projects. As of FY22-23, ASL has completed 4.9 Mn square feet of projects,

while 17.1 Mn square feet of projects are ongoing and around 7.9 Mn square feet are in the pipeline.

### Project overview

Arvind SmartSpaces Ltd is focused on the development of real estate projects in the residential, commercial and industrial segments. As of March 31, 2023, the Company's ongoing and pipeline projects are categorised into mid-segment projects (69%), premium/luxury projects (23%) and affordable projects (8%).

### Company's strengths

**Strong promoter support:** Arvind SmartSpaces Ltd (ASL) benefits from its strong promoter linkages as it is a part of the Lalbhai Group, which includes flagship companies such as Arvind Limited and Arvind

Fashions Limited and shares the same brand name. The promoter company currently holds a little more than 50% stake in ASL, which further signifies their confidence in the Company. Furthermore, the companies have common Directors on their Boards, which further strengthens their linkages and reinforces their support for ASL.

### Low fixed cost business model:

ASL maintains low fixed costs by centralising key functions and relying on outsourcing for non-core activities and entire construction activities, with a small on-roll team of around 250 people and 70% of projects through joint developments.

**Improving credit rating:** India-Ratings upgraded ASL's Long-Term Issuer Rating to 'IND A' with a



Positive Outlook, driven by healthy collections that improved presales-to-net debt and net debt-to-working capital ratios. The strong internal accruals and reduced debt have enabled headroom for future debt for strong business development.

### **Strong sales and steady cashflow**

In the fiscal year 2023, Arvind SmartSpaces Limited (ASL) recorded a significant increase in presales, which rose to Rs. 802 Cr, supported by the sales of ongoing projects and the launch of new projects or additional phases. This enabled a net operating cash flow of Rs. 201 Cr.

### **Diversified geographic presence across varied ticket size**

ASL's projects are moderately diversified in terms of ticket size and geographic presence. Of its current projects, 23% are luxury, 69% are mid-segment and 8% are for affordable housing. The Company concentrates primarily on residential projects and has a strong presence in Ahmedabad and Bangalore. ASL announced a major project in Pune and is exploring opportunities for further diversification in the Mumbai Metropolitan Region, signalling a desire to expand beyond its focus on Ahmedabad and Bangalore.

### **Horizontal development**

The pandemic and the ensuing hybrid work culture caused a paradigm shift in people's priorities with homebuyers not only looking for bigger homes but also independent ones with increased focus on health and security. Affinity to own land also increased post pandemic. Built-to-suite feature in plotting segment provides additional flexibility to consumers.

Villas are seen to be gaining traction in Bangalore among millennial buyers with overall demand for villas in Bangalore going up by 30-40 percent in the last two years. About a decade back, villas were a luxury proposition catering to a niche section of homebuyers. The pandemic triggered the preference for larger, open spaces and unlocked villas to the masses. Today, they are more compact, and more affordable. The additional attraction of owning the land and being the whole and sole proprietor of the property. Improved infrastructure, including the development of satellite towns, metro lines, and expanded road networks across Bangalore has enabled developers to offer villas in areas away from the central business district.

For developers, large horizontal developments present, opportunities and challenges. Besides complex land aggregation and regulatory challenges, this product segment needs long term vision and conviction. At the same time, it gives better returns in medium and long-term due to the benefits of scale and greenfield infrastructure development.

Arvind SmartSpaces, has created several benchmarks and set standards in the plotting, villa and villament space even before the pandemic, as the concept of second home was quite popular in Ahmedabad. Post pandemic, ASL strengthened its presence in this space, with products that were 'designed to inspire' the consumers with amenities like golf courses, large luxury clubhouses, etc. Our most recent plotted project, Arvind Greatlands in Bangalore, stands as a testament to our

capabilities, having sold the entire second phase: an impressive 150 plots worth Rs. 100 Cr within just 7 hours of launch in March 2023. This followed, the success of the first phase of Arvind Greatlands where 400 units worth Rs. 200 Cr were sold out within ten hours of launch in November 2022. Fruits of Life, a plotted development project in Ahmedabad witnessed an overwhelming response with the entire launched inventory of Rs. 90 Cr sold within 36 hours. Arvind Uplands, a premium golf-based villa township witnessed 3x increase in realisation in the last 3 years. With our proven expertise in this space, Arvind SmartSpaces is positioned to leverage the tremendous potential in this segment.

### **Arvind brand**

The 'Arvind' brand has a strong mindshare across India due to the Lalbhai Group's 120 year legacy that presides over a wide portfolio of businesses including textiles and clothing, branded apparels, technical textiles, water stewardship, omni-channel, telecommunications and heavy engineering. Arvind Group is a USD 1.7 Bn conglomerate, run by professional management. The Arvind brand is synonymous with values, repute, strong governance and CSR. This helps Arvind SmartSpaces with various aspects of business including entering into joint development agreements, expanding to new cities and markets, formulating business associations, build deeper relationships with our customers, service providers, process partners, investors and lenders.

## Financial overview

Arvind SmartSpaces Limited and its subsidiaries are primarily into residential segment operating in and around Ahmedabad, Bangalore and Pune market. The Company is currently executing 11 projects through own land, joint ventures and joint development model. The Company has successfully executed 11 projects till date, completing ~4.9 Mn sq. ft.

2022-23 has been a year of milestones for the Company. The Company achieved the highest fresh sales and collections in its history and have deleveraged the balance sheet thereby positioning the Company optimally to take advantage of new opportunities to

increase penetration in the focus markets and segments. The Fresh sales have grown by 33% to Rs. 802 Cr. For the first time, the number of units sold crossed 1,100 units milestone annually. Brand Arvind continues to resonate strongly with homebuyers across Ahmedabad and Bangalore markets. This is evident from the stellar performance of our new launches including Greatlands, Fruits of Life and Forreste V, which contributed 56% of booking value for FY22-23. The Bangalore presence strengthened, contributing 58% to the total annual bookings. Both the phases of Greatlands received an overwhelming response from customers. The Bangalore region

is shaping well and is expected get stronger with increased launches and business development.

FY22-23 collections at Rs. 600 Cr, a growth of 1%, were the highest in the Company's history, a result of efficient execution of the virtuous process of focus on sales, registrations, construction and deliveries. The net debt equity ratio on a consolidated basis as on March 31, 2023 is (0.07) compared to (0.26) as on March 31, 2022.

During the year, ASL consolidated revenue from operations stood at Rs. 256 Cr and Profit attributable to equity holders increased by 2% to Rs. 26 Cr.

## Project portfolio

The description of all completed projects of the Company until the close of FY 23 is provided below

City	Project	Table Saleable (Sqft)	Booked (Sqft)	Unsold Inventory (Sqft)	Booking Value (Rs. Cr)	Revenue Recognised (Rs. Cr)	^Collections (Rs. Cr)	Average Price (Price till date) Rs. / Sq ft
Ahmedabad	Aavishkaar	5,45,524	3,84,818	1,60,706	106	70	84	2,748
	Alcove	10,32,660	9,84,150	48,510	25	25	25	251
	Citadel	1,01,859	1,01,859	-	55	55	55	5,407
	Megaestate	59,180	24,994	34,186	8	8	8	3,265
	Megapark	5,01,222	4,61,484	39,738	27	27	27	575
	Megatrade	82,526	73,723	8,803	30	29	30	4,110
	Parishkar/ Trade Sq	9,15,809	9,15,809	-	254	254	254	2,776
Bangalore	Expansia	1,40,276	1,40,268	8	75	75	75	5,351
	Oasis	5,72,074	4,95,780	76,294	275	230	249	5,542
	Skylands	4,91,111	4,89,631	1,480	266	264	265	5,442
	Sporcia	5,01,265	4,99,960	1,305	235	234	234	4,693
	Total	49,43,506	45,72,476	3,71,030	1,356	1,272	1,306	

The description of all ongoing projects of the Company is provided in the table below:

City	Project	Table Saleable (Sqft)	Booked (Sqft)	Unsold Inventory (Sqft)	Booking Value (Rs. Cr)	Revenue Recognised (Rs. Cr)	^Collections (Rs. Cr)	Average Price (Price till date) Rs. / Sq ft
Ahmedabad	Chirping Woods	13,39,092	8,62,583	4,76,509	94	-	64	1,088
	Forreste I - IV	29,58,846	23,82,276	5,76,570	338	23	224	1,420
	Forreste 5	9,43,164	2,58,138	6,85,026	53	0	7	2,055
	Fruits of Life -Launched	13,18,959	11,56,716	1,62,243	102	-	22	886
	Highgrove	43,77,033	24,14,286	19,62,747	228	26	168	946
	Uplands One	31,92,901	28,77,754	3,15,147	479	309	434	1665
	Uplands Two	12,89,128	9,63,787	3,25,341	285	13	198	2953
Bangalore	Belair	4,69,620	3,06,645	1,62,975	184	-	115	6,013
	Edge	1,68,244	54,148	1,14,076	38	-	14	7,024
	Greatlands	9,52,862	7,53,323	1,99,539	298	-	33	3,950
Pune	Elan	1,34,952	63,836	71,116	45	-	30	6,978
	Total	1,71,44,781	1,20,93,491	50,51,290	2,144	370	1,309	

\*Forreste is a project under the Development Model (DM). The revenue recognition for Forreste for Arvind SmartSpaces Ltd. would be limited to DM fees only. During the year, the Company launched Greatlands, Fruits of Life and additional phase in Forreste.

## Financial Performance (Standalone)

<b>Equity Share Capital</b>	The equity share capital of the Company as on March 31, 2023, stood at Rs. 4,531.20 Lac as compared to Rs. 4,246.20 Lac as on March 31, 2022.
<b>Net Debt Equity</b>	The Net debt equity ratio of the Company as on March 31, 2023, was at (0.05) as compared to (0.30) as on March 31, 2022.
<b>Revenue</b>	The revenue from operations of the Company was Rs. 11,727.81 Lac in the FY22-23 as against Rs. 12,017.05 Lac in FY21-22, a decrease by 2%.
<b>EBITDA/Operating Margin</b>	EBITDA margin during the financial year FY22-23 stood at 14% as compared to 25% for the previous financial year.
<b>Finance Costs</b>	Interest & Financial Charges for the financial year FY22-23 was Rs. 556.64 Lac as compared to Rs. 1,137.33 Lac in the previous year, a decrease by 51%, which was predominantly on account of lower of borrowings during the year.
<b>Net Profit</b>	Net profit available for appropriation for the year FY22-23 stood at Rs. 3,827.31 Lac as compared to Rs. 3,904.48 Lac in the previous year.
<b>Earnings Per Share (EPS)</b>	The Company's Basic Earnings Per Share (EPS) during the current year was Rs. 8.71 as compared to Rs. 10.08 in the previous year and Diluted EPS is Rs. 8.41 as compared to Rs. 9.82 in the previous year.
<b>Debtors Turnover</b>	The Company's debtor's turnover ratio during the current year was 73.35 as compared to 52.90 in the previous year.
<b>Inventory Turnover</b>	The Company's inventory turnover ratio during the current year was 0.25 as compared to 0.27 in the previous year.
<b>Interest Coverage Ratio</b>	The Company's interest coverage ratio during the current year was 0.91 as compared to 0.31 in the previous year.
<b>Current Ratio</b>	The Company's current ratio as on March 31, 2023 was 1.07 as compared to 1.22 in the previous year.



<b>Debt Equity Ratio</b>	The Company's debt equity ratio as on March 31, 2023 was 0.10 as compared to 0.00 in the previous year mainly on account of fresh borrowings during the year.
<b>Net Profit Margin (%)</b>	The Company's Net profit margin ratio during the current year was 32% as compared to 33% in the previous year.
<b>Details of any change in Return on Net Worth</b>	The Company's return Net worth ratio as on March 31, 2023 was 9% as compared to 12% in the previous year mainly due to additional equity infusion.

### Financial Performance (Consolidated)

<b>Equity Share Capital</b>	The equity share capital of the Company as on March 31, 2023, stood at Rs. 4,531.20 Lac as compared to Rs. 4,246.20 Lac as on March 31, 2022.
<b>Net Debt Equity</b>	The Net debt equity ratio of the Company as on March 31, 2023, was at (0.00) as compared to (0.27) as on March 31, 2022.
<b>Revenue</b>	The revenue from operations of the Company was Rs. 25,591.68 Lac in the FY22-23 as against Rs. 25,684.41 Lac in FY21-22
<b>EBITDA/Operating Margin</b>	EBITDA margin during the financial year FY22-23 stood at 19% as compared to 19% for the previous financial year.
<b>Finance Costs</b>	Interest & Financial Charges for the financial year FY22-23 was Rs. 1,399.47 Lac as compared to Rs. 1,683.41 Lac in the previous year, a decrease by 17%, which was predominantly on account of lower of borrowings during the year.
<b>Net Profit</b>	Net profit available for appropriation for the year FY22-23 stood at Rs. 2,560.75 Lac as compared to Rs. 2,505.83 Lac in the previous year, an increase of 2%
<b>Earnings Per Share (EPS)</b>	The Company's Basic Earnings Per Share (EPS) during the current year was Rs. 5.83 as compared to Rs. 6.47 in the previous year and Diluted EPS is Rs. 5.63 as compared to Rs. 6.30 in the previous year.
<b>Debtors Turnover</b>	The Company's debtor's turnover ratio during the current year was 130.23 as compared to 146.52 in the previous year.
<b>Inventory Turnover</b>	The Company's inventory turnover ratio during the current year was 0.15 as compared to 0.18 in the previous year.
<b>Interest Coverage Ratio</b>	The Company's interest coverage ratio during the current year was 0.89 as compared to 0.21 in the previous year.
<b>Current Ratio</b>	The Company's current ratio as on March 31, 2023 was 1.55 as compared to 1.59 in the previous year.
<b>Debt Equity Ratio</b>	The Company's debt equity ratio as on March 31, 2023 was 0.29 as compared to 0.06 in the previous year mainly on account of fresh borrowings during the year.
<b>Net Profit Margin (%)</b>	The Company's Net profit margin ratio during the current year was 11% as compared to 10% in the previous year.
<b>Details of any change in Return on Net Worth</b>	The Company's return Net worth ratio as on March 31, 2023 was 8.39% as compared to 10.77% in the previous year mainly due to additional equity infusion.

## Risk management

ASL is committed to a high standard of business conduct with effective risk management policies to achieve sustainable business growth, safe-guarded interest of stakeholders and to ensure compliance with applicable legal requirements. In line with this objective, ASL laid out a well-established Risk Management Policy to identify risks, prioritise risks according to their impact and likeliness on the project.

Following are some of the major risks that ASL faces in its business activities with their respective mitigating measures:

<p><b>Economic risk:</b> The real estate industry players often experience unstable cash flows because of high economic cyclicity. During a downturn, the demand is severely affected.</p>	<p><b>Mitigation:</b> The Company has adequate mitigating measures including diversified business operations in Ahmedabad, Bangalore and Pune. The Company is also in the process of expanding to Mumbai Metropolitan Region. We undertake effective cost management and maintain adequate liquidity to mitigate any downturn in economic cycle.</p>
<p><b>Operational risks:</b> Key operational risks faced by ASL include longer gestation period for procurement of land, time taken for approvals, delay in completion and delivering projects according to the schedule leading to additional cost of construction, lower customer satisfaction etc.</p>	<p><b>Mitigation:</b> ASL addresses these issues within a well-structured framework which identifies the desired controls and assigns ownership to monitor and mitigate these risks. ASL has taken cautious price increases wherever necessary to protect margins. ASL invested in Enterprise Resource Planning (ERP) for developing in-house systems to ensure strict monitoring of project activities and raising flags for exceptions, if any. The same is being strengthened with the implementation of SAP. The Company's Corporate Governance policies ensure transparency in operations, timely disclosures and adherence to regulatory compliances, leading to enhanced stakeholder value.</p>
<p><b>Project risk:</b> Project risk can arise from cost overruns and/or subdued sales, leading to lower collection for real estate companies.</p>	<p><b>Mitigation:</b> As of March 31, 2023, ASL minimised project completion risk by having committed receivables of Rs. 884 Cr from already booked units, which exceeds the balance construction cost (excluding the land share of JV partners) towards ongoing projects.</p>
<p><b>Interest rate risk:</b> Interest rate risk refers to the risk of changes in interest rates that can impact the cost of borrowing and the value of real estate investments. Higher interest rates can increase borrowing costs and reduce demand for real estate.</p>	<p><b>Mitigation:</b> ASL mitigates liquidity risk by maintaining cash reserves, diversifying funding sources and regularly monitoring cash flow and liquidity. Additionally, the Company maintained a low borrowing cost at 10.4% as on March 31, 2023.</p>
<p><b>Liquidity risk:</b> Liquidity risk is a significant concern for real estate companies as it can impact their ability to meet short-term obligations and complete projects on time. Liquidity risk can lead to higher financing costs, damage to reputation, forced asset sales and reduced investment opportunities.</p>	<p><b>Mitigation:</b> As of March 31, 2023, the Company had a Net debt to Equity of (0.07) and during FY22-23 the operating surplus cash flow was -Rs. 200 Cr. There is a significant headroom to raise fresh debt by leveraging the existing projects within a comfortable debt to equity ratio. The Company's operating cash flow outlook is strong. These sources of funds are expected to be adequate to meet the near-to-medium-term funding needs of ASL.</p>

<p><b>Concentration risk:</b> The companies may face concentration risk due to their dependency on a limited number of projects or markets for their revenue streams.</p>	<p><b>Mitigation:</b> The Company mitigated this risk by maintaining a de-risked product presence through a combination of horizontal and vertical offerings, such as plotting, villas, luxury and MIG residential housing across operating geographies in India.</p>
<p><b>Raw material risk:</b> Substantial fluctuations in raw material pricing may result in a significant increase in the price of the property. The Company will bear the expense, which may have an impact on the top line. Passing it exclusively to consumers will stymie demand.</p>	<p><b>Mitigation:</b> The Company's supply chain is clearly established. With suppliers, the business established standard pricing for the supply of essential raw materials over a predetermined time period. Further, the Company took up price increases in a measured way for all such mitigation.</p>
<p><b>Regulatory and political risk:</b> Any adverse changes in government policies towards continued boost towards real-estate sector and new stringent compliance norms introduced by the regulatory body can pose significant regulatory and political risks for real estate companies.</p>	<p><b>Mitigation:</b> The Company maintains a strong relationship with local and national government officials, staying up-to-date on regulatory changes and with a crisis management plan in place to address any potential political or regulatory issues.</p>

## Customer-centricity

The Company implemented NPS (Net Promoter Score) during the year. Customer satisfaction is now measured by doing an NPS survey once every year across the ongoing and delivered projects. The feedback is gathered by way of Survey forms as well as calling. The Customer Satisfaction Survey through the third-party consultants, Tomorrow's Market Innovators Pvt. Ltd. for our customers across major projects in Ahmedabad and Bangalore. The survey was done through Google forms and telephony mediums.

Customer relationships are now managed using Salesforce as the tool where timely responses are tracked and measured for inbound calls and emails. Each customer is assigned a dedicated relationship manager who is responsible for ontime client responses and query resolutions. We have provided our customers, the project specific

customer care number and email ids to address their concerns and queries, A Customer Care portal was developed where customers access their property accounts and can reach respective Relationship Managers.

We are also engaging customers through a loyalty program Arvind Prive, which was launched during the year. Arvind Prive is an exclusive loyalty and referral program, curated especially for the homeowners of Arvind SmartSpaces. With this initiative, we wish to enrich your living experiences through our community engagement initiatives and make your journey more memorable. We aim to offer a bouquet of bespoke offers and special promotions, exclusive events and experiences, and curated blogs to enthrall, excite and pamper our home owners.

Our customers have project specific ids to put forth any issues they have and our team members ensure to resolve the same. We are also using the 'My gate' app for the members residing in our schemes. They log-in their complaints through the application only and our team takes care to resolve the same in a timely manner.

During the year, several customer enagement activities, including Hasya Kavi Sammelan, Uttrayan event, musical evening and Holi event were organised across our projects.



**Internal Control & its Adequacy**

The Company has an Internal Audit team and an Internal Control System, which is further supported by external audit firm and group assurance team, commensurate with the size, scale and complexity of its operations. Moreover, the Company’s Internal Audit team alongwith external reviewers possess adequate experience and expertise in internal controls, operating system and

standard operating procedures. The system is supported by approved documented policies, guidelines and procedures in line with best industrial practices to monitor business and operational performance which are aimed at ensuring business integrity and promoting operational efficiency.

The Internal Audit team regularly reviews the adequacy of internal control systems in the Company, its compliance with operating systems and laid down policies

and procedures and conducting annual audit of Internal Financial Controls. Based on the report of the internal audit function, process owners undertake corrective action within the stipulated timeline in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are presented on quarterly basis to the Audit Committee of the Board of Directors of the Company.

**ERP**

The Company continued to focus on upgrading the IT infrastructure – both in terms of hardware and software. The Company successfully implemented Sales Force. The software is being leveraged for lead management and CRM with monitoring of customer queries and quality of responses along with documentation. The Company is in the process of implementation and migration from existing In house ERP and other soft wares to SAP integrated with Sales Force as a robust integrated ERP, which will cater to the ever-changing business needs to facilitate informed decisions.

**Legal Compliance Tool**

In order to ensure transparency and full compliance of the applicable laws, Company has developed a comprehensive tool which covers entire gamut of compliances applicable to company business. This tool enables the Company to track and ensure compliance to the regulations in the prescribed time frame. At the same time, it also provides opportunity to develop an efficient plan for go-to market strategy for its projects.



14<sup>th</sup> Realty+ Conclave & Excellence Awards 2022 - South : Themed Project Of The Year - Oasis



14<sup>th</sup> Realty+ Conclave & Excellence Awards 2022 - South Fastest Growing Realty Brand of the Year



Inspiring CEO of India 2022 @ 2<sup>nd</sup> Edition of The Economic Times CEO Conclave



Digital Innovation Of The Year for Arvind Belair - Online Booking Platform



Idea Realty+ Indian Digital Excellence Awards 2022 - Marketer Of The Year - Viral Shah



Business World CFO - 40 Under 40



Realty+ 40 Under 40

### Human resources management

The Company believes that the quality of its workforce is crucial to its success and is dedicated to providing them with the necessary skills and knowledge to adapt to advancements in technology. During the year, the Company maintained positive relations with its employees and focused on providing training and skill development opportunities to help them navigate the changing work environment. As of March 31, 2023, the Company employed 289 permanent employees.

### Cautionary statement

Certain statements in this Management Discussion and Analysis, describing the Company's objectives, outlook and expectations, may constitute "forward-looking statements" within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed or implied. Several factors make

a significant difference to the Company's operations, including climatic conditions, economic scenario affecting demand and supply, Government regulations, taxation, natural calamity and such other factors over which the Company does not have any direct control.





# Directors' Report

*Dear Members*

Your Directors have pleasure in presenting the Fifteenth Annual Report on the business and operations of the Company together with the Audited Financial Statements for the financial year ended on March 31, 2023.

## 1. FINANCIAL PERFORMANCE:

The highlights of the Financial Performance for year are as under:

[Rs. In Lacs]

Particulars	Standalone		Consolidated	
	FY22-23	FY21-22	FY22-23	FY21-22
Revenue from Operations	11,727.81	12,017.05	25,591.68	25,684.41
<b>Profit before Finance costs, Depreciation and Amortisation &amp; Tax</b>	5,417.74	5,842.35	5,626.75	5,668.17
Less: Finance Costs	556.64	1,137.33	1,399.47	1,683.41
Less : Depreciation and Amortisation	128.01	93.85	270.90	150.77
<b>Profit before share in profit/(loss) of Joint ventures &amp; Tax</b>	4,733.08	4,611.17	3,956.38	3,833.99
Share of Profit/(Loss) from Joint ventures	1.33	(71.97)	1.33	(71.97)
<b>Profit before tax</b>	4,734.41	4,539.20	3,957.71	3,762.02
Less : Current Tax	900.76	627.69	1,698.67	2,614.95
Less : Deferred Tax	6.34	7.03	(523.67)	(1,330.07)
<b>Profit for the year</b>	3,827.31	3,904.48	2,782.71	2,477.14
<b>Total comprehensive income for the year</b>	3,810.30	3,905.62	2,765.70	2,478.28
<b>Net Profit/(Loss) attributable to :</b>				
Equity holders of the parent	-	-	2,560.75	2,505.83
Non-controlling interest	-	-	221.96	(28.69)

## 2. COMPANY'S PERFORMANCE / STATE OF COMPANY'S AFFAIRS:

Real estate sector is one of the fourteen major economic sectors in India. This growth momentum is further expected to be catalysed by a sheer and unwavering demand in residential market reaching a record nine-year high despite a 250-bps policy rate hike by the Reserve Bank of India in FY22-23 to combat inflation. In FY22-23, a total of Rs. 3.13 Lacs crore residential units were sold across the major eight real estate markets, reflecting a year-on-year (YoY) growth of 31%. Additionally, the number of new home launches increased significantly by 44% YoY, with 337, 254 new units added during FY22-23. The real estate up-cycle is expected to remain strong due to factors such as lifestyle changes, demand for contemporary amenities and the increased adoption of hybrid work models. The cycle is primarily driven by end consumption, making it more sustainable.

The Company's consolidated financial performance shows flat revenue growth from operations for

FY22-23 with a growth of ~0% over last year to Rs. 25,592 Lacs. The EBITDA % to revenue from operations has remained flat around 19% in both FY21-22 and FY22-23. The profit after tax attributable to equity holders for the year has grown by 2% to Rs. 2,561 Lacs with similar levels of revenue recognition. The Net Debt to Equity ratio on a consolidated basis as on March 31, 2023 is -0.07 as compared to -0.26 as on March 31, 2022 increased mainly due to fresh capital investments for new project/land.

The Pre-sales of the Company during the year has continued its strong momentum with achievement of Rs. 80,200 Lacs with 33% growth over last year backed by successful launches of Greatlands phase 1, Greatlands phase 2 and Fruits of Life. The momentum in collections continued with ~Rs. 60,000 Lacs of collections during the year.

A more detailed analysis and commentary is available in the Management Discussion and

Analysis section of this report including project wise status on booking and revenue.

There are no material changes and commitments affecting the financial position of your company, which have occurred between the end of the FY22-23 and the date of this report.

Further, there has been no change in the nature of business of the Company.

### **3. DIVIDEND:**

Your Directors have recommended a final dividend of Rs.1.65/- per equity share and one-time special dividend of Rs.1.65/- per equity share, totaling to Rs.3.30/- per equity share of Rs.10/- each (i.e. 33%), for the financial year ended on March 31, 2023. Dividend pay-out is in accordance with the Company's dividend distribution policy and will be payable subject to approval of members at the ensuing Annual General Meeting and deduction of tax at source to those Shareholders whose names appear in the Register of Members as on the Record Date. The dividend, if approved by the members, would involve a cash outflow of about Rs.1495.30 Lacs.

The Dividend Distribution Policy containing the requirements mentioned in Regulation 43A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, can be accessed at the following Web-link: <https://www.arvindsmartspaces.com/wp-content/uploads/2022/08/Dividend-Distribution-Policy.pdf>

### **4. TRANSFER TO RESERVES:**

The Directors have decided not to transfer any amount to the General Reserve for the year under review.

### **5. DETAILS OF MATERIAL CHANGES FROM THE END OF THE FINANCIAL YEAR TILL THE DATE OF THIS REPORT:**

No Material Changes have taken place from the end of the financial year till the date of this report.

### **6. SHARE CAPITAL:**

During the year under review, there has been no change in the authorised share capital of the Company. The authorised share capital of the Company as on March 31, 2023 stood at Rs. 50.00 Cr divided into Rs. 5.00 Cr equity share of Rs.10/- each.

During the year under review, the Company has issued and allotted 28.50 Lacs Equity shares pursuant to conversion of warrants allotted to Kausalya Realserve LLP wherein Mr. Kamal Singal, MD & CEO of the Company and his relatives are the partners, on a preferential basis.

Consequently, the paid up equity share capital of the Company as on March 31, 2023 stood at Rs. 4,531.20 Lacs divided into Rs. 453.12 Lacs equity share of Rs.10/- each.

During the year under review, the Company has neither issued shares with differential voting rights nor sweat equity shares.

### **7. EMPLOYEE STOCK OPTION SCHEME:**

The Company has instituted Arvind Infrastructure Limited - Employees Stock Option Plan - 2016 (AIL ESOP - 2016) to grant equity based incentives to certain eligible employees, directors of the Company and its Subsidiary Companies. During the year under review, the Company has not granted any stock options.

Disclosure in compliance with Section 62 of the Companies Act, 2013 read with Rule 12 of Companies (Share Capital and Debentures) Rules, 2014 and the Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014 are set out in **Annexure - A** to this report.

### **8. DISCLOSURE UNDER SECTION 67 (3) (C) OF THE COMPANIES ACT, 2013:**

No disclosure is required under section 67 (3) (c) of the Companies Act, 2013 read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014, in respect of voting rights not exercised directly by the employees of the Company as the provisions of the said section are not applicable.

### **9. FINANCE:**

During the year, the Company has availed borrowings and infused funds for new project investments and inflow from business cashflow resulted into net increase in loan book by Rs. 7,700 Lacs backed by strong business cash flows. Total Standalone Debt of the Company stands at Rs. 5,193 Lacs as on March 31, 2023 with net debt of (-1779) Lacs as on March 31, 2023. On a consolidated basis net interest bearing funds has been reduced from - Rs. (10,700) Lacs to -Rs. (3,000) Lacs excluding loan component of Optionally Convertible Debentures issued to HCARE-1 and HCARE-3 mainly due to investments in new Lands and projects

### **10. CREDIT RATING:**

Indian Ratings and Research ("IRA") has vide its rating letter dated December 27, 2022, (a) affirmed its rating "IND A/Positive" to the proposed term loan of Rs. 325/- Cr (reduced from Rs. 400/- Cr (b) assigned its rating "IND A/Positive" to the Proposed non-convertible debentures (NCDs) of Rs. 75 Cr.

### **11. DEPOSITS:**

During the year under review, the Company has neither accepted nor renewed any deposits falling under

the ambit of Section 73 of the Companies Act, 2013 and the Rules framed thereunder. Further there are no outstanding deposits as at March 31, 2023.

## **12. PARTICULARS OF LOANS, GUARANTEES, OR INVESTMENTS UNDER SECTION 186:**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 read with the Companies (Meetings of Board and its Powers) Rules, 2014 are given in the notes to the Financial Statements.

## **13. CONSOLIDATED FINANCIAL STATEMENTS:**

The Consolidated Financial Statements of the Company are prepared in accordance with relevant provisions of the Companies Act, 2013 including Indian Accounting Standards specified under Section 133 of the Companies Act, 2013 and form part of this Annual Report.

## **14. CORPORATE SOCIAL RESPONSIBILITY INITIATIVES:**

Your Company undertakes “Corporate Social Responsibility” (CSR) initiatives through Strategic Help Alliance for Relief to Distressed Area (SHARDA) Trust. During the FY22-23, the Company included Arvind Foundation (AF) as their CSR implementing agency for undertaking CSR Initiatives.

As a part of CSR, during the year under review, your Company has undertaken Rural Advancement and Educational Advancement programme which are broadly covered under schedule VII of the Companies Act, 2013. The brief details of CSR Policy and the amount spent during the FY22-23 on the said activity is enclosed as **Annexure - B**.

## **15. HUMAN RESOURCES:**

The Company believes that Human Resources will play a significant role in its future growth. With an unwavering focus on nurturing and retaining talent, the Company provides avenues for learning and development through functional, behavioural and leadership training programs, knowledge exchange conferences, communication channels for information sharing to name a few. The Company provides various opportunities to the employees to develop and hone their skills to take up higher responsibilities in the organization.

A well - defined competency framework outlines the leadership behaviours expected from employees to be successful in Arvind Group. The Company also uses various communication channels to seek employees’ feedback about the overall working environment and the necessary tools and resources they need to perform at their best potential.

Diverse employee engagement initiatives are launched to ensure employees of various age and

background continue to be effective in their roles and build meaningful career at Arvind.

The Group’s Corporate Human Resources plays a critical role in company’s talent management process.

## **16. RISK MANAGEMENT:**

The Real Estate market is inherently a cyclical market and is affected by macroeconomic conditions, changes in governmental schemes, changes in supply and demand for products, availability of consumer finance and liquidity. These factors can affect the demand for both our forthcoming and ongoing projects.

The Company has developed and implemented Risk Management Policy. The policy identifies the threat of adverse events which may affect shareholder’s value, ability of Company to achieve objectives or implement business strategies. Further, such risk are categorized into Strategic Risks, Operating Risks and Regulatory Risks.

Under the framework, the Company has laid down a Risk Management Policy which defines the process for identification of risks, its assessment, mitigation measures, monitoring and reporting. While the Company, through its employees and Executive Management, continuously assess the identified Risks, the Risk Management Committee and the Audit Committee reviews the identified Risks and its mitigation measures annually.

## **17. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

The Company has an Internal Audit team and an Internal Control System, which is further supported by external audit firm and group assurance team, commensurate with the size, scale and complexity of its operations. Moreover, the Company’s Internal Audit team alongwith external reviewers possess adequate experience and expertise in internal controls, operating system and standard operating procedures.

The system is supported by approved documented policies, guidelines and procedures in line with best industrial practices to monitor business and operational performance which are aimed at ensuring business integrity and promoting operational efficiency.

The Internal Audit team regularly reviews the adequacy of internal control systems in the Company, its compliance with operating systems and laid down policies and procedures. Based on the report of the internal audit function, process owners undertake corrective action within the stipulated timeline in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are



presented on quarterly basis to the Audit Committee of the Board of Directors of the Company.

#### **18. VIGIL MECHANISM / WHISTLE BLOWER POLICY:**

The Company has a vigil mechanism named Whistle Blower Policy to deal with instances of fraud and mismanagement, if any. The details of the Whistle Blower Policy are explained in the Corporate Governance Report and also posted on the website of the Company at <https://www.arvindsmartspaces.com/investors/corporate-governance/>

#### **19. SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES:**

As on March 31, 2023, the Company has 3 (three) wholly owned subsidiary companies, 13 (thirteen) subsidiary Limited Liability Partnerships and 2 (two) Joint venture Limited Liability Partnerships.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 a statement containing salient features of financial statements of subsidiaries, associates and joint venture Companies in Form AOC-1 is attached to the Financial Statements. The separate audited financial statements in respect of each of the subsidiary shall be kept open for inspection at the Registered Office of the Company. The Company will also make available these documents upon request by any member of the Company interested in obtaining the same.

The Company has framed a policy for determining material subsidiaries and can be accessed at the following Web-link: <https://www.arvindsmartspaces.com/wp-content/uploads/2022/02/Material-Subsidiaries.pdf>

#### **20. DIRECTORS AND KEY MANAGERIAL PERSONNEL:**

As on March 31, 2023 the Board of Directors consist of 8 (eight) Directors out of which 1 (one) is Executive Director, 3 (three) are Non-Executive Non-Independent Directors including 1 (one) Nominee Director and 4 (four) are Non-Executive Independent Directors including a Woman Director. The composition is in compliance with the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

As per the provisions of Section 152(6) of the Companies Act, 2013 and the Company's Articles of Association, Mr. Kulin S. Lalbhai (DIN: 05206878) shall retire by rotation at the ensuing 15<sup>th</sup> Annual General Meeting and being eligible, has offered himself for re-appointment as the Director of the Company.

The Independent Directors have submitted requisite declarations confirming that they continue to meet the criteria of independence as prescribed under Section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Independent Directors have also confirmed that they have complied with Schedule IV of the Companies Act, 2013 and the Company's Code of Conduct.

None of the Directors are disqualified from being appointed as Directors as specified in section 164 of the Companies Act, 2013.

As per the provisions of Section 203 of the Companies Act, 2013, Mr. Kamal Singal - Managing Director & CEO, Mr. Ankit Jain - Chief Financial Officer and Mr. Prakash Makwana - Company Secretary are the key managerial personnel of the Company as on March 31, 2023.

#### **21. FORMAL ANNUAL EVALUATION:**

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17(10) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out an evaluation of independent directors which includes the performance of directors, fulfilment of criteria of independence specified in these regulations and their independence from the Management, its own performance as well as evaluation of working of its Committees on the basis of criteria formulated by the Nomination and Remuneration Committee which are broadly in compliance with the Guidance Note on Board Evaluation issued by SEBI vide its Circular dated January 5, 2018. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report.

#### **22. APPOINTMENT AND REMUNERATION POLICY:**

The Board has, on the recommendation of the Nomination and Remuneration Committee, framed a policy for selection and appointment of Directors, Key Managerial Personnel and Senior Management and their remuneration. The same can be accessed at the following Web-link: <https://www.arvindsmartspaces.com/wp-content/uploads/2023/06/Nomination-and-Remuneration-Policy.pdf>

#### **23. FAMILIARIZATION PROGRAMME FOR THE INDEPENDENT DIRECTORS:**

In compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has put in place a familiarization programme for the Independent Directors to familiarize them with their role, rights and responsibility as Directors, the working of the Company, nature of the industry in which the Company operates, business model etc. The same

can be accessed at the following Web-link: <https://www.arvindsmartspaces.com/wp-content/uploads/2023/05/Familiarization-Programmes-impacted-Independent-Directors.pdf>

#### **24. NUMBER OF MEETINGS OF THE BOARD OF DIRECTORS AND COMMITTEES:**

A calendar of Board and Committee Meetings is prepared and circulated in advance to the Directors to enable them to plan their schedule for effective participation in the Meetings.

During the year under review, 5 (five) meetings of the Board of Directors, 5 (five) meetings of Audit Committee, 2 (two) meetings of Corporate Social Responsibility Committee, 2 (two) meetings of Risk Management Committee, 1 (one) meeting of Nomination and Remuneration Committee, 1 (one) meeting of Stakeholders' Relationship Committee, 1 (one) meeting of Independent Directors' and 17 (seventeen) meetings of Management Committee of Board of Directors were convened and held, the details of which are provided in the Corporate Governance Report forming part of this Report.

#### **25. DIRECTORS' RESPONSIBILITY STATEMENT:**

Pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- (a) in the preparation of the annual accounts for the year ended on March 31, 2023, the applicable accounting standards have been followed along with proper explanation relating to material departures, if any;
- (b) they have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit and loss of the Company for that period;
- (c) they have taken proper and sufficient care towards the maintenance of adequate accounting records in accordance with the provisions of the Companies Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) they have prepared annual accounts on a going concern basis;
- (e) they have laid down proper internal financial controls, which are adequate and are operating effectively;
- (f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems are adequate and operating effectively.

#### **26. RELATED PARTY TRANSACTIONS:**

All transactions with Related Parties are placed before the Audit Committee and the Board for their approval. Prior omnibus approval of the Audit Committee and the Board is obtained for the transactions which are of a foreseen and repetitive nature. The transactions entered into pursuant to the omnibus approval so granted are audited and a statement giving details of all the related party transaction specifying the nature, value and terms and conditions of the transactions is placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis.

All the related party transactions are entered into on arm's length basis, in the ordinary course of business and are in compliance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There are no materially significant related party transactions made by the Company with Promoters, Directors or Key Managerial Personnel etc. which may have potential conflict with the interest of the Company at large or which warrants the approval of the shareholders. Accordingly, no transactions are being reported in Form AOC-2 in terms of Section 134 of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014. However, the details of the transactions with Related Party are provided in the Company's financial statements in accordance with the IND AS - 24.

The Policy on Related Party Transactions as approved by the Board can be accessed at the following Web-link: <https://www.arvindsmartspaces.com/wp-content/uploads/2022/06/Related-Party-Transactions-Policy.pdf>

#### **27. SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS / COURTS / TRIBUNALS:**

There are no significant material orders passed by the Regulators / Courts which would impact the going concern status of the Company and its future operations.

#### **28. AUDITORS:**

##### **(a) Statutory Auditor:**

M/s. S R B C & Co LLP, Chartered Accountants, (ICAI Firm Registration No. 324982E / E300003) were re-appointed as Statutory Auditors of your Company at the 14<sup>th</sup> Annual General Meeting ("AGM") held on August 12, 2022 for a period of 5 (five) consecutive years.

The Report given by M/s. S R B C & Co LLP, Chartered Accountants on the financial statements along with the notes to the financial statements of the Company for the financial year 2022-2023 is forming part of the Annual Report. There has been

no qualification, reservation or adverse remark or disclaimer in their Report. During the year under review, the Auditors had not reported any matter under Section 143(12) of the Companies Act, 2013 therefore no detail is required to be disclosed under Section 134(3)(ca) of the Companies Act.

**(b) Cost Auditors:**

On the recommendation of the Audit Committee, the Board of Directors appointed M/s Kiran J. Mehta & Co., Cost Accountants, Ahmedabad (Firm Registration No. 000025), as Cost Auditors of the Company for the FY23-24 under Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014. M/s Kiran J. Mehta & Co. have confirmed that they are free from disqualification specified under Section 141(3) and proviso to Section 148(3) read with Section 141(4) of the Companies Act, 2013 and that their appointment meets the requirements of Section 141(3)(g) of the Companies Act, 2013. They have further confirmed their independent status and an arm's length relationship with the Company.

The remuneration payable to the Cost Auditors is required to be ratified by the Members in a general meeting.

Accordingly, a Resolution seeking Members' ratification for the remuneration payable to M/s Kiran J. Mehta & Co., Cost Auditors is included at Item No. 4 of the notice convening the Annual General Meeting.

**(c) Secretarial Auditors:**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s N. V. Kathiria & Associates, a firm of Company Secretaries in Practice to conduct the Secretarial Audit of the Company for the FY22-23. Report of the Secretarial Audit in Form MR-3 for the financial year 2022-23 is enclosed as Annexure - C. The said Report does not have any qualification, reservation or adverse remark or disclaimer.

**29. ENHANCING SHAREHOLDERS VALUE:**

Your Company believes that its Members are among its most important stakeholders. Accordingly, your Company's operations are committed to the pursuit of achieving high levels of operating performance and cost competitiveness, consolidating and building for growth, enhancing the productive asset and resource base and nurturing overall corporate reputation. Your Company is also committed to creating value for its other stakeholders by ensuring that its corporate actions positively impact the socio-economic and environmental dimensions and contribute to sustainable growth and development.

**30. CORPORATE GOVERNANCE REPORT AND MANAGEMENT DISCUSSION & ANALYSIS:**

The Corporate Governance Report and Management Discussion & Analysis, which form part of this Report, is set out as separate Annexure, together with the Certificate from the Practicing Company Secretary regarding compliance of conditions of Corporate Governance as stipulated in Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**31. BUSINESS RESPONSIBILITY REPORT:**

The Business Responsibility Report for the year ended on March 31, 2023 as stipulated under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is annexed which forms part of this Annual Report.

**32. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

Information in accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Companies (Accounts) Rules, 2014 regarding conservation of energy and technology absorption are not given as the Company has not undertaken any manufacturing activity. There were no foreign Exchange Earnings or Outgo during the period under review except on foreign travelling.

**33. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND:**

During the year under review, your Company has transferred the unclaimed sale proceeds of fractional shares arose out of demerger of Real Estate Undertaking of Arvind Limited to Arvind Infrastructure Limited (now known as Arvind SmartSpaces Limited), aggregating to Rs.6.21 Lacs which were lying with the Company for a period of seven years, to the Investor Education and Protection Fund established by the Central Government, in accordance with the requirements of Section 125 of the Companies Act, 2013.

**34. ANNUAL RETURN:**

The Annual Return as required under Section 92 and Section 134 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 can be accessed at the following Web-link: <https://www.arvindsmartspace.com/investors/updates/>

**35. PARTICULARS OF EMPLOYEES:**

The information required pursuant to Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company, will be provided upon request. In terms of Section 136(1) of



the Companies Act, 2013, the Report and Accounts are being sent to the Members and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the Members at the Registered Office of the Company during business hours on working days of the Company up to the date of the ensuing Annual General Meeting. If any member is interested in obtaining a copy thereof, such member may write to the Company Secretary in this regard.

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended, are given in Annexure - D to this report.

### **36. DISCLOSURE AS PER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

The Company has zero tolerance for Sexual Harassment at Workplace and has adopted a policy against sexual harassment in line with the

provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. Arvind SmartSpaces Limited Internal Complaint Committee ("ASLICC") is formed by the Company which is working under purview of group level Committee i.e. Arvind Internal Complaints Committee ("AICC"), the details of which are declared across the organization. All the members of ASLICC are trained by the subject experts on handling the investigations and proceedings as defined in the policy.

During the FY22-23 the Company has not received any complaints on sexual harassment and hence no complaints remain pending as of March 31, 2023.

### **37. ACKNOWLEDGEMENTS:**

Your Directors take this opportunity to express their sincere thanks to all the employees, customers, suppliers, business associates bankers, investors, lenders, regulatory and government authorities and stock exchanges for their support.

**By Order of the Board**

**Date: May 19, 2023**  
**Place: Ahmedabad**

**Sanjay S. Lalbhai**  
**Chairman**

## Annexure - A to the Directors' Report

Disclosures required in the Directors' Report pursuant to Clause 12 (9) of the Companies (Share Capital and Debentures) Rules, 2014 as on March 31, 2023:

1	Description of ESOS	ESOP 2016
	(a) Date of shareholders' approval	September 23, 2016
	(b) Total number of shares approved	15,00,000
	(c) Vesting requirements	Options vest over minimum 1 year and maximum 5 years based on continued service and certain performance parameters.
	(d) Exercise price or pricing formula	An exercise price will be equal to the latest available closing price, prior to the date of the meeting of the Board in which the options are granted, on the stock exchange on which the equity shares of the Company are listed, or such other price as the Nomination and Remuneration Committee may decide at its discretion and as per applicable laws.
	(e) Maximum term of options granted	9 years from the date of grant
	(f) Source of shares	Primary
	(g) Variation of terms of options	None
2	Method used to account for ESOS	Fair Value Method
3	Where the Company opts for expensing of the options using the intrinsic value of the options, the difference between the employee compensation cost so computed and the employee compensation cost that shall have been recognized if it had used the fair value of the options shall be disclosed. The impact of this difference on the profits and EPS of the Company shall also be disclosed.	Not applicable The Company follows fair value method of accounting for options
	(i) Difference between Intrinsic value and Fair value compensation cost	Not Applicable
	(ii) Impact on the Profits of the Company (Rs.)	Not Applicable
	(iii) Impact on Basic Earnings Per Share of the Company (Rs.)	Not Applicable
	(iv) Impact on Diluted Earnings Per Share of the Company (Rs.)	Not Applicable
4	Option movement during the year:	
	(a) Options Outstanding at the beginning of the year	8,20,000
	(b) Options issued during the year (pursuant to the Scheme)	0
	(c) Options forfeited / lapsed during the year	0
	(d) Options vested during the year	0
	(e) Options exercised during the year	0
	(f) Number of shares arising as a result of exercise of option	0
	(g) Money realised by exercise of options (Rs.)	0
	(h) Loan repaid by the Trust during the year from exercise price received	Not Applicable
	(i) Options Outstanding at the end of the year	8,20,000
	(j) Options Exercisable at the end of the year	1,85,000

1 Description of ESOS		ESOP 2016
5A	Weighted average exercise prices of outstanding options whose:	
	Exercise price equals market price of stock	Rs. 194.05
	Exercise price exceeds market price of stock	-
	Exercise price is less than market price of stock	-
5b	Weighted average fair value of outstanding options whose:	
	Exercise price equals market price of stock	Rs. 68.84
	Exercise price exceeds market price of stock	-
	Exercise price is less than market price of stock	-
6	Grantee wise details of options granted to:	
(i)	Key managerial personnel	No grants made during the year.
(ii)	any other grantee who receives a grant in any one year of options amounting to five per cent or more of options granted during that year;	Not Applicable
(iii)	identified employees who were granted options, during any one year, equal to or exceeding one per cent of the issued capital (excluding outstanding warrants and conversions) of the issuer at the time of grant.	Not Applicable
7	A description of the method and significant assumptions used during the year to estimate the fair values of options, including following weighted average information:	
(i)	Share price (Rs.)	Not Applicable
(ii)	Exercise price (Rs.)	Not Applicable
(iii)	Expected volatility	Not Applicable
(iv)	Expected dividends	Not Applicable
(v)	Risk-free interest rate	Not Applicable
(vi)	Any other inputs to the model	Not Applicable
(vii)	Method used and the assumptions made to incorporate effects of expected early exercise	Not Applicable
	How expected volatility was determined, including an explanation of the extent of to which expected volatility was based on historical volatility	Not Applicable
(viii)	Whether any or how any other features of option grant were incorporated into the measurement of fair value, such as market condition.	Not Applicable



# Annexure - B to the Directors' Report

## Annexure - I

### Arvind SmartSpaces Limited: Corporate Social Responsibility Report FY22-23

#### Overview of CSR Initiatives

The Corporate Social Responsibility (CSR) Policy of Arvind SmartSpaces Limited ("ASL" or "the Company") aims to work for social advancement and defines its philosophy and guides its actions for undertaking and supporting socially relevant project and programs. Company's underlying value system has a firm belief that only in a healthy society healthy businesses flourish and that business must serve and empower the community in the area where it operates.

As per the ASL CSR Policy, the Company has been undertaking the CSR initiatives through Strategic Help Alliance for Relief to Distressed Area (SHARDA) Trust. During the FY22-23, the Company included Arvind Foundation (AF) as their CSR implementing agency for undertaking CSR Initiatives. The Company broadly defined its CSR thematic focus area as Rural Advancement and Educational Advancement under Schedule VII of Companies Act - Point (x) Rural Development and Point (ii) Promoting Education.

The Company has supported the following projects during FY22-23:

#### 1. Projects around Company's Area of Operations

Arvind SmartSpaces Limited has broadly decided to support projects around sites and offices of ASL and its subsidiaries through Arvind Foundation (AF). Though the broad thematic areas of work for AF are Educational Advancement, Rural Advancement, Environmental Advancement, Health Advancement and Cultural Advancement, for ASL, AF is focusing on Rural Advancement and related Educational Advancement. AF has set up the program Arvind Rural Transformation Initiative (ARTI) which is a combination of long term integrated programs focused in defined geographies.

##### Initiative brief:

During FY22-23, the company supported the ongoing programmes of Rural Advancement.

AF has undertaken ongoing Rural Advancement initiatives around Arvind Highgrove in Sanand and Arvind Uplands and Forrester in Kalol. Around Arvind Highgrove, the focus villages are Moti Devati, Nani Devati, Moriya and Motipura. Around Arvind Uplands and Forrester, focus villages are Nasmed, Adhana, Karoli, Moti Bhoyn and nearby areas.

As our initiatives taking roots around our sites, within Rural Advancement, we are broadly defining our focus on Education, Earning, and Environment. Some Health & Nutrition initiatives are also taken as per the need and demand of the community.

#### Educational Advancement: Digital literacy program

We consider this digital literacy programme as an entry point to a larger supplementary education program in the region.

We had reported that through a partnership with computer major Hewlett-Packard (HP) and the HP CLAP (Continued Learning Access Program), a digital literacy program was started. The HP CLAP van has 120 HP Laptops to bring digital literacy to rural masses. The HP CLAP Van visited 3 village schools in Kalol and 4 village schools in Sanand. However, for the digital literacy program, 12 more village schools approached us and we reached out to these schools too. Around 2200 students of the primary schools are benefitting from the initiative.

Out of these 2200 students, majority of class 8 students have shown interest in being part of the AF Supplementary Education classes which we will start from academic year 2023-24. However, study tours, essay competitions, digital competitions and summer camps were organised for class 8 students who would join the program in 2023-24.

This Supplementary Education program would provide financial, academic and mentorship support to students and would establish education to employment link for its students.

#### Environmental Advancement

The Environment Advancement project has major plantation drive. Close to 6,600 plants were planted in broadly three mode - plantation at individual homes, plantation in schools & crematorium and plantation at block and taluka level at panchayat plots. School students participated in planting the trees in their school campuses under our school greening programme. Environment clubs are also set up in schools where we are active.

#### Supporting Livelihoods: Building Earning Stream

We continued with our initiative of strengthening the dairy practices and strengthening the farming practices.

To support and increase earning in villages we operate, it is important to strengthen existing occupations. Dairy is one occupation which is

supported by a well-established dairy network. We identified dairy farmers in Nani Devti and Moti Devti and have organised Dairy Farmer's Training with 55 dairy farmers on their capacity building and livestock management. The focus was to convey to them the importance of animal nutrition, fodder and animal breed. Through another training they learnt about various dairy products and value addition of milk. In addition, 8 Farmer's Interest Groups of 150 dairy farmers were also facilitated in 2 villages of Nani Devti and Moti Devti.

A credit support program for Animal loan was launched last year with partnership with Shree Mahila SEWA Bank. 27 new loans for buffalo were given and dairy linkages strengthened during the year. This has contributed in immediate increase in the family income.

We are working with a group of farmers who has expressed their desire to explore the natural farming practices. Subhash Palekar Natural Farming (SPNF) is a system where the laws of nature are applied to agricultural practices to produce healthy food.

We organised 2 training programmes. 92 Farmers attended the training and understood importance of natural farming.

**Supporting Health conditions:**

Our interaction with the communities suggested that attending to health issues many a time get neglected or postponed as it doesn't seem to be posing any immediate challenge. To attend to this, we have launched health camps in villages we operate. 3 Community Eye Check-up Camps and a School dental health camps were organised in partnerships with Government and specialised Trust run Hospitals. The Eye Camps were attended by 226 people, 140 specs were distributed to patients who needed them. 41 cataract cases were identified and 21 went surgeries. For School dental camp, 250 students participated.

Also, on request of the local PHC, we provided Nutritional support to 45 Tuberculosis Patients. We also worked with 8 Aanganwadis and created Toy Banks for 0 to 6 year children. Around 960 children are benefitting.

# Annexure - B to the Directors' Report

## Annexure - II

### Annual Report on CSR Activities for FY22-23

#### 1. Brief Outline on CSR Policy of the Company

Arvind SmartSpaces Limited follows the group's CSR philosophy of contributing to the growth and development of the society as we believe that healthy business grows only in a healthy society and that business must serve and empower the community in the area where it operates. The responsibility of undertaking development initiatives has been jointly shared by Strategic Help Alliance for Relief to Distressed Areas (SHARDA) Trust.

Our CSR Policy is in sync with the broader areas of Schedule VII of the Companies Act, 2013 and will always be aligned to the changes that gets incorporate in the schedule.

The key points of the policy can be reached at our website through the given link: <https://www.arvindsmartspaces.com/wp-content/uploads/2022/02/Corporate-Social-Responsibility-Policy.pdf>

#### 2. Composition of the CSR Committee

The Arvind SmartSpaces Limited has set up Corporate Social Responsibility Committee (CSR Committee) as per the requirement of the Companies Act. The members of the CSR Committee are:

Sr. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1	Mr. Sanjay S. Lalbhai	Chairman	2	2
2	Mr. Prem Prakash Pangotra	Member	2	2
3	Ms. Pallavi Vyas	Member	2	2
4	Mr. Kamal Singal	Member	2	2

#### 3. Web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company.

<https://www.arvindsmartspaces.com/wp-content/uploads/2022/02/Corporate-Social-Responsibility-Policy.pdf/>

#### 4. Details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social Responsibility Policy) Rules, 2014, if applicable - Not Applicable

#### 5. a) Average net profit of the Company as per section 135(5): Rs. 2,992 Lacs.

b) Two percent of average net profit of the company as per section 135(5): Rs. 59.84 Lacs

c) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: Nil

d) Amount required to be set off for the financial year, if any: Nil

e) Total CSR obligation for the financial year [(b)+(c)+(d)]: Rs. 59.84 Lacs

#### 6. a) Amount spent on CSR Projects (both Ongoing Project and other than Ongoing project): Rs. 60.00 Lacs

b) Amount spent in Administrative Overheads: Nil

c) Amount spent on Impact Assessment, if applicable: Nil

d) Total amount spent for the Financial Year [(a)+(b)+(c)]: Rs. 60.00 Lacs.

e) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (In Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per sub-section (6) of section 135.		Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135		
	Amount	Date of transfer	Name of the Fund	Amount	Date of transfer
60.00 Lacs	NIL		NIL		

f) Excess Amount for set off, if any:

Sl. No.	Particular	Amount (in Rs.)
(1)	(2)	(3)
(i)	Two percent of average net profit of the company as per sub section (5) of section 135	59.84 Lacs
(ii)	Total amount spent for the Financial Year	60.00 Lacs
(iii)	Excess amount spent for the financial year [(ii)-(i)]	0.16 Lacs
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

7. Details of Unspent Corporate Social Responsibility amount for the preceding three financial years: Nil

Sl. No	Preceding Financial Year	Amount transferred to Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Balance Amount in Unspent CSR Account under sub-section (6) of section 135 (in ₹)	Amount spent in the reporting Financial Year (in ₹)	Amount transferred to any fund specified under Schedule VII as per second proviso to sub-section (5) of section 135, if any		Amount remaining to be spent in succeeding financial years (in ₹)	Deficiency, if any
					Amount (in ₹)	Date of transfer		
1	FY19-20	Nil	Nil	Nil	Nil	Nil	Nil	Nil
2	FY20-21	Nil	Nil	Nil	Nil	Nil	Nil	Nil
3	FY21-22	Nil	Nil	Nil	Nil	Nil	Nil	Nil

8. Whether any capital assets have been created or acquired through Corporate Social Responsibility amount spent in the Financial Year: No (No Capital Asset created during the FY22-23)

If Yes, enter the number of Capital assets created/ acquired:

Furnish the details relating to such asset(s) so created or acquired through Corporate Social Responsibility amount spent in the Financial Year: Not Applicable

Sl. No.	Short particulars of the property or asset(s) (including complete address and location of the property)	Pin code of the property or as set(s)	Date of creation	Amount of CSR amount spent	Details of entity/ Authority/ beneficiary of the registered owner	
					CSR Registration Number, if applicable	Name
(1)	(2)	(3)	(4)	(5)	(6)	

9. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per sub-section (5) of section 135: Not Applicable

Sanjay S. Lalbhai  
Chairman

Kamal Singal  
Managing Director & CEO



# Annexure - C to the Directors' Report

## Form MR - 3

### Secretarial Audit Report

#### For the Financial Year ended March 31, 2023

[Pursuant to section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,  
The Members,  
**Arvind SmartSpaces Limited**  
24, Govt. Servant's Society,  
Nr. Municipal Market, Off. C. G. Road,  
Navrangpura, Ahmedabad-380009.

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Arvind SmartSpaces Limited** (hereinafter "**the Company**"). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of the Secretarial Audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023 ("**Audit period**") complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 according to the provisions of:
  - (i) The Companies Act, 2013 ("the Act") and the rules made thereunder;
  - (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
  - (iii) The Depositories Act, 2018 and the Regulations and Bye-laws framed thereunder;
  - (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
2. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (i) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (ii) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (iii) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (iv) The Securities and Exchange Board of India (Share based Employee Benefits) Regulations, 2014;
  - (v) The Securities and Exchange Board of India (Listing Obligations & Disclosures Requirements) Regulations, 2015;
  - (vi) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable as the Company has not issue any such securities during the financial year).
  - (vii) The Securities and Exchange Board of India (Registrars to Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client; (Not Applicable as the Company is not registered as Registrar and Transfer Agents with SEBI).
  - (viii) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; (Not Applicable as the Company has not delisted any of its equity shares during the financial year).
  - (ix) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 (Not Applicable as the Company has not bought back any of the securities during the financial year).
3. We have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for

- compliances under other applicable Acts, Laws and Regulations as applicable to the Company.
4. The Company has complied with following specific laws to the extent applicable to the Company:
    - a) The Real Estate (Regulation and Development) Act, 2016.
    - b) Transfer of Property Act, 1882.
    - c) The Land Acquisition Act, 1894.
    - d) The Contract Labour (Regulation and Abolition) Act, 1970.
    - e) The Indian Easements Act, 1882.
    - f) The Indian Contract Act, 1872.
    - g) The Gujarat Town Planning and Urban Development Act, 1976.
    - h) Gujarat Development Control Regulations Act, 2011 and Karnataka Municipalities Model Building Bye Laws, 2017 and Maharashtra Ownership Flats (Regulations of the Promotion of Construction, Sale, Management and Transfer) Act, 1963, as amended from time to time.
    - i) The Environment (Protection) Act, 1986.
    - j) The Gujarat Land Revenue Code, 1879.
    - k) The Gujarat Tenancy & Agricultural Lands Act, 1948.
    - l) The Indian Registration Act, 1908.
    - m) The Specific Relief Act, 1963.
    - n) The Indian Stamp Act, 1899.
    - o) The Gujarat Stamp Act, 1958.
    - p) The Gujarat Ownership Flats Act, 1973.
    - q) The Building and Other Construction Workers' (Regulation of Employment and Conditions of Services) Act, 1996.
    - r) The Building and Other Construction Worker's Welfare Cess Act, 1996.
    - s) The Building and Other Construction Workers (Regulation of Employment and Conditions of Service) Act, 1996.
  - t) Goods and Service Tax Act.
  - u) Employees Provident Fund and Miscellaneous Provisions Act, 1952.
  - v) Employees State Insurance Act, 1961 and Rules made there under.
  5. We have also examined compliance with the applicable clauses of Secretarial Standards issued by The Institute of Company Secretaries of India and The Listing Agreements entered into by the Company with BSE Limited and National Stock Exchange of India Limited.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors including woman Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

**We further report that** there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**We further report that** during the audit period there were no specific events / actions having a major bearing on the company's affairs.

**For, N. V. KATHIRIA & ASSOCIATES**  
**Company Secretaries**

**N. V. KATHIRIA**  
**PROPRIETOR**  
**FCS 4573 COP 3278**  
**PR Cert. No. 1085/2021**  
**(UDIN: F004573E000337389)**

**Date: May 19, 2023**  
**Place: Ahmedabad**

## Annexure - D to the Directors' Report

Information required under Section 197(12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

Sl. No	Particulars	Status	Number of Times	
			If Total remuneration of the director is considered	If total remuneration of the Director excluding variable pay and commission is considered
(i)	The ratio of the remuneration of each director to median remuneration of the employees of the Company for FY22-23.	Mr. Sanjay S. Lalbhai	0.00	0.00
		Mr. Kamal Singal	100.86	91.31
		Mr. Kulin S. Lalbhai	0.00	0.00
		Mr. Pratul Shroff	1.45	0.24
		Mr. Prem Prakash Pangotra	1.57	0.36
		Mr. Nirav Shah	1.52	0.31
		Ms. Pallavi Vyas	1.16	0.19
(ii)	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the FY22-23	<b>Directors</b>		<b>%</b>
		Mr. Sanjay S. Lalbhai		NA
		Mr. Kulin S. Lalbhai		NA
		Mr. Pratul Shroff		3%
		Mr. Prem Prakash Pangotra		(2%)
		Mr. Nirav Shah		2%
		Ms. Pallavi Vyas		(2%)
		<b>Managing Director &amp; CEO</b>		
		Mr. Kamal Singal		6%
		<b>Chief Financial Officer</b>		
		Mr. Ankit Jain		28%
<b>Company Secretary</b>				
Mr. Prakash Makwana		(1%)		
(iii)	The percentage increase in the median remuneration of employees in the FY22-23		17%	
(iv)	The number of permanent employees on the rolls of Company.		282	
(v)	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year (i.e. FY22-23) and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.	Average increase for Key Managerial Personnel 9.4% and for other employees was about 17%.		
(vi)	Affirmation that the remuneration is as per the remuneration policy of the Company.	It is affirmed that the remuneration is as per the Remuneration Policy of the Company.		

Read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and forming part of the Directors' Report for the year ended March 31, 2023.

# Corporate Governance Report

Your Directors present the Company's Report on Corporate Governance for the year ended on March 31, 2023.

## 1. COMPANY'S PHILOSOPHY ON CODE OF GOVERNANCE

Corporate governance at Arvind SmartSpaces Limited (here onwards will be referred as 'Arvind SmartSpaces Limited', 'the Company') is a value-based framework to manage our Company affairs in a fair and transparent manner. As a responsible corporate citizen, we use this framework to maintain accountability in all our affairs and employ democratic and open processes. We are adopting applicable guidelines and best practices to ensure timely and accurate disclosure of information regarding our financials, performance and governance of the Company.

**Our corporate governance philosophy is based on the following principles:**

- Satisfy the spirit of the law and not just the letter of the law. Corporate governance standards should go beyond the law.
- Be transparent and maintain a high degree of disclosure levels.
- Make a clear distinction between personal conveniences and corporate resources.
- Communicate externally, in a truthful manner, about how is the Company running internally.
- Have a simple and transparent corporate structure driven solely by business needs.
- The Management is the trustee of the shareholders' capital and not the owner.

The Board of Directors (**"the Board"**) is at the core of our corporate governance practice and oversees how the Management serves and protects the long-term interests of all our stakeholders. We believe that an active, well-informed and independent Board is necessary to ensure the highest standards of Corporate Governance. The Company has optimum combination of executive and non-executive directors including Independent Directors with at least one woman director. Given below is the report on Corporate Governance at Arvind SmartSpaces Limited.

## 2. BOARD OF DIRECTORS

### 2.1 Composition of the Board:

The Board has 8 (eight) Directors, comprising of Chairman, 1 (one) Managing Director & CEO, 3 (three) Non - Executive Non Independent Directors including Chairman and Nominee Director and 4 (four) Non-Executive Independent Directors including a Woman Director. The Non-Executive Independent Directors are leading professionals from varied fields who take care of the stakeholder's interest and bring in independent judgment to the Board's discussions and deliberations.

The Composition of the Board as at March 31, 2023 is as under:

Sr. No.	Name of Director	Executive/ Non-executive/ Independent	No. of Directorships Held in Public Limited Companies (Including the Company)*	**Committee(s) position (Including the Company)	
				Member	Chairman
1	Mr. Sanjay S. Lalbhai	Chairman and Non Executive Director	4	2	1
2	Mr. Kamal Singal	Executive Director	1	2	0
3	Mr. Kulin S. Lalbhai	Non-Executive Director	4	2	1
4	Mr. Pratul Shroff	Independent Director	1	2	1
5	Mr. Prem Prakash Pangotra	Independent Director	1	2	0
6	Mr. Nirav Shah	Independent Director	5	5	0
7	Ms. Pallavi Vyas	Independent Director	1	0	0
8	Mr. Vipul Roongta	Non-Executive Nominee Director	2	0	0

\* All the Companies have been considered excluding Companies incorporated under Section 8 of the Companies Act, 2013 and Companies incorporated outside India.

\*\*Only Audit Committee and Stakeholders' Relationship Committee has been considered as per Regulation 26 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").



**2.2 List of Directorship in other listed entities:**

Sr. No.	Name of Director	Name of Listed Entities	Designation	Audit Committee		Stakeholders' Relationship Committee	
				Member	Chairman	Member	Chairman
1	Mr. Sanjay S. Lalbhai	Arvind SmartSpaces Limited	Chairman & Non-Executive Director	-	-	-	✓
		Arvind Limited	Chairman & Managing Director	-	-	✓	-
		The Anup Engineering Limited	Chairman & Non-Executive Director	-	-	-	-
		Arvind Fashions Limited	Chairman & Non-Executive Director	-	-	-	-
2	Mr. Kamal Singal	Arvind SmartSpaces Limited	Managing Director & CEO	✓	-	✓	-
3	Mr. Kulin S. Lalbhai	Arvind SmartSpaces Limited	Non-Executive Director	-	-	-	-
		Arvind Limited	Executive Director	-	-	-	-
		Arvind Fashions Limited	Non-Executive Director	-	-	-	✓
		Zydus Wellness Limited	Independent Director	✓	-	-	-
4	Mr. Pratul Shroff	Arvind SmartSpaces Limited	Independent Director	-	✓	✓	-
5	Mr. Prem Prakash Pangotra	Arvind SmartSpaces Limited	Independent Director	✓	-	✓	-
6	Mr. Nirav Shah	Arvind SmartSpaces Limited	Independent Director	✓	-	-	-
		Jayatma Enterprises Limited	Director	✓	-	✓	-
		Jayatma Industries Limited	CEO & Director	✓	-	-	-
7	Ms. Pallavi Vyas	Arvind SmartSpaces Limited	Independent Director	-	-	-	-
9	Mr. Vipul Roongta	Arvind SmartSpaces Limited	Non-Executive Nominee Director	-	-	-	-

**2.3 Matrix showing skills/expertise/competencies of Directors:**

The Company is engaged in the business of Real Estate Development. The Board comprises of highly renowned professionals drawn from diverse fields. For its effective collective functioning, the Board has identified broad skills/expertise/competencies required in the context of its business and the sector in which it operates viz. (a) standing and knowledge with significant achievements in business, professions and public services (b) financial or business literacy/skills (c) real estate industry experience and the same are available among the Board collectively.

Sr. No.	Name of Director	Skills/Expertise/Competencies
1	Mr. Sanjay S. Lalbhai	Industrialist, Entrepreneur, Board Service & Governance, strategic thinking, track record of spotting disruptive opportunities ahead of time, ability to take calibrated risk, Sales and marketing including an understanding of consumer markets in India etc.
2	Mr. Kamal Singal	Expertise in construction and real estate development along with product delivery, production planning, quality control, technology advancement, financial planning, formulation and its implementation of Strategies
3	Mr. Kulin S. Lalbhai	Industrialist, Entrepreneur, Technology Expert, Sales and marketing including an understanding of consumer markets in India, innovation management to ensure continuing relevance of Company's offerings under changing market etc.

Sr. No.	Name of Director	Skills/Expertise/Competencies
4	Mr. Pratul Shroff	Entrepreneur, Expertise in Information, Communication and Technology (ICT).
5	Mr. Prem Prakash Pangotra	Expertise in Urban Management, Urban Economics, Environment Management and Public Finance.
6	Mr. Nirav Shah	Entrepreneur, Industrialist, Expertise in International Business Strategies and Corporate Finance.
7	Ms. Pallavi Vyas	Expertise in Economics, Public Policy etc. Interest in Labor Economics, Human Capital Theory, Public Health and Development Economics.
8	Mr. Vipul Roongta	Expertise in Mortgages, Banking, Economics, Real Estate etc.

#### 2.4 Agendas of the Board and Committee Meetings:

The annual calendar of Board and Committee Meetings is agreed upon at the beginning of each year. Meetings are governed by a structured Agenda and a Board member may bring up any matter for consideration of the meeting in consultation with the Chairman. Agenda papers are generally circulated to the Board members at least 7 working days in advance. In addition, for any business exigencies the resolutions are passed by circulation and are placed at the subsequent Board or Committee Meeting for ratification/approval. Detailed presentations are made at the meetings on all major issues to enable the Board to take informed decisions.

##### Invitees & Proceedings:

Apart from the Board members, Chief Financial Officer, Chief Operating Officer and Company Secretary also attend the Board Meetings. Other senior management executives are called as and when necessary, to provide additional inputs for the items being discussed by the Board. Managing Director, COO and CFO make presentation on the quarterly, annual operating & financial performance and also on annual operating budget.

Head of Internal Audit department and representatives of the Statutory Auditors are the permanent invitees of the Audit Committee meetings to discuss the areas of internal audit and financial reporting requirements.

The Company also invites prominent experts of the Real Estate Industry to make relevant presentation to the Board / Committee as and when required.

##### Support and Role of Company Secretary:

The Company Secretary is responsible for convening the Board and Committee meetings, preparation and distribution of Agenda and other documents and recording of the Minutes of the meetings. He acts as an interface between the Board and the Management and provides required assistance to the Board and the Management.

#### 2.5 Attendance of each Director at the meeting of the Board of Directors and the Last Annual General Meeting:

The Board has held 5 (five) Board Meetings on May 20, 2022, August 12, 2022, September 29, 2022, November 4, 2022 and January 23, 2023 during the FY22-23. The gap between two Board Meetings was within the maximum time gap prescribed in the Companies Act, 2013 and Listing Regulations. The attendance of each Director at these Board Meetings and last Annual General Meeting was as under:

Sr. No.	Name of Director	Number of Board Meetings held during the year	Number of Board Meetings attended	Whether Present at the Last AGM held on August 12, 2022
1	Mr. Sanjay S. Lalbhai	5	4	Yes
2	Mr. Kamal Singal	5	4	Yes
3	Mr. Kulin S. Lalbhai	5	4	Yes
4	Mr. Pratul Shroff	5	4	No
5	Mr. Prem Prakash Pangotra	5	5	Yes
6	Mr. Nirav Shah	5	5	Yes
7	Ms. Pallavi Vyas	5	5	Yes
8	Mr. Vipul Roongta	5	4	No

## **2.6 Separate Meeting of Independent Directors:**

Independent Directors play an important role in the governance processes of the Board. They bring their expertise and experience on the deliberations of the Board. This enriches the decision making process at the Board with different point of views and experiences and prevents conflict of interest in the decision making process.

None of the Independent Directors serves as “Independent Directors” in more than seven listed companies.

The Independent Directors have confirmed that they meet the criteria of independence laid down under the Companies Act, 2013 and the Listing Regulations.

A separate meeting of Independent Directors was held on January 23, 2023 to review:

- the performance of the Non-Independent Directors (Executive/Non-Executive Directors).
- the performance of the Board of the Company as a whole.
- the performance of Chairman/Chairperson of the Company taking in to account the views of Executive and Non-Executive Directors on the same.
- the quality, quantity and timeliness of flow of information between the Company Management and the Board.

The members of the Nomination and Remuneration Committee took note of the above.

## **2.7 Disclosure of relationships between the Directors inter-se:**

Except Mr. Sanjay S. Lalbhai, Chairman and Non-Executive Director and his son Mr. Kulin S. Lalbhai, Non-Executive Director, there is no relationship between the Directors inter-se.

## **2.8 Number of shares and convertible instruments held by Non-Executive Directors:**

Mr. Sanjay S. Lalbhai and Mr. Nirav Shah, Non-Executive Directors of the Company are holding 200155 equity shares equivalent to 0.44% and 15 equity shares equivalent to 0.00% respectively, of the paid equity share capital.

During the year under review, none of the Non-Executive Directors hold any convertible instruments of the Company.

## **2.9 Familiarisation programmes imparted to Independent Directors:**

On appointment of an individual as Director, the Company issues a formal Letter of Appointment to the concerned director, setting out in detail, the terms of appointment, duties and responsibilities. Each newly appointed Independent Director is taken through a formal familiarisation program including the presentation from the Managing Director & CEO providing information relating to the Company, industry, business model of the Company, geographies in which Company operates, etc. The programme also provides awareness of the Independent Directors on their roles, rights, responsibilities towards the Company. Further, the Familiarisation Programme also provides information relating to the financial performance of the Company and budget and control process of the Company.

The details of the familiarization programme imparted to independent directors can be accessed at the following Web-link: <https://www.arvindsmartspaces.com/wp-content/uploads/2023/05/Familiarization-Programmes-imparted-Independent-Directors.pdf>

## **2.10 Prohibition of Insider Trading Code:**

In terms of SEBI (Prohibition of Insider Trading) Regulations, 2015 as amended from time to time, the Company has formulated and adopted a Code of Conduct for Prohibition of Insider Trading, Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information and Policy on procedures to be followed while conducting an inquiry in the event of leak or suspected leak of Unpublished Price Sensitive Information.

The codes viz. “Code of Conduct for Prohibition of Insider Trading” and the “Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information” allows the formulation of a trading plan subject to certain conditions and requires pre-clearance for dealing in the Company’s shares. It also prohibits the purchase or sale of Company’s shares by the Designated Persons, while in possession of unpublished price sensitive information in relation to the Company and during the period when the Trading Window is closed.

Chief Financial Officer is responsible for implementation of the Code.

All Directors, designated employees/persons and connected persons have affirmed compliance with the code.

## 2.11 Committees of the Board:

The Board of Directors has constituted 6 (six) committees of the Board viz.

- Audit Committee
- Nomination and Remuneration Committee
- Stakeholders' Relationship Committee
- Risk Management Committee
- Corporate Social Responsibility Committee
- Management Committee

The Board determines the terms of reference of these Committees from time to time. Meetings of these Committees are convened by the respective Committee Chairman/Company Secretary. At each Board Meeting, minutes of these Committee Meetings are placed before the Directors for their perusal and noting.

## 3. AUDIT COMMITTEE

The Board of Directors of the Company has constituted the Audit Committee in compliance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the Listing Regulations. The Audit Committee of the Company comprises of 4 (four) members out of which 3 (three) members are Non-Executive Independent Directors. Mr. Pratul Shroff, an Independent Director, acts as Chairman of the Committee. The Committee members are having requisite experience in the fields of Finance, Accounts and Management. The Chief Financial Officer, Internal Auditor and representatives of Statutory Auditors are the permanent invitees to Audit Committee meetings and the Company Secretary acts as the Secretary of the Audit Committee.

The brief terms of reference and composition of committee are as follows:

### 3.1 Brief description of the terms of reference:

1. Oversight of the company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - (a) Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
  - (b) Changes, if any, in accounting policies and practices and reasons for the same;
  - (c) Major accounting entries involving estimates based on the exercise of judgment by management;
  - (d) Significant adjustments made in the financial statements arising out of audit findings;
  - (e) Compliance with listing and other legal requirements relating to financial statements;
  - (f) Disclosure of any related party transactions;
  - (g) Modified opinion / Qualifications in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the company with related parties;



9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. To review the functioning of the Whistle Blower mechanism;
19. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;
20. Carrying out any other function as mentioned in the terms of reference of the Audit Committee.
21. Reviewing the utilization of loans and/or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crores or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision.
22. To review the compliance with the provisions of Regulation 9A of Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 at least once in a financial year and to verify that the systems for internal control are adequate and are operating effectively.
23. To consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders.

**Audit Committee shall mandatorily review the following information:**

1. Management discussion and analysis of financial condition and results of operations;
2. Management letters / letters of internal control weaknesses issued by the statutory auditors;
3. Internal audit reports relating to internal control weaknesses; and
4. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.
5. Statement of deviations:
  - (a) quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1).
  - (b) annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

**3.2 Composition of Audit Committee, number of Meetings held and participation at the Meetings during the year:**

As on March 31, 2023, the Audit Committee consists of 4 (four) members. During the year, the Committee has held 5 (five) Meetings on May 20, 2022, August 12, 2022, September 29, 2022, November 4, 2022 and January 23, 2023.

The details of composition of committee, number of meetings held and attendance thereof during the year were as under:

Sr. No.	Name of Committee members	Category	Position / Status	Number of Meetings held during the year	Number of Meetings attended
1	Mr. Pratul Shroff	Independent Director	Chairman	5	4
2	Mr. Prem Prakash Pangotra	Independent Director	Member	5	5
3	Mr. Nirav Shah	Independent Director	Member	5	5
4	Mr. Kamal Singal	Executive Director	Member	5	4

#### 4. NOMINATION AND REMUNERATION COMMITTEE

The Board of Directors of the Company has constituted the Nomination and Remuneration Committee (“NRC”) in compliance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of Listing Regulations. The NRC of the Company comprises of 3 (three) Directors out of which 2 (two) are Non-Executive Independent Directors and 1 (one) is Non-Executive Director. Mr. Prem Prakash Pangotra, an Independent Director, acts as Chairman of the Committee.

The brief terms of reference and composition of committee are as follows:

##### 4.1 Brief description of the terms of reference:

###### Nomination of Directors / Key Managerial Personnel / Senior Management\*

1. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
2. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of an external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates
3. Formulation of criteria for evaluation of performance of independent directors and the board of directors;
4. Devising a policy on diversity of board of directors;
5. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
6. Whether to extend or continue the term of appointment of the independent director, on the basis of the report of performance evaluation of independent directors.
7. Recommend to the board, all remuneration, in whatever form, payable to senior management.
8. To administer and supervise Employee Stock Options Schemes (ESOS) including framing of policies related to ESOS and reviewing grant of ESOS;
9. To review HR Policies and Initiatives.
10. Carrying out any other function as is mentioned in the terms of reference of the Nomination and Remuneration Committee.

**Remuneration of Directors / Key Managerial Personnel / Senior Management\*/ other Employees:**

1. Evolve the principles, criteria and basis of Remuneration Policy and recommend to the Board a policy relating to the remuneration for all the Directors, KMP, senior management and other employees of the Company and to review the same from time to time;
2. The Committee shall, while formulating the policy, ensure the following:
  - a) The level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
  - b) Relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - c) Remuneration to Directors, KMP and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

\* Senior Management for the above purpose shall mean personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

**4.2 Composition of Nomination and Remuneration Committee, number of Meetings held and participation at the Meetings during the year:**

As on March 31, 2023, the NRC consists of 3 (three) members. During the year, the NRC has held 1 (one) Meeting on May 20, 2022.

The details of composition of committee, number of meetings held and attendance thereof during the year were as under:

Sr. No.	Name of Committee members	Category	Position / Status	Number of Meetings held during the year	Number of Meetings attended
1	Mr. Prem Prakash Pangotra	Independent Director	Chairman	1	1
2	Mr. Pratul Shroff	Independent Director	Member	1	0
3	Mr. Sanjay S. Lalbhai	Non-Executive Director	Member	1	1

**4.3 Evaluation of the Board’s Performance:**

During the year, the Board adopted a formal mechanism for evaluating its performance as well as that of its Committees and individual Directors. The exercise was carried out through a structured evaluation process covering various aspects of the Board’s functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, governance issues etc. Separate exercise was carried out to evaluate the performance of individual Directors including the Board Chairman who were evaluated on parameters such as attendance, contribution at the meetings and otherwise, independent judgement, safeguarding of minority shareholders interest etc.

The evaluation of the Independent Directors was carried out by the entire Board and that of the Chairman and the Non-Independent Directors by the Independent Directors.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

**4.4 Remuneration of Directors:**

Remuneration of Executive Directors is recommended by the Nomination & Remuneration Committee and approved by the Board of Directors and the Shareholders of the Company.

The remuneration of Non-Executive Directors is determined by the Board and is also approved by the Shareholders. Non-Executive Independent Directors are paid Sitting Fees of Rs.10,000/- for every meeting of Board of Directors or Committee attended by them. Apart from this, Non-Executive Directors (other than Managing Director and Whole Time Director(s)) are entitled for commission not exceeding 1% of the net profits of the Company per annum.

Details of remuneration to all the Directors for the FY22-23 is as under:

Sr. No.	Name of Director	Salary	Perquisites & Allowances	Sitting Fees	Retrial Benefits	Commission / Bonus
1	Mr. Kamal Singal	3,55,60,279	2,18,730	Nil	20,86,983	39,57,000
2	Mr. Sanjay S. Lalbhai	Nil	Nil	Nil	Nil	Nil
3	Mr. Kulin S. Lalbhai	Nil	Nil	Nil	Nil	Nil
4	Mr. Pratul Shroff	Nil	Nil	1,00,000	Nil	5,00,000
5	Mr. Prem Prakash Pangotra	Nil	Nil	1,50,000	Nil	5,00,000
6	Mr. Nirav Shah	Nil	Nil	1,30,000	Nil	5,00,000
7	Ms. Pallavi Vyas	Nil	Nil	80,000	Nil	4,00,000
8	Mr. Vipul Roongta	Nil	Nil	Nil	Nil	Nil

The details of stock options granted to the eligible employees under Arvind Infrastructure Limited - Employee Stock Option Scheme 2013 (ESOP-2013) and 2016 (ESOP-2016) are provided in the Directors' Report of the Company.

Please refer point No. 7 - Employee Stock Option Scheme in Directors' Report.

- There is neither any pecuniary relationship nor any transactions of the Non-Executive Directors i.e. Mr. Sanjay S. Lalbhai, Mr. Kulin S. Lalbhai, Mr. Pratul Shroff, Mr. Prem Prakash Pangotra, Mr. Nirav Shah, Ms. Pallavi Vyas and Mr. Vipul Roongta vis-à-vis the Company except remuneration paid as above.
- The Company has disclosed the criteria of making payment to Non-Executive Directors and the same can be accessed at the following Web-link: [https://www.arvindsmartspace.com/wp-content/uploads/2022/02/Criteria\\_of\\_making\\_payment\\_to\\_Non\\_Executive\\_Directors.pdf](https://www.arvindsmartspace.com/wp-content/uploads/2022/02/Criteria_of_making_payment_to_Non_Executive_Directors.pdf)

## 5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Board of Directors of the Company has constituted the Stakeholders' Relationship Committee ("SRC") in compliance with the provisions of Section 178(5) of the Companies Act, 2013 and Regulation 20 of the Listing Regulations. The SRC of the Company comprises of 4 (four) Directors out of which 2 (two) are Non-Executive Independent Directors, 1 (one) is Non-Executive Director and 1 (one) is Executive Director. Mr. Sanjay S. Lalbhai, Non-Executive Director, acts as Chairman of the Committee.

The brief terms of reference and composition of committee are as follows:

### 5.1 Brief description of the terms of reference:

- Resolving the grievances of the security holders of the company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, dematerialization / rematerialization of Shares and debentures, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the company in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.
- To look into the reasons for any defaults in the payment to the Depositors, Debenture holders, Shareholders (in case of non-payment of declared dividends) and Creditors.
- Carrying out any other function as is mentioned in the terms of reference of the Stakeholder's Relationship Committee.

### 5.2 Composition of Stakeholders' Relationship Committee, number of Meetings held and participation at the Meetings during the year:

As on March 31, 2023, the SRC consists of 4 (four) members. During the year, the SRC has held 1 (one) Meeting on May 20, 2022.



The details of composition of committee, number of meetings held and attendance thereof during the year were as under:

Sr. No.	Name of Committee members	Category	Position / Status	Number of Meetings held during the year	Number of Meetings attended
1	Mr. Sanjay S. Lalbhai	Non-Executive Director	Chairman	1	1
2	Mr. Pratul Shroff	Independent Director	Member	1	1
3	Mr. Prem Prakash Pangotra	Independent Director	Member	1	1
4	Mr. Kamal Singal	Executive Director	Member	1	1

### 5.3 Name and designation of Compliance Officer:

Mr. Prakash Makwana, Company Secretary is the Compliance officer of the Company.

### 5.4 Details of Complaints/Queries received and redressed during April 01, 2022 to March 31, 2023:

Number of shareholders' complaints pending at the beginning of the year	Number of shareholders' complaints received during the year	Number of shareholders' complaints redressed during the year	Number of shareholders' complaints pending at the end of the year
0	3	3	0

## 6. RISK MANAGEMENT COMMITTEE

The Board of Directors of the Company has constituted the Risk Management Committee ("RMC") in compliance with the provisions of the Regulation 21 of the Listing Regulations. The RMC of the Company comprises of 3 (three) Members out of which 1 (one) is Non-Executive Independent Director, 1 (one) is Executive Director and 1 (one) is Senior Executive i.e. Chief Financial Officer. Mr. Kamal Singal, Executive Director, acts as Chairman of the Committee.

The brief terms of reference and composition of committee are as follows:

### 6.1 Brief description of the terms of reference:

- To formulate a detailed risk management policy which shall include:
  - A framework for identification of internal and external risks specifically faced by the listed entity, in particular including financial, operational, sectoral, sustainability (particularly, ESG related risks), information, cyber security risks or any other risk as may be determined by the Committee.
  - Measures for risk mitigation including systems and processes for internal control of identified risks.
  - Business continuity plan.
- To ensure that appropriate methodology, processes and systems are in place to monitor and evaluate risks associated with the business of the Company;
- To monitor and oversee implementation of the risk management policy, including evaluating the adequacy of risk management systems;
- To periodically review the risk management policy, at least once in two years, including by considering the changing industry dynamics and evolving complexity;
- To keep the board of directors informed about the nature and content of its discussions, recommendations and actions to be taken;
- The appointment, removal and terms of remuneration of the Chief Risk Officer (if any) shall be subject to review by the Risk Management Committee

## 6.2 Composition of Risk Management Committee, number of Meetings held and participation at the Meetings during the year:

As on March 31, 2023, the RMC consists of 3 (three) members. During the year, the RMC has held 2 (two) Meetings on August 27, 2022 and February 20, 2023.

The details of composition of committee, number of meetings held and attendance thereof during the year were as under:

Sr. No.	Name of Committee members	Category	Position / Status	Number of Meetings held during the year	Number of Meetings attended
1	Mr. Kamal Singal	Executive Director	Chairman	2	1
2	Mr. Nirav Shah	Independent Director	Member	2	2
3	Mr. Ankit Jain	Chief Financial Officer	Member	2	2

## 7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Board of Directors of the Company has constituted the Corporate Social Responsibility Committee ("CSRC") in compliance with the provisions of Section 135 read with Schedule VII of the Companies Act, 2013. The CSRC of the company comprises of 4 (four) Directors out of which 2 (two) are Non-Executive Independent Directors, 1 (one) is Non-Executive Director and 1 (one) is Executive Director.

The brief terms of reference and composition of committee are as follows:

### 7.1 Brief description of the terms of reference:

- formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company as specified in Schedule VII to the Companies Act, 2013;
- to finalise a list of CSR projects or programs or initiatives proposed to be undertaken periodically including the modalities for their execution / implementation schedules and to review the same from time to time in accordance with requirements of section 135 of the Companies Act 2013;
- recommend the amount of expenditure to be incurred on the activities referred to in clause (a);
- monitor the Corporate Social Responsibility Policy of the company from time to time;
- review the CSR report and other disclosures on CSR matters for the approval of the Board for their inclusion in the Board report;

### 7.2 Composition of Corporate Social Responsibility Committee, number of Meetings held and participation at the Meetings during the year:

As on March 31, 2023, the CSRC consists of 4 (four) members. During the year, the CSRC has held 2 (two) Meetings on May 20, 2022 and August 12, 2022.

The details of composition of committee, number of meetings held and attendance thereof during the year were as under:

Sr. No.	Name of Committee members	Category	Position / Status	Number of Meetings held during the year	Number of Meetings attended
1	Mr. Sanjay S. Lalbhai	Non-Executive Director	Chairman	2	2
2	Mr. Prem Prakash Pangotra	Independent Director	Member	2	2
3	Ms. Pallavi Vyas	Independent Director	Member	2	2
4	Mr. Kamal Singal	Executive Director	Member	2	2

## 8. MANAGEMENT COMMITTEE OF BOARD OF DIRECTORS

The Board of Directors of the Company has constituted the Management Committee which comprises of 3 (three) Directors out of which 2 (two) are Non-Executive and 1 (one) is Executive Director.

The role and composition of committee are as follows:

### 8.1 Role of Management Committee:

The Management committee's primary role is to look after the day-to-day business activities of the Company within Board approved direction/framework. The committee meets frequently, as and when need arises, to transact matters within the preview of its terms of reference.

### 8.2 Composition of Management Committee, number of Meetings held and participation at the Meetings during the year:

As on March 31, 2023, the Management Committee of Board of Directors consist of 3 (three) Directors. During the year, 17 (seventeen) Management Committee Meetings were held on various dates.

The details of composition of committee, number of meetings held and attendance thereof during the year were as under:

Sr. No.	Name of Committee members	Category	Position / Status	Number of Meetings held during the year	Number of Meetings attended
1	Mr. Sanjay S. Lalbhai	Non-Executive Director	Chairman	17	17
2	Mr. Kulin S Lalbhai	Non-Executive Director	Member	17	15
3	Mr. Kamal Singal	Executive Director	Member	17	15

## 9. INFORMATION OF GENERAL BODY MEETINGS:

### 9.1 Location and time, where last three Annual General Meetings (AGM) held:

Financial Year	Date	Time	Venue
2021-22	August 12, 2022	02:30 pm	The AGM was held through VC / OAVM i.e. electronic mode where the Registered office of the Company was deemed venue.
2020-21	September 22, 2021	11:00 am	The AGM was held through VC / OAVM i.e. electronic mode where the Registered office of the Company was deemed venue.
2019-20	September 29, 2020	11:00 am	The AGM was held through VC / OAVM i.e. electronic mode where the Registered office of the Company was deemed venue.

### 9.2 Special Resolutions passed in last three Annual General Meetings:

Financial Year	Date	Venue
2021-22	August 12, 2022	No Special Resolution was passed at the Meeting
2020-21	September 22, 2022	Special Resolution for approval of payment of remuneration / commission payable to the Non-Executive Director(s) of the Company for a period of five years from April 01, 2021 to March 31, 2026.
2019-20	September 29, 2020	(1) Special Resolution for re-appointment of Mr. Pratul Shroff (DIN 00162576) as an Independent Director for a period of five years up to March 27, 2025. (2) Special Resolution for re-appointment of Mr. Prem Prakash Pangotra (DIN 00844391) as an Independent Director for a period of five years up to March 27, 2025. (3) Special Resolution for approval of re-appointment of Mr. Kamal Singal as Managing Director & Chief Executive Officer and overall limit of remuneration payable to him for a period of 5 years from June 01, 2020. (4) Special Resolution for approval of payment of commission payable to the Non-Executive Director(s) of the Company for a period of five years from April 01, 2020 to March 31, 2025.

### 9.3 Extraordinary General Meetings (EGM):

Financial Year	Date	Time	Details of Special Resolution
2021-22	-	-	-
2020-21	October 04, 2021		The EGM was held through VC / OAVM i.e. electronic mode where the Registered office of the Company was deemed venue.
2019-20	-	-	-

### 9.4 Special Resolutions passed in last three Extraordinary General Meetings (EGM):

Financial Year	Date	Details of Special Resolution
2021-22	-	-
2020-21	October 04, 2021	(1) To create, offer, issue and allot equity shares on Preferential basis to Qualified Institutional Buyer. (2) To create, offer, issue and allot equity shares on Preferential basis to Promoter Group Entities. (3) To amend the Articles of Association of the Company.
2019-20	-	-

### 9.5 Details of Resolution Passed through Postal Ballot, the person who conducted the Postal Ballot Exercise and details of the voting pattern:

During the year under review, the Company has completed process of postal ballot, in compliance with provisions of Section 110 of the Companies Act, 2013 (**“the Act”**) read with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 (**“Rules”**) including any amendment(s) thereof, Regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (**“Listing Regulations”**), General Circular No. 14/2020 dated April 08, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 22/2020 dated June 15, 2020, General Circular No. 33/2020 dated September 28, 2020, General Circular No. 39/2020 dated December 31, 2020, General Circular No. 10/2021 dated June 23, 2021, General Circular No. 20/2021 dated December 8, 2021 and General Circular No. 3/2022 dated May 05, 2022 (**“General Circulars”**) issued by the Ministry of Corporate Affairs (**the “MCA”**). The voting was conducted through remote e-voting only in compliance with the General Circulars. The Company had engaged the services of NSDL to provide e-voting facility to its Members. The notice of postal ballot was accompanied with detailed instructions kit to enable the members to understand the procedure and manner in which postal ballot voting (including remote e-voting) to be carried out. The following Resolutions were deemed to have been passed on the last date of remote e-voting.

#### (i) Postal Ballot Notice dated May 20, 2022:

Sr. No.	Particulars	No. of votes Polled	No. and % votes in favour	No. and % votes in against
1	To re-appoint Mr. Nirav Kalyanbhai Shah as an Independent Director	31455323	31453273 (99.9935%)	2050 (0.0065%)

Mr. Hitesh Buch, Practicing Company Secretary was appointed as Scrutinizer for conducting the aforesaid postal ballots in a fair and transparent manner.

## 10. MEANS OF COMMUNICATIONS

**10.1** The Quarterly Results are published in Financial Express - All India Editions and Financial Express Gujarati Edition of Ahmedabad and can also be accessed at the following Web-link: [www.arvindsmartspaces.com](http://www.arvindsmartspaces.com).

**10.2** Information released to the press at the time of declaration of results is also sent to all Stock Exchanges where the shares of the Company are listed for the benefit of investors. Moreover, the Company’s website hosts a special page giving information which investors usually seek.

Presentations can be accessed at the following Web-link: [www.arvindsmartspaces.com](http://www.arvindsmartspaces.com).



## 11. GENERAL SHAREHOLDER INFORMATION

### 11.1 Annual General Meeting:

Date	Wednesday, August 02, 2023
Time	10:00 AM
Venue	The Company is conducting meeting through VC / OAVM pursuant to the General Circular No. 14/2020 dated April 08, 2020 and General Circular No. 17/2020 dated April 13, 2020 followed by General Circular No. 20/2020 dated May 5, 2020, General Circular No. 02/2021 dated January 13, 2021, General Circular No. 21/2021 dated December 14, 2021, General Circular No. 02/2022 dated May 05, 2022 and General Circular No. 10/2022 dated December 28, 2022, issued by the Ministry of Corporate Affairs. The Registered office of the Company will be the deemed venue for the AGM.

### 11.2 Financial Calendar:

The Financial Year of the Company is for a period of 12 months from April 01 to March 31.

First quarter results	Second week of August.
Second quarter results	Last week of October.
Third quarter results	Last week of January.
Fourth quarter results / Year end results	Last week of May.
Venue	The Company is conducting meeting through VC / OAVM pursuant to the General Circular No. 14/2020 dated April 08, 2020 and General Circular No. 17/2020 dated April 13, 2020 followed by General Circular No. 20/2020 dated May 05, 2020, General Circular No. 02/2021 dated January 13, 2021, General Circular No. 21/2021 dated December 14, 2021, General Circular No. 02/2022 dated May 05, 2022 and General Circular No. 10/2022 dated December 28, 2022, issued by the Ministry of Corporate Affairs. The Registered office of the Company will be the deemed venue for the AGM.

**11.3 Book Closure:** Saturday, July 22, 2023 till Wednesday, August 02, 2023 (Both Days inclusive).

**11.4 Dividend payment Date:** The Board of Director has recommended a final dividend of Rs.1.65/- per equity share and one-time special dividend of Rs.1.65/- per equity share, totaling to Rs. 3.30/- per equity share of Rs.10/- each (i.e. 33%), for the financial year ended on March 31, 2023. The dividend if declared at the Annual General Meeting, will be paid within 30 days from the date of AGM.

**11.5 Listing on Stock Exchanges: Equity Shares of the Company are listed on the following Stock Exchanges:**

Sr. No.	Name of the Stock Exchange	Code	Address
1	BSE Ltd.	539301	Phiroze Jeejeebhoy Tower, Dalal Street Mumbai - 400 001
2	National Stock Exchange of India Limited	ARVSMART	Exchange Plaza, 5 <sup>th</sup> Floor, Plot No. C/1, G. Block, Bandra - Kurla Complex, Bandra (E), Mumbai - 400 051

The Company has paid Annual Listing Fees for the FY23-24 to both Stock Exchanges.

### 11.6 Market Price data:

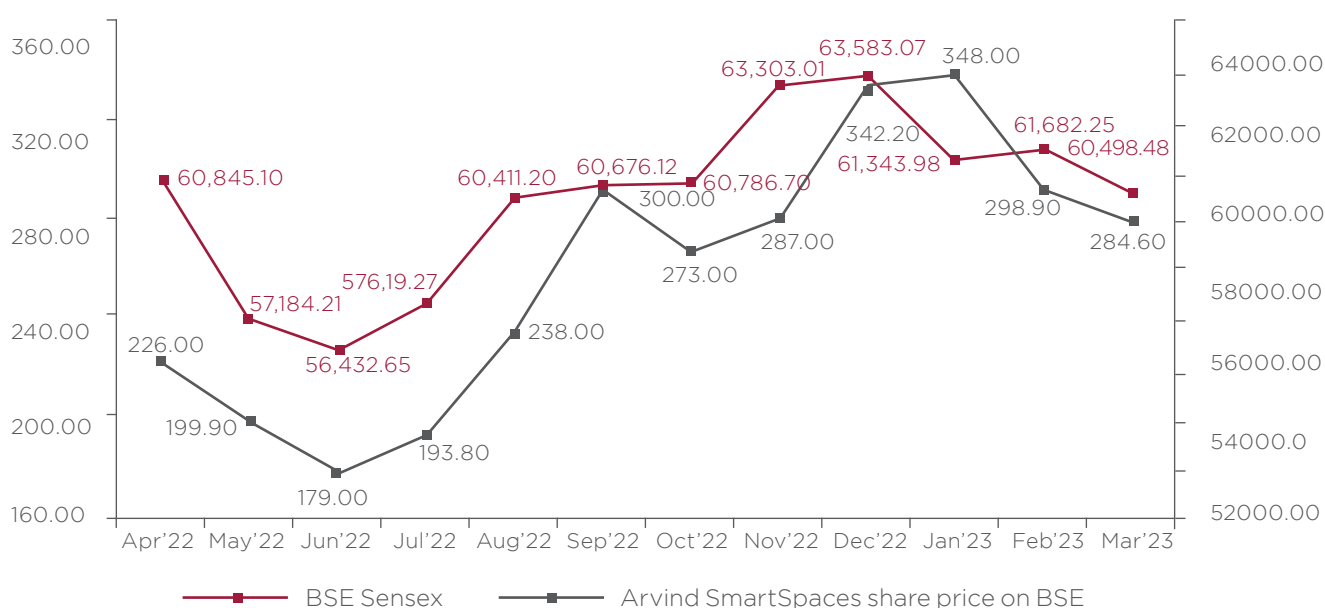
The Market and volume of the Company's share traded on BSE Limited and National Stock Exchange of India Limited during the financial year 2022-23 were as under:

Month	Share Price BSE		Volumes No. of Shares	BSE Sensex		Share Price NSE		Volumes No. of Shares	NSE (Nifty)	
	High (Rs.)	Low (Rs.)		High	Low	High (Rs.)	Low (Rs.)		High	Low
Apr'22	226.00	194.00	74722	60845.10	56009.07	225.00	194.00	829369	18114.65	16824.70
May'22	199.90	151.05	79863	57184.21	52632.48	202.00	156.15	857716	17132.85	15735.75
Jun'22	179.00	142.35	34766	56432.65	50921.22	178.45	143.55	482985	16793.85	15183.40

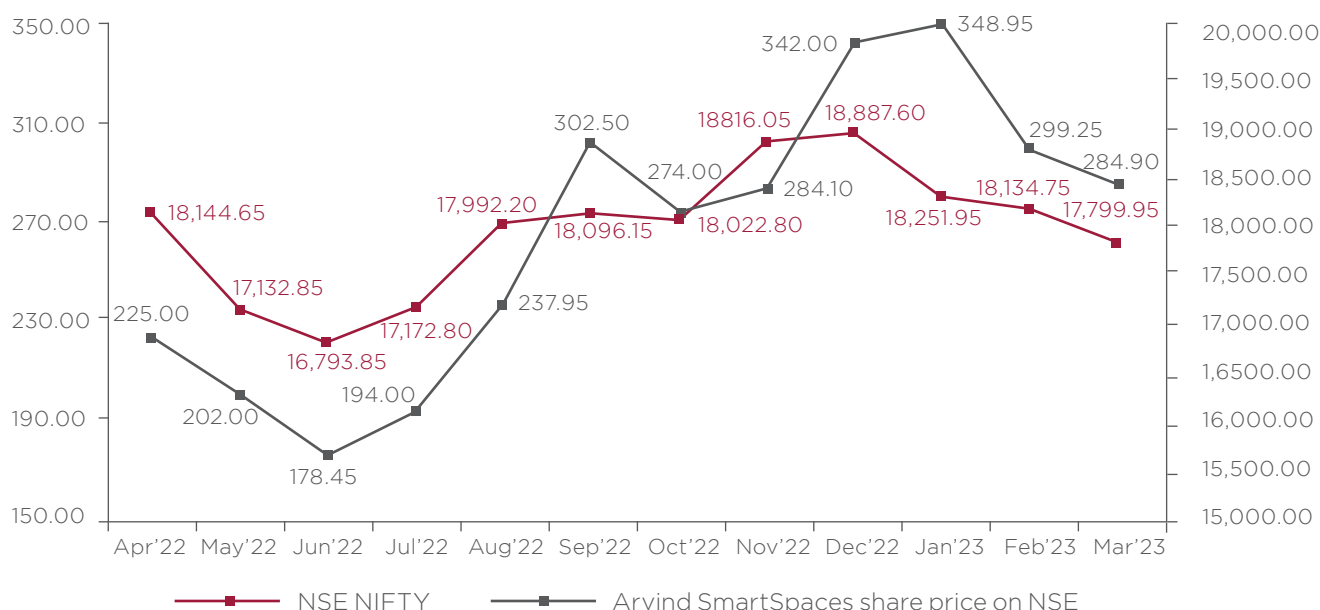
Month	Share Price BSE		Volumes No. of Shares	BSE Sensex		Share Price NSE		Volumes No. of Shares	NSE (Nifty)	
	High (Rs.)	Low (Rs.)		High	Low	High (Rs.)	Low (Rs.)		High	Low
Jul'22	193.80	150.60	51223	57619.27	52094.25	194.00	150.10	762702	17172.80	15511.05
Aug'22	238.00	177.00	146967	60411.20	57367.47	237.95	179.70	1878765	17992.20	17154.80
Sep'22	300.05	220.00	939525	60676.12	56147.23	302.50	215.10	4522556	18096.15	16747.70
Oct'22	273.00	238.25	74970	60786.70	56683.40	274.00	237.35	1048859	18022.80	16855.55
Nov'22	287.00	245.80	112050	63303.01	60425.47	284.10	245.55	1415429	18816.05	17959.20
Dec'22	342.20	244.50	357833	63583.07	59754.10	342.00	258.60	4658143	18887.60	17774.25
Jan'23	348.00	273.60	329088	61343.96	58699.20	348.95	271.65	2977256	18251.95	17405.55
Feb'23	298.90	242.90	87202	61682.25	58795.97	299.25	242.20	827034	18134.75	17255.20
Mar'23	284.60	225.00	228535	60498.48	57084.91	284.90	224.35	1524888	17799.95	16828.35

### 11.7 Performance in comparison to broad-based indices viz. BSE Sensex and Nifty Fifty:

#### Arvind SmartSpaces share price movement v/s BSE Sensex



#### Arvind SmartSpaces share price movement v/s NSE NIFTY



### 11.8 Registrars and Transfer Agents:

#### Link Intime India Private Limited

506-508, Amarnath Business Centre-1 (abc-1),  
Beside Gala Business Centre, Near St. Xavier's College Corner,  
Off C G Road, Ellisbridge, Ahmedabad 380006. Tel No: +91 79 26465179 /86 / 87  
E-mail id. : [ahmedabad@linkintime.co.in](mailto:ahmedabad@linkintime.co.in)  
Website : [www.linkintime.co.in](http://www.linkintime.co.in)

### 11.9 Share transfer system:

#### (I) Delegation of Share Transfer Formalities:

In terms of Regulation 40(1) of SEBI Listing Regulations, as amended, securities can be transferred only in dematerialized form w.e.f. April 01, 2019, except in case of request received for transmission or transposition of securities. Members holding shares in physical form are requested to consider converting their holdings to dematerialized form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company.

#### (II) Share Transfer Details for the period from April 01,, 2022 to March 31, 2023:

SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or RTA - Link Intime India Private Limited, for assistance in this regard.

There were no physical share transferred for the period from April 01, 2022 to March 31, 2023.

#### (III) Investors' Grievances:

The Registrar and Transfer Agent under the supervision of the Secretarial Department of the Company look after investors' grievances. Link Intime India Private Limited is responsible for redressal of Investors' Grievances. The Company Secretary of the Company has been appointed as the Compliance Officer for this purpose. At each Meeting of the Stakeholders' Relationship Committee, all matters pertaining to investors including their grievances and redressal are reported.

### 11.10 Shareholding pattern dated March 31, 2023.

Sr. No	Category of Shareholders	No. of shares held	% of shares held
<b>(A)</b>	<b>Shareholding of Promoter and Promoter Group</b>		
<b>[1]</b>	<b>Indian</b>		
(a)	Individuals / Hindu Undivided Family	210757	0.47
(b)	Central Government / State Government(s)	0	0.00
(c)	Financial Institutions / Banks	0	0.00
	Any Other (Specify)	22643381	49.97
	<b>Sub Total (A)(1)</b>	<b>22854138</b>	<b>50.44</b>
<b>[2]</b>	<b>Foreign</b>		
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0.00
(b)	Government	0	0.00
(c)	Institutions	0	0.00
(d)	Foreign Portfolio Investor	0	0.00
(e)	Any Other (Specify)	0	0.00
	<b>Sub Total (A)(2)</b>	<b>0</b>	<b>0.00</b>
	<b>Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+ (A)(2)</b>	<b>22854138</b>	<b>50.44</b>
<b>(B)</b>	<b>Public Shareholding</b>		
<b>[1]</b>	<b>Institutions</b>		
(a)	Mutual Funds	758938	1.67
(b)	Venture Capital Funds	0	0.00
(c)	Alternate Investment Funds	4032200	8.90

Sr. No	Category of Shareholders	No. of shares held	% of shares held
(d)	Banks	796	0.00
(e)	Provident Funds/Pension Funds	0	0.00
(f)	Asset reconstruction companies	0	0.00
(g)	Sovereign Wealth Funds	0	0.00
(h)	NBFCs registered with RBI	4592	0.01
(i)	Other financial institutions	40	0.00
(i)	Any Other (Specify)	0	0.00
	<b>Sub Total (B)(1)</b>	<b>4796566</b>	<b>10.59</b>
<b>[2]</b>	<b>Institutions (Foreign)</b>		
(a)	Foreign Direct Investment	0	0.00
(b)	Foreign Venture Capital Investors	0	0.00
(c)	Sovereign Wealth Funds	0	0.00
(d)	Foreign Portfolio Investors Category I	301655	0.67
(e)	Foreign Portfolio Investors Category II	0	0.00
(f)	Overseas Depositories (holding DRs) (balancing figure)	0	0.00
(g)	Any Other (specify)	2300	0.01
	<b>Sub Total (B)(2)</b>	<b>303955</b>	<b>0.67</b>
<b>[3]</b>	<b>Central Government/ State Government(s)</b>		
(a)	Central Government / President of India	0	0.00
(b)	State Government / Governor	53	0.00
(c)	Shareholding by Companies or Bodies Corporate where Central / State Government is a promoter	0	0.00
	<b>Sub Total (B)(3)</b>	<b>53</b>	<b>0.00</b>
<b>[4]</b>	<b>Non-Institutions</b>		
(a)	Associate companies / Subsidiaries	0	0.00
(b)	Directors and their relatives (excluding independent directors and nominee directors)	94744	0.21
(c)	Key Managerial Personnel	420	0.00
(d)	Relatives of promoters (other than 'immediate relatives' of promoters disclosed under 'Promoter and Promoter Group' category)	0	0.00
(e)	Trusts where any person belonging to 'Promoter and Promoter Group' category is 'trustee', 'beneficiary', or 'author of the trust'	0	0.00
(f)	Investor Education and Protection Fund (IEPF)	0	0.00
(g)	Resident Individuals holding nominal share capital up to Rs. 2 Lacs	5190804	11.46
(h)	Resident Individuals holding nominal share capital in excess of Rs. 2 Lacs	6110955	13.49
(i)	Non Resident Indians (NRIs)	267206	0.59
(j)	Foreign Nationals	0	0.00
(k)	Foreign Companies	0	0.00
(l)	Bodies Corporate	1604666	3.54
(m)	Any Other (specify)	4088472	9.02
	<b>Sub-Total (B)(4)</b>	<b>17357267</b>	<b>38.31</b>
	<b>Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)+(B)(4)</b>	<b>22457841</b>	<b>49.56</b>
	<b>Total (A)+(B)</b>	<b>45311979</b>	<b>100.00</b>
(C)	Non Promoter - Non Public		
[1]	Custodian/DR Holder	0	0.00
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0.00
	<b>Total (A)+(B)+(C)</b>	<b>45311979</b>	<b>100.00</b>



**11.11 Distribution of shareholding as on March 31, 2023:**

Sr. No.	Shares Range	Number of Shareholders	Total Shares for the Range	% of Issued Capital
1	1 to 500	100293	2394740	5.29
2	501 to 1000	699	551056	1.22
3	1001 to 2000	401	610063	1.35
4	2001 to 3000	164	407899	0.90
5	3001 to 4000	85	304713	0.67
6	4001 to 5000	65	300616	0.66
7	5001 to 10000	123	925312	2.04
8	10001 and above	135	39817580	87.87
<b>Total</b>		<b>101965</b>	<b>45311979</b>	<b>100.00</b>

**11.12 Dematerialisation of shares and liquidity:**

**Demat ISIN:** Equity Shares fully paid: INE034S01021

The Company's shares are available for dematerialisation on both the Depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). Shares of the Company are compulsorily to be delivered in the demat form on Stock Exchanges by all investors. As on March 31, 2023, 4,50,62,178 shares representing 99.45% of the issued and paid-up capital have been dematerialised by investors and bulk of transfers take place in the demat form.

**11.13 Outstanding Global Depository Receipts or American Depository Receipts or Warrants or any Convertible Instruments, conversion date and likely impact on equity:**

During the financial year 2022-23, the Company has not issued Global Depository Receipts or American Depository Receipts or Warrants or any Convertible Instruments:

**11.14 Nomination Facility:**

Shareholders holding shares in physical form and desirous of making a nomination in respect of their shareholding in the Company, as permitted under Section 72 of the Companies Act, 2013 are requested to submit the prescribed Form SH-13 for this purpose. Shareholders may write to the Secretarial Department of the Company for a copy of the Form.

**11.15 Credit rating:**

During the financial year 2022-23, the Company has obtained/ re-affirmed following credit ratings from Indian Ratings and Research (IRA).

Sr. No.	Date of Credit Rating Letter	Instruments	Status	Rating
1	December 27, 2022	Proposed term loan of Rs. 325/- Cr (reduced from Rs. 400/- Cr	Affirmed	IND A/Positive
		Proposed non-convertible debentures (NCDs) of Rs. 75 Cr	Assigned	IND A/Positive

**11.16 Commodity price risk or foreign exchange risk and hedging activities:**

The Company is not exposed to commodity price risk since it generally executes projects through its contractors.

**11.17 Plant / Site locations:**

The Company is engaged in Real Estate business activities, it does not have any manufacturing plant. The Company has various projects spread across in and around Ahmedabad, Bengaluru and Pune.

**11.18 Transfer of unclaimed / unpaid amounts to the Investor Education and Protection Fund:**

Unpaid / Unclaimed Dividends in accordance with the provisions of Sections 124 and 125 of Companies Act, 2013 and Investor Education and Protection Fund (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules) dividends not encashed / claimed within seven years from the date of declaration are to be transferred to the Investor Education and Protection Fund (IEPF) Authority. The IEPF Rules mandate companies to transfer shares of Members whose dividends remain unpaid / unclaimed for a continuous period of seven years to the demat account of IEPF Authority. The Members whose dividend / shares are transferred to the IEPF Authority can claim their shares / dividend from the Authority.

The following tables give information relating due dates for transfer of dividend unclaimed to IEPF are as follows:

Financial Year	Rate of Dividend	Date of Declaration of Dividend	Due date for transfer to IEPF*
2016-17	No Dividend	-	-
2017-18	No Dividend	-	-
2018-19	15%	August 05, 2019	October 09, 2026
2019-20	No Dividend	-	-
2020-21	No Dividend	-	-
2021-22	No Dividend	-	-

\* Actual date of transfer may vary

During the year under review, the Company has transferred the unclaimed sale proceeds of fractional shares arose out of demerger of Real Estate Undertaking of Arvind Limited to Arvind Infrastructure Limited (now known as Arvind SmartSpaces Limited), aggregating to Rs. 6.21 Lacs which were lying with the Company for a period of seven years, to the Investor Education and Protection Fund established by the Central Government, in accordance with the requirements of Section 125 of the Companies Acts, 2013.

#### 11.19 Address for correspondence:

Shareholders may correspond with the Company at the Registered Office of the Company or at the office of Registrars and Transfer Agents of the Company:

Arvind SmartSpaces Limited Secretarial Department 24 Government Servant's Society, Near Municipal Market, Off C. G. Road, Navrangpura, Ahmedabad- 380009 Phone No: 079-68267000 Fax No. : 079-68267021 e-mail : <a href="mailto:investor@arvindinfra.com">investor@arvindinfra.com</a> Website address: <a href="http://www.arvindsmartspaces.com">www.arvindsmartspaces.com</a>	Link Intime India Private Limited 506-508, Amarnath Business Centre-1 (abc-1), Beside Gala Business Centre, Near St. Xavier's College Corner, Off C G Road, Ellisbridge, Ahmedabad 380006. Tel No : +91 79 26465179 /86 / 87 E-mail id : <a href="mailto:ahmedabad@linkintime.co.in">ahmedabad@linkintime.co.in</a> Website : <a href="http://www.linkintime.co.in">www.linkintime.co.in</a>
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## 12. OTHER DISCLOSURE:

- 12.1** During the year under review, there are no materially significant related party transactions i.e. transactions of the Company of material nature, with its promoters, directors or the management, their subsidiaries or relatives etc. that may have potential conflicts with the interest of the Company at large or which warrants the approval of the shareholders. Suitable disclosure as required under INDAS 24 has been made in the Annual Report. The Related Party Transaction Policy as approved by the Board can be accessed at the following Web-link: <https://www.arvindsmartspaces.com/wp-content/uploads/2022/06/Related-Party-Transactions-Policy.pdf>
- 12.2** Transactions with related parties are disclosed in detail in "Notes forming part of the Accounts" annexed to the financial statements for the year. There were no related party transactions having potential conflict with the interest of the Company at large.
- 12.3** There are no pecuniary relationships or transactions of Non-Executive Directors vis-à-vis the Company which has potential conflict with the interests of the company at large.
- 12.4** No Strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Security Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets during the last three years i.e. 2020-21, 2021-22 and 2022-23.
- 12.5** During the year ended March 31, 2023, the Company has only two Material Unlisted Subsidiaries namely Arvind Hebbal Homes Pvt. Ltd. and Arvind Infracon LLP, as defined in Regulation 16 of the SEBI Listing Regulations. The Company has formed the policy for determining material subsidiary as required under Regulation 16 of the SEBI Listing Regulations and the same can be accessed at the following Web-link: <https://www.arvindsmartspaces.com/wp-content/uploads/2022/02/Material-Subsidiaries.pdf>
- 12.6** The Company has not granted any loans and advances in the nature of loans to the firms or the companies in which directors are interested.

### **12.7 Vigil Mechanism / Whistle Blower Policy:**

In staying true to our values of Strength, Performance and Passion and in line with our vision of being one of the most respected companies in India, the Company is committed to the high standards of Corporate Governance and stakeholder responsibility.

The Company has Vigil Mechanism / Whistleblower Policy (WB Policy) which provides a secured avenue to directors, employees, business associates and all other stakeholders of the company for raising their concerns against the unethical practices, if any. The WB Policy ensures that strict confidentiality is maintained whilst dealing with concerns and also that no discrimination will be meted out to any person for a genuinely raised concern.

Pursuant thereto, a dedicated helpline “Arvind Ethics Helpline” has been set up which is managed by an independent professional organization.

The Ethics Helpline can be contacted to report any suspected or confirmed incident of fraud/misconduct on:

**Website for complaints:** [www.in.kpmg.com/ethicshelpline/Arvind](http://www.in.kpmg.com/ethicshelpline/Arvind)

Toll Free No.: 1800 200 8301

**Dedicated Email ID:** [arvind@ethicshelpline.in](mailto:arvind@ethicshelpline.in)

Whistle blower Committee has been constituted which looks into the complaints raised. The Committee reports to the Audit Committee.

No personnel have been denied access to the Chairman of the Audit Committee, for making complaint on any integrity issue.

### **12.8 Code of Conduct for Directors & Senior Management Personnel:**

In terms of Regulation 17 of the Listing Regulations and Section 149 of the Companies Act, 2013, the Board of Directors of the Company has laid down a Code of Conduct for all Board Members and Senior Management Personnel of the Company. The said Code of Conduct has been posted on the website of the Company. The Board Members and Senior Management Personnel of the Company have affirmed compliance with the Code. The Managing Director & CEO of the Company has given a declaration to the Company that all the Board members and Senior Management Personnel of the Company have affirmed compliance with the Code.

### **12.9 CEO/CFO Certification:**

The Managing Director & CEO and Chief Financial Officer (CFO) have issued certificate pursuant to the provisions of Regulation 17(8) of the Listing Regulations, certifying that the financial statements do not contain any materially untrue statement and these statements represent a true and fair view of the Company’s affair. The said certificate is annexed and forms a part of the Annual Report.

**12.10** The Independent Directors have confirmed that they meet the criteria of “Independent Director” as stipulated under the Companies Act, 2013 and Listing Regulations.

**12.11** The minimum information to be placed before the Board of Directors as specified in Part A of Schedule II of Listing Regulations is complied with to the extent applicable.

**12.12** The disclosures in relation to the Sexual Harassment of the Woman at workplace (Prevention, Prohibition and Redressal) Act, 2013 is disclosed in the Directors’ Report forming part of the Annual Report.

### **12.13 Details of total fees paid to Statutory Auditors:**

Details relating to fees paid to the Statutory Auditors are given in Note No. 25 to the Standalone and Consolidated Financial System.

### **12.14 Certificate from Practicing Company Secretary:**

Ms. Ankita Patel, Practicing Company Secretary has issued a certificate that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations which is forming a part of the Annual Report.

Further she has issued a certificate as required under the Listing Regulations, confirming that none of the directors on the Board of the Company have been debarred or is disqualified from being appointed or continuing as directors of the Company by the Board/Ministry of Corporate Affairs or any such statutory authority.

**12.15 Details of compliance with mandatory requirements and adoption of the non-mandatory requirements:**

During the year, the Company has fully complied with the mandatory requirements as stipulated under Listing Regulations.

The status of compliance with discretionary recommendations and adoption of the non-mandatory requirements as specified in regulation 27(1) of the SEBI Listing Regulations is provided below:

- a. The Board:** The Chairman of the Company is Non-Executive & Non-Independent Director.
- b. Shareholder Rights:** Half-yearly and other Quarterly financial statements are published in newspapers, uploaded on company's website [www.arvindsmartspaces.com](http://www.arvindsmartspaces.com) and same are not being sent to the shareholders.
- c. Modified Opinion(s) in Audit Report:** The Company already has a regime of un-qualified financial statement. Auditors have raised no qualification on the financial statements.
- d. Reporting of Internal Auditor:** The Internal Auditor reports to the Audit Committee.

The above Report was placed before the Board at its meeting held on May 19, 2023 and the same was approved.

Place: Ahmedabad  
Date: May 19, 2023

For and on behalf of the Board  
Sanjay S. Lalbhai  
Chairman



# CEO/CFO Certification

*(Regulation 17(8) and Part B of Schedule II of SEBI  
(Listing Obligation & Disclosure Requirements) Regulations, 2015 (LODR).*

To,  
The Board of Directors  
**Arvind SmartSpaces Limited**

Dear Sirs,

**Ref.: Compliance Certificate by Managing Director & Chief Executive Officer (CEO) & Chief Financial Officer (CFO)**

We the undersigned, in our respective capacities as Managing Director & Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of Arvind SmartSpaces Limited (“the Company”) to the best of our knowledge and belief certify that:

- A. We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2023 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) these statements together present a true and fair view of the Company’s affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- B. We further state that to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company’s code of conduct.
- C. We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or proposed to take to rectify these deficiencies.
- D. We have indicated, to the auditors and the Audit committee;
- (1) significant changes in internal control over financial reporting during the year;
  - (2) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - (3) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company’s internal control system over financial reporting.

**Place: Ahmedabad**  
**Date: May 19, 2023**

**Kamal Singal**  
**Managing Director & CEO**

**Ankit Jain**  
**Chief Financial Officer**

# Compliance certificate on Corporate Governance

To the Members of  
**Arvind SmartSpaces Limited**

I have examined the compliance of conditions of Corporate Governance by the company for the year ended on March 31, 2023, as stipulated in regulations 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”).

The compliance of conditions of Corporate Governance is the responsibility of the management of the company. My examination was limited to a review of the procedures and implementation thereof, as adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In my opinion and to the best of my information and according to the explanations given to me and the representations made by the management, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations during the year ended on March 31, 2023.

I further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**Place: Ahmedabad**  
**Date: May 19, 2023**

**CS Ankita Patel**  
**Practicing Company Secretary**  
**FCS No.: F8536**  
**C P No. : 16497**  
**UDIN: F008536E00338327**

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## **DECLARATION REGARDING COMPLIANCE WITH CODE OF CONDUCT FOR DIRECTORS AND SENIOR MANAGEMENT PERSONNEL:**

This is to confirm that the Company has adopted a Code of Conduct for Directors and Senior Management Personnel, which is posted on the Company’s website at [www.arvindsmartspaces.com](http://www.arvindsmartspaces.com)

I hereby declare that all the Board Members and Senior Management Personnel have affirmed compliance with the Code of Conduct for the year ended March 31, 2023.

**Place: Ahmedabad**  
**Date: May 19, 2023**

**Kamal Singal**  
**Managing Director & CEO**

# Business Responsibility and Sustainability Report - FY22-23

## SECTION A: GENERAL DISCLOSURES

### I. Details of the listed entity

1.	Corporate Identity Number (CIN) of the listed entity -	L45201GJ2008PLC055771
2.	Name of the listed entity -	Arvind SmartSpaces Limited
3.	Year of incorporation -	2008
4.	Registered office address -	24, Government Servants Society, CG Road, Navrangpura Ahmedabad-380009, Gujarat, India
5.	Corporate address -	24, Government Servants Society, CG Road, Navrangpura Ahmedabad-380009, Gujarat, India.
6.	E-mail -	<a href="mailto:Investors@arvindinfra.com">Investors@arvindinfra.com</a>
7.	Telephone -	7968267000
8.	Website -	<a href="https://www.arvindsmartspaces.com/">https://www.arvindsmartspaces.com/</a>
9.	Financial year for which reporting is being done -	April 01, 2022- March 31, 2023
10.	Name of the stock exchange(s) where shares are listed -	National Stock Exchange of India Limited and BSE Limited
11.	Paid-up capital -	Rs. 4531.20 Lacs
12.	Name and contact details (telephone, email address) of the person who may be contacted in case of any queries on the BRSR report -	(i) Mr. Kamal Singal - MD & CEO Telephone- 079-6826 7000 E-mail: <a href="mailto:kamal.singal@arvind.in">kamal.singal@arvind.in</a>  (ii) Mr. Avinash Suresh - Chief Operating Officer Telephone- 079 6826 7000 E-mail: <a href="mailto:avinash.suresh@arvind.in">avinash.suresh@arvind.in</a>
13.	Reporting boundary - Are the disclosures under this report made on a standalone basis (i.e. only for the entity) or on a consolidated basis (i.e. for the entity and all the entities which form a part of its consolidated financial statements, taken together)	Consolidated basis.

### II. Products/Services

#### 14. Details of business activities (accounting for 90% of the turnover):

S. No.	Description of Main Activity	Description of Business Activity	% of Turnover of the Entity
1	Real Estate Development	Construction of Residential and Commercial Projects	100

#### 15. Products/Services sold by the entity (accounting for 90% of the entity's turnover):

S. No.	Product/Service	NIC Code	% of Total Turnover Contributed
1	Construction of Residential and Commercial Projects	4100, 70103, 70104	100

### III. Operations

#### 16. No. of locations where plants and/or operations/offices of the entity are situated:

Location	Number of Operations	Number of Offices	Total
National	10	2	13
International	0	0	0

#### 17. Markets served by the entity:

##### a. Number of locations

Location	Number
National (No. of States)	3
International (No. of Countries)	0

##### b. What is the contribution of exports as a percentage of the total turnover of the entity?

In the reporting year, the contribution of exports is Nil.

##### c. A brief on types of customers:

Considering the nature of business, we deal with retail customers and businesses from multiple States in India like Gujarat, Maharashtra, Karnataka.

### IV. Employees

#### 18. Details as at the end of the financial year:

##### a. Employees and workers (including differently abled):

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>EMPLOYEES</b>						
1.	Permanent (D)	289	240	83	49	17
2.	Other than Permanent (E)	3	3	100	0	0
<b>3.</b>	<b>Total Employees (D + E)</b>	<b>292</b>	<b>243</b>	<b>83</b>	<b>45</b>	<b>17</b>
<b>WORKERS</b>						
4.	Permanent (F)	0	0	0	0	0
5.	Other than Permanent (G)	0	0	0	0	0
<b>6.</b>	<b>Total Workers (F + G)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

##### b. Differently abled employees and workers:

S. No.	Particulars	Total (A)	Male		Female	
			No. (B)	% (B/A)	No. (C)	% (C/A)
<b>DIFFERENTLY ABLED EMPLOYEES</b>						
1.	Permanent (D)	0	0	0	0	0
2.	Other than Permanent (E)	0	0	0	0	0
<b>3.</b>	<b>Total Employees (D + E)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>DIFFERENTLY ABLED WORKERS</b>						
4.	Permanent (F)	0	0	0	0	0
5.	Other than Permanent (G)	0	0	0	0	0
<b>6.</b>	<b>Total Workers (F + G)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

#### 19. Participation/Inclusion/Representation of women:

Particulars	Total (A)	No. and percentage of females	
		No. (B)	% (B / A)
Board of Directors	8	1	13
Key Management Personnel	3	0	0



**20. Turnover rate for permanent employees and workers**
*(Disclose trends for the past 3 years)*

	FY22-23 (Turnover rate in current FY)			FY21-22 (Turnover rate in previous FY)			FY20-21 (Turnover rate in the year prior to the previous FY)		
	Male	Female	Total	Male	Female	Total	Male	Female	Total
Permanent Employees	33%	38%	34%	30%	28%	29%	25%	33%	26%
Permanent Workers	0	0	0	0	0	0	0	0	0

**V. Holding, Subsidiary and Associate Companies (including joint ventures)**
**21. (a) Names of holding / subsidiary / associate companies / joint ventures**

S. No.	Name of the holding / subsidiary / associate companies / joint ventures (A)	Indicate whether holding/ Subsidiary/ Associate/ Joint Venture	% of shares held by listed entity	Does the entity indicated at column A, participate in the Business Responsibility initiatives of the listed entity? (Yes/No)
1.	Arvind Hebbal Homes Private Limited.	Wholly owned Subsidiary	100	No
2.	Arvind Homes Private Limited	Wholly owned Subsidiary	100	No
3.	Arvind SmartHomes Private Limited	Wholly owned Subsidiary	100	No
4.	Ahmedabad East Infrastructure LLP	Subsidiary LLP	55.24	No
5.	ASL Facilities Management LLP	Subsidiary LLP	100	No
6.	Uplands Facilities Management LLP	Subsidiary LLP	100	No
7.	Changodar Industrial Infrastructure (One) LLP	Subsidiary LLP	100	No
8.	Arvind Beyond Five Club LLP	Subsidiary LLP	100	
9.	Arvind Infracon LLP	Subsidiary LLP	100	No
10.	Ahmedabad Industrial Infrastructure (One) LLP	Subsidiary LLP	100	No
11.	Arvind Five Homes LLP*	Subsidiary LLP	52	No
12.	Chirping Woods Homes LLP	Subsidiary LLP	100	No
13.	Arvind Smart City LLP	Subsidiary LLP	96	No
14.	Arvind Infrabuild LLP	Subsidiary LLP	100	No
15.	Yogita Shelters LLP	Subsidiary LLP	99.79	No
16.	Thol Highlands LLP	Subsidiary LLP	100	No
17.	Arvind Bsafal Homes LLP*	Associate (Joint Venture)	50	No
18.	Arvind Integrated Projects LLP	Associate (Joint Venture)	50	No

The Company has 3 (three) wholly owned subsidiary companies, 13 (thirteen) subsidiary Limited Liability Partnerships and 2 (two) Joint venture Limited Liability Partnerships.

**VI. CSR Details**

**22. (i)** Whether CSR is applicable as per section 135 of Companies Act, 2013: Yes

**(ii)** Turnover (in Rs.): 12,017.04 Lacs

**(iii)** Net worth (in Rs.): The net worth is Rs. 46,771.24 Lacs. The average net profit of the Company is Rs. 2,992 Lacs. Two percent of the net profit, i.e. Rs. 59.84 Lacs was spent for CSR activities.

## VII. Transparency and Disclosures Compliances

### 23. Complaints/Grievances on any of the principles (Principles 1 to 9) under the National Guidelines on Responsible Business Conduct

Stakeholder group from whom complaint is received	Grievance Redressal Mechanism in Place (Yes/No)  (If Yes, then provide web-link for grievance redress policy)	FY22-23 Current Financial Year			FY21-22 Previous Financial Year		
		Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks	Number of complaints filed during the year	Number of complaints pending resolution at close of the year	Remarks
Community	Yes, Arvind SmartSpaces Limited has a Whistle Blower Policy that provides a framework and avenue for all directors, employees, business associates and other stakeholders, which are part of the business ecosystem of the Company.	0	0		0	0	-
Investors (other than shareholders)		0	0		0	0	-
Shareholders	Company has a robust system of Complaints Handling. The complaints are received through a third-party service agency. Such complaints are routed to the Whistle Blower Committee appointed by the Audit Committee. Its members include the Executive Director and Independent Directors. The complaints are investigated and the investigation results are reported to the Audit Committee, along with action taken. The Company has not received any complaints from employees and business partners during the reporting year.	3	3	-	2	2	All the complaints/queries have been redressed to the satisfaction of the complainants and only one complaint/query was pending at the end of the year. This pending complaint was resolved in FY22-23
Employee & Workers		0	0		0	0	-
Customers		3792	100		2158	0	-
Value Chain Partners (Supplier, Distributor, Media, Government Agencies)	In terms of Whistle Blower Mechanism,, a dedicated helpline "Arvind Ethics Helpline" has been set up which is managed by an independent professional organisation.  The Ethics Helpline can be contacted to report any suspected or confirmed incident of fraud /misconduct on:  <b>Website for complaints:</b> <a href="http://www.in.kpmg.com/ethicshelpline/Arvind">www.in.kpmg.com/ethicshelpline/Arvind</a>  <b>Toll Free No.:</b> 1800 200 8301 <b>Dedicated Email ID:</b> <a href="mailto:arvind@ethicshelpline.in">arvind@ethicshelpline.in</a>  The policy is available on Company's website:  <a href="https://www.arvindsmartspaces.com/wp-content/uploads/2022/02/Whistleblower-Policy-.pdf">https://www.arvindsmartspaces.com/wp-content/uploads/2022/02/Whistleblower-Policy-.pdf</a>	0	0		0	0	-
Other (Please Specify)	For curbing sexual harassment, Arvind SmartSpaces Limited Internal Complaint Committee ("ASLICC") has been formed and its details are declared across the organisation.	0	0		0	0	-

**24. Overview of the entity’s material responsible business conduct issues**

Below are the material responsible business conduct and sustainability issues pertaining to environmental and social matters that present a risk or an opportunity to us, the rationale for identifying the same, approach to adapt or mitigate the risk along with its financial implications.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
1	Water Management	Risk	Increased water consumption and constrained water supply are among the most critical global risks. Considering our dependency on water for the viability of our operations, we have identified it as a material risk for us.	In order to adapt to this risk we have adopted water management in the design phase of our projects. This enables us to recycle water efficiently and also supports replenishment of water table.	<b>Negative:</b> Increased construction cost due to change in input prices of water, driven by water availability and quality issues.
2	Water Management	Opportunity	Our projects are committed to reduce water use and aid in recharging water table; thus adopting water saving practices will give us an edge and make us a preferred developer for our customers	-	<b>Positive</b>
3	Emissions and Energy management	Risk	While energy contributes to the growth of construction industry, resulting emissions are a dampener for environmental health.	We continually monitor the energy consumption and take measures both at the design level and the construction level to flatten our energy consumption.  We are also engaged in increasing renewable energy uptake in our projects.	<b>Negative:</b> Increased project cost in the long term due to emerging regulations related to carbon taxes.
4	Emissions and Energy management	Opportunity	Improving upon the energy efficiency and increasing renewable usage will support us in cutting down the energy expenses and achievement of pertinent emission reduction commitments.	-	<b>Positive:</b> Initially there will be additional cost to adopt new technologies, however in the long run it will shield us from price increase.

S. No.	Material issue identified	Indicate whether risk or opportunity (R/O)	Rationale for identifying the risk / opportunity	In case of risk, approach to adapt or mitigate	Financial implications of the risk or opportunity (Indicate positive or negative implications)
7.	Health, Safety & Rights	Risk	Reputational risk if we fail to ensure fair labour practices, protection of human rights, health and safety of our employee.	We have identified the potential risks across all our project sites and integrating them into SOPs.	<b>Positive:</b> While ensuring our employees' prosperity in consideration, we seek to improve employee satisfaction, better retention and lowering cost of management.
8	Health, Safety & Rights	Opportunity	By addressing the above risks we are securing our social license to operate and representing ourselves as a socially responsible organisation.	-	<b>Positive</b>

## SECTION B: MANAGEMENT AND PROCESS DISCLOSURES

This section helps us demonstrate our structures, policies and processes put in place towards adopting the NGRBC Principles and Core Elements.

Disclosure Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
<b>Policy and management processes</b>									
1. a. Whether your entity's policy/policies cover each principle and its core elements of the NGRBCs. (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
b. Has the policy been approved by the Board? (Yes/No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
c. Web Link of the Policies, if available	<a href="https://www.arvindsmartspaces.com/investors/corporate-governance/">https://www.arvindsmartspaces.com/investors/corporate-governance/</a>								
2. Whether the entity has translated the policy into procedures. (Yes / No)	Y	Y	Y	Y	Y	Y	Y	Y	Y
3. Do the enlisted policies extend to your value chain partners? (Yes/No)	N	N	N	N	N	N	N	N	N
4. Name of the national and international codes/certifications/ labels/ standards (e.g. Forest Stewardship Council, Fairtrade, Rainforest Alliance, Trustea) standards (e.g. SA 8000, OHSAS, ISO, BIS) adopted by your entity and mapped to each principle.	N	N	N	N	N	N	N	N	N
5. Specific commitments, goals and targets set by the entity with defined timelines, if any.	N	N	N	N	N	N	N	N	N
6. Performance of the entity against the specific commitments, goals and targets along-with reasons in case the same are not met.	N	N	N	N	N	N	N	N	N



**Governance, leadership and oversight**

7. Statement by director responsible for the business responsibility report, highlighting ESG related challenges, targets and achievements (listed entity has flexibility regarding the placement of this disclosure) - Sustainability is at the core of everything we do at Arvind Smartspaces. Our projects are planned and designed with a focus on minimal disturbance to biodiversity. Projects are designed in a way to improve occupant health and productivity by utilising increased day lighting, energy efficient fixtures and solar fitments. Lighting in common areas is solar, car parks have motion sensor, landscape enables rain water harvesting and percolation pits to achieve water balance. Smart solutions like water meters are used to track water consumptions. Facility management uses sustainable materials for cleaning to reduce chemicals going into water. Further, we are using the eco-friendly products like AAC Blocks, RCC Pavers, Fly ash, Fiber reinforce plastic, Organic waste convertor, STP etc. in our Projects.

8. Details of the highest authority responsible for implementation and oversight of the Business Responsibility policy (ies).	Mr. Kamal Singal MD & CEO DIN-02524196
9. Does the entity have a specified Committee of the Board/ Director responsible for decision making on sustainability related issues? (Yes / No). If yes, provide details.	The Company does not have a specific Committee, however, periodic joint assessments are carried by the Managing Director, COO and functional heads of the Company. These joint assessments focus on the environmental and social issues, how these issues impact the continuity of the business and the way forward to deal with them.

**10. Details of Review of NGRBCs by the Company:**

Subject for Review	Indicate whether review was undertaken by Director/Committee of the board/ Any other Committee									Frequency (Annually/Half Yearly/Quarterly/Any-other please specify)								
	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
Performance against above policies and follow-up action	Y	Y	Y	Y	Y	Y	Y	Y	Y	Annually	Annually	Annually	Annually	Annually	Annually	Annually	Annually	Annually
Compliance with statutory requirements of relevance to the principles, and, rectification of any non-compliances	Y	Y	Y	Y	Y	Y	Y	Y	Y	Annually	Annually	Annually	Annually	Annually	Annually	Annually	Annually	Annually

11. Has the entity carried out independent assessment / evaluation of the working of its policies by an external agency? (Yes/No). If yes, provide name of the agency - No

12. If answer to question (1) above is “No” i.e. not all Principles are covered by a policy, reasons to be stated: Not applicable as all ‘yes’ in question (1) above

Questions	P1	P2	P3	P4	P5	P6	P7	P8	P9
The entity does not consider the Principles material to its business (Yes/No)									No
The entity is not at a stage where it is in a position to formulate and implement the policies on specified principles (Yes/No)									No
The entity does not have the financial or/ human and technical resources available for the task (Yes/No)									Yes
It is planned to be done in the next financial year (Yes/No)									No
Any other reason (please specify)									

## SECTION C: PRINCIPLE WISE PERFORMANCE DISCLOSURE

### PRINCIPLE 1: Businesses should conduct and govern themselves with integrity, and in a manner that is Ethical, Transparent and Accountable

At Arvind SmartSpaces, our governance is built on the foundation of strong ethics, progressive policies and robust processes. Consistent high standards of transparency and accountability have helped us win shareholder trust and fulfil our responsibility towards the environment and our host communities.

#### Essential Indicators

- Percentage coverage by training and awareness programmes on any of the Principles during the financial year:

Segment	Total number of training and awareness programmes held	Topics / principles covered under the training and its impact	% of persons in respective category covered by the awareness programmes
Board of Directors	-	-	-
Key Managerial Personnel	-	-	-
Employees other than BoD and KMPs	20	The employees were trained on various sub-topics related to Principle 2, Principle 3, Principle 5 and Principle 6.  Some the topics include equal opportunities, non-discrimination, grievance redressal, elimination of unacceptable labour practices like child labour, skill development, POSHA, first aid, fire safety, usage of PPE, code of conduct etc.	10
Workers	-	-	-

- Details of fines / penalties / punishment / award / compounding fees / settlement amount paid in proceedings (by the entity or by directors / KMPs) with regulators/law enforcement agencies/judicial institutions, in the financial year, in the following format (Note: the entity shall make disclosures on the basis of materiality as specified in Regulation 30 of SEBI (Listing Obligations and Disclosure Obligations) Regulations, 2015 and as disclosed on the entity's website):

	NGRBC Principle	Name of the regulatory / enforcement agencies / judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred (Yes/No)
Penalty/Fine	-	-	0	-	-
Settlement	-	-	0	-	-
Compounding Fee	-	-	0	-	-

Non-Monetary					
	NGRBC Principle	Name of the regulatory / enforcement agencies / judicial institutions	Amount (In INR)	Brief of the Case	Has an appeal been preferred (Yes/No)
Imprisonment	-	-	0	-	-
Punishment	-	-	0	-	-

- Of the instances disclosed in Question 2 above, details of the Appeal / Revision preferred in cases where monetary or non-monetary action has been appealed.

Case Details	Name of the regulatory / enforcement agencies / judicial institutions
-	-

4. Does the entity have an anti-corruption or anti-bribery policy? If yes, provide details in brief and if available, provide a web-link to the policy.

Yes, the anti-corruption and anti-bribery are part of the Code of Conduct of the Lalbhai Group of Companies, and since Arvind Smartspaces is part of this group the same is applicable to us. The policies can be viewed at: <https://www.arvind.com/corporate-governance>

5. Number of Directors / KMPs / employees / workers against whom disciplinary action was taken by any law enforcement agency for the charges of bribery/corruption:

	<b>FY22-23 (Current Financial Year)</b>	<b>FY21-22 (Previous Financial Year)</b>
Directors	0	0
KMPs	0	0
Employees	0	0
Workers	0	0

6. Details of complaints with regard to conflict of interest:

	<b>FY22-23 Current Financial Year</b>		<b>FY21-22 Previous Financial year</b>	
	<b>Number</b>	<b>Remarks</b>	<b>Number</b>	<b>Remarks</b>
Number of complaints received in relation to issues of Conflict of Interest of Directors	0	There are no complaints received in relation to the conflict of interest against Directors and KMPs in the current financial year.	0	There are no complaints received in relation to the conflict of interest against Directors and KMPs in the previous financial year.
Number of complaints received in relation to issues of Conflict of Interest of the KMPs	0		0	

7. Provide details of any corrective action taken or underway on issues related to fines / penalties / action taken by regulators / law enforcement agencies / judicial institutions, on cases of corruption and conflicts of interest.

Not applicable

### Leadership Indicators

1. Awareness programmes conducted for value chain partners on any of the Principles during the financial year:

Currently, we do not have well-defined principle-wise training programmes for our value chain partners. However, we continuously engage with them through various mediums and extend our company's responsible practices and guide them on the broader topics of labour and human rights, EHS, business integrity, reporting of unethical practices, etc.

<b>Total number of awareness programmes held</b>	<b>Topics/Principle covered under the training</b>	<b>% of value chain partners covered) by value of business done with such partners) under the awareness programmes</b>
-	-	-

2. Does the entity have processes in place to avoid / manage conflict of interests involving members of the Board? (Yes/No) If yes, provide details of the same.

Yes, we have a Code of Conduct for Directors and Senior Management Personnel. Each Board Member or Senior Management Personnel should endeavour to avoid having his or her private interests interfere with (i) the interests of the Company or (ii) his or her ability to perform his or her duties and responsibilities objectively and effectively. Board Members and Senior Management Personnel should avoid receiving or permitting members of their immediate family to receive, improper personal benefits from the Company including loans from or guarantees of obligations by the Company. A Board Member should make a full disclosure to the entire Board of any transaction or relationship that such a Board Member reasonably expects could give rise to an actual conflict of interest with the Company and seek the Board's authorisation to pursue such transactions or relationships.

**PRINCIPLE 2: Businesses should provide goods and services in a manner that is sustainable and safe**

**Essential Indicators**

- Percentage of R&D and capital expenditure (capex) investments in specific technologies to improve the environmental and social impacts of product and processes to total R&D and capex investments made by the entity, respectively.

Segment	Current Financial Year	Previous Financial Year	Details of improvements in environmental and social impacts
R&D	-	-	-
CAPEX	-	-	-

- Does the entity have procedures in place for sustainable sourcing? (Yes/No) - No
  - If yes, what percentage of inputs were sourced sustainably? - Not Applicable
- Describe the processes in place to safely reclaim your products for reusing, recycling and disposing at the end of life, for (a) Plastics (including packaging) (b) E-waste (c) Hazardous waste and (d) other waste.

We have devised an internal process that focusses on classification of waste followed by segregation and storage in separated areas. After storage, periodically the waste is collected and responsibly disposed off in accordance with the applicable regulatory norms defined by the State Pollution Control Board (SPCB) / Central Pollution Control Board (CPCB).

- Whether Extended Producer Responsibility (EPR) is applicable to the entity's activities (Yes / No). If yes, whether the waste collection plan is in line with the Extended Producer Responsibility (EPR) plan submitted to Pollution Control Boards? If not, provide steps taken to address the same.

No, Extended Producer Responsibility is not applicable to the company's activities.

**Leadership Indicators**

- Has the entity conducted Life Cycle Perspective / Assessments (LCA) for any of its products (for manufacturing industry) or for its services (for service industry)? If yes, provide details in the following format?

NIC Code	Name of Product / Service	% of total Turnover contributed	Boundary for which the Life Cycle Perspective / Assessment was conducted	Whether conducted by independent external agency (Yes/No)	Results communicated in public domain (Yes/No) If yes, provide web link
-	-	-	-	-	-

- If there are any significant social or environmental concerns and/or risks arising from production or disposal of your products / services, as identified in the Life Cycle Perspective / Assessments (LCA) or through any other means, briefly describe the same along with action taken to mitigate the same.

Name of Product / Service	Description of the risk / concern	Action Taken
-	-	-

- Percentage of recycled or reused input material to total material (by value) used in production (for manufacturing industry) or providing services (for service industry).

Indicate Input Material	Recycled or re-used input material to total material	
	FY22-23 Current Financial Year	FY21-22 Previous Financial Year
	-	-



4. Of the products and packaging reclaimed at end of life of products, amount (in metric tonnes) reused, recycled, and safely disposed, as per the following format:

	FY22-23 Current Financial Year			FY21-22 Previous Financial Year		
	Re-Used	Recycled	Safely Disposed	Re-used	Recycled	Safely Disposed
Plastics (including packaging)	-	-	-	-	-	-
E-Waste	-	-	-	-	-	-
Hazardous Waste	-	-	-	-	-	-
Other Waste	-	-	-	-	-	-

5. Reclaimed products and their packaging materials (as percentage of products sold) for each product category.

Indicate product category	Reclaimed products and their packaging materials as % of total products sold in respective category
-	-

**PRINCIPLE 3: Businesses should respect and promote the well-being of all employees, including those in their value chains**

At Arvind SmartSpaces, we empower our employees by providing a happy workspace, friendly policies, learning opportunities and growth options, thereby creating an environment where they can achieve their personal and professional goals.

**Essential Indicators**

1. a. Details of measures for the well-being of employees:

Category	% of Employees covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent employees</b>											
Male	240	225	94	240	100	0	0	240	100	0	0.00
Female	49	39	80	40	100	49	100	0	0	0	0.00
<b>Total</b>	<b>289</b>	<b>264</b>	<b>91</b>	<b>289</b>	<b>100</b>	<b>49</b>	<b>17</b>	<b>240</b>	<b>83</b>	<b>0</b>	<b>0.00</b>
<b>Other than Permanent employees</b>											
Male	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

- b. Details of measures for the well-being of workers:

Category	% of Workers covered by										
	Total (A)	Health insurance		Accident insurance		Maternity benefits		Paternity benefits		Day Care facilities	
		Number (B)	% (B/A)	Number (C)	% (C/A)	Number (D)	% (D/A)	Number (E)	% (E/A)	Number (F)	% (F/A)
<b>Permanent workers</b>											
Male	0	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Other than Permanent workers</b>											
Male	3	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0	0
<b>Total</b>	<b>3</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

2. Details of retirement benefits, for Current and Previous Financial Year:

Benefits	FY22-23 Current Financial Year			FY21-22 Previous Financial Year		
	No. of employees covered as a % of total employees	No. of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)	No. of employees covered as a % of total employees	No of workers covered as a % of total workers	Deducted and deposited with the authority (Y/N/N.A.)
PF	100	100	Yes	100	100	Yes
Gratuity	100	100	Yes	100	100	Yes
ESI <sup>1</sup>	9	-	-	13	-	-
Others - please specify	-	-	-	-	-	-

All eligible employees under ESI are covered

3. Are the premises / offices of the entity accessible to differently abled employees and workers, as per the requirements of the Rights of Persons with Disabilities Act, 2016? If not, whether any step is being taken by the entity in this regard.

Presently, we are compliant for certain disabilities. For all our new projects, the blueprints will be subjected to an assessment by the relevant authority and it will be compliant according to the Act.

4. Does the entity have an equal opportunity policy as per the Rights of Persons with Disabilities Act, 2016? If so, provide a web-link to the policy.

Arvind SmartSpaces ensures that the employees are treated fairly and with equality, regardless of their race, sex, or disability. All the employees have equal chance to apply for any internal job postings or promotions, and training opportunities at the workplace. For details refer to our opportunity & non-discrimination policy available at <https://www.arvindsmartspaces.com/wp-content/uploads/2022/03/Equal-Opportunity-Non-Discrimination-Policy.pdf>.

5. Return to work and retention rates of permanent employees and workers that took parental leave.

Gender	Permanent employees		Permanent workers	
	Return to work rate	Retention rate	Return to work rate	Retention rate
Male	0	100	0	0
Female	200	100	0	0
<b>Total</b>	<b>400</b>	<b>100</b>	<b>0</b>	<b>0</b>

6. Is there a mechanism available to receive and redress grievances for the following categories of employees and workers? If yes, give details of the mechanism in brief.

	Yes/No (If yes, then give details of the mechanism in brief)
Permanent workers	Yes, we have a grievance website and also boxes are installed at all the premises. For more details, refer to Transparency and Disclosures Compliances section of Business Responsibility and Sustainability Report.
Other than permanent workers	
Permanent employees	
Other than permanent employees	

7. Membership of employees and worker in association(s) or Unions recognised by the listed entity:

Category	FY22-23 (Current Financial Year)			FY21-22 (Previous Financial Year)		
	Total employees/ workers in the respective category (A)	No. of employees / workers in the respective category, who are part of the association(s) or Union (B)	% (B / A)	Total employees/ workers in the respective category (C)	No. of employees / workers in the respective category, who are part of the association(s) or Union (D)	% (D/ C)
Total Permanent Employees	289	0	0	244	0	0
Male	240	0	0	209	0	0
Female	49	0	0	35	0	0
Total Permanent Workers	0	0	0	0	0	0
Male	0	0	0	0	0	0
Female	0	0	0	0	0	0

8. Details of training given to employees and workers:

Category	Employees									
	FY22-23 Current Financial Year					FY21-22 Previous Financial Year				
	Total (A)	On health and safety measures		On Skill upgradation		Total (D)	On health and safety measures		On Skill upgradation	
		No.(B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
Male	240	10	4	10	4	209	-	-	-	-
Female	49	5	10	4	8	35	-	-	-	-
<b>Total</b>	<b>289</b>	<b>15</b>	<b>5</b>	<b>14</b>	<b>5</b>	<b>244</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
Workers										
Male	-	-	-	-	-	-	-	-	-	-
Female	-	-	-	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

9. Details of performance and career development reviews of employees and workers:

Category	Employees					
	FY22-23 Current Financial Year			FY21-22 Previous Financial Year		
	Total (A)	No.(B)	% (B/A)	Total (C)	No. (D)	% (D / C)
Male	240	234	98	209	203	97
Female	49	48	98	35	35	100
<b>Total</b>	<b>289</b>	<b>282</b>	<b>98</b>	<b>244</b>	<b>238</b>	<b>98</b>
Workers						
Male	0	0	0	0	0	0
Female	0	0	0	0	0	0
<b>Total</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

Note: As per the policy, employees who have joined on or before September 30, of the financial year are considered for review.

10. Health and safety management system:

- a. Whether an occupational health and safety management system has been implemented by the entity? (Yes/No). If yes, the coverage of such system?

Yes

- b. What are the processes used to identify work-related hazards and assess risks on a routine and non-routine basis by the entity?

Our structured HSE management enables us to identify and mitigate risk at a preliminary stage, while deploying early warning systems to ensure a safe workplace. We follow the Hazard Identification and Risk Assessment (HIRA) framework for identifying work-related hazards and risk assessment. This framework helps us in carrying out systematic identification of potential risks, evaluate existing safeguards available to control these risks and develop additional control measures to reduce the risk to acceptable level. HIRA is updated based on learnings from Good Practices, Incidents & Accidents across projects. Additionally, we utilise monitoring tools such as Safety surveillance reports, checklists etc. for conducting periodic inspections.

- c. Whether you have processes for workers to report the work related hazards and to remove themselves from such risks. (Y/N)

Not Applicable

- d. Do the employees/workers of the entity have access to non-occupational medical and healthcare services? **(Yes/ No)**

Yes the employees are covered under health and accidental insurance.

11. Details of safety related incidents, in the following format:

Safety Incident / Number	Category	FY22-23 Current Financial Year	FY21-22 Previous Financial Year
Lost Time Injury Frequency Rate (LTIFR) (per one million-person hours worked)	Employees	0	0
	Workers	-	-
Total recordable work-related injuries	Employees	0	0
	Workers	-	-
No. of fatalities	Employees	0	0
	Workers	-	-
High consequence work-related injury or ill-health (excluding fatalities)	Employees	0	0
	Workers	-	-

12. Describe the measures taken by the entity to ensure a safe and healthy work place.

As per our policies, safety of individuals overrides all construction targets. We believe that occupational illness as well as safety and environmental incidents are preventable. We are committed to providing a safe and healthy working environment through total elimination of accidents, and resultant injuries and losses in all sphere of activities.

As part of our health and safety initiatives, we have put in place various measures in our facilities, a few of which are listed below:

- To reduce the exposure to fire-related hazards, we have placed pressurised fire protection and related systems at strategic locations to deal with any fire-related incidents.
- We ensure that regular trainings, mock drills, safety talks and seminars are delivered to our workforce to raise their awareness on emergency safety management topics.

13. Number of complaints on the following made by employees and workers:

	FY22-23 (Current Financial Year)			FY21-22 (Previous Financial Year)		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Working Conditions	0	0		0	0	
Health & Safety	0	0		0	0	



14. Assessments for the year:

	<b>% of your projects and offices that were assessed (by entity or statutory authorities or third parties)</b>
Health and safety practices	23
Working conditions	23

15. Provide details of any corrective action taken or underway to address safety-related incidents (if any) and on significant risks / concerns arising from assessments of health & safety practices and working conditions.

No significant risks or concerns were highlighted in the assessment.

**Leadership Indicators**

1. Does the entity extend any life insurance or any compensatory package in the event of death of (A) Employees (Y/N) (B) Workers (Y/N)?

Yes, we provide wide range of benefits like term life insurance, EDLI, death benefit voluntary contribution, etc.

2. Provide the measures undertaken by the entity to ensure that statutory dues have been deducted and deposited by the value chain partners

We ensure that all statutory dues have been deducted and deposited by our value chain partners in accordance with applicable laws and regulations. The internal audit and tax team overlooks the entire process.

3. Provide the number of employees / workers having suffered high consequence work- related injury / ill-health / fatalities (as reported in Q11 of Essential Indicators above), who have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment:

Indicate Input Material	Total no. of affected employees/ workers		No. of employees/workers that have been rehabilitated and placed in suitable employment or whose family members have been placed in suitable employment	
	<b>FY22-23 Current Financial Year</b>	<b>FY21-22 Previous Financial Year</b>	<b>FY22-23 Current Financial Year</b>	<b>FY21-22 Previous Financial Year</b>
Employees	No reported incident of high consequence work- related injury / ill-health / fatalities within the last two reporting years.			
Workers				

4. Does the entity provide transition assistance programmes to facilitate continued employability and the management of career endings resulting from retirement or termination of employment? (Yes/No)

Yes

5. Details on assessment of value chain partners:

	<b>% of value chain partners (by value of business done with such partners) that were assessed</b>
Health and safety practices	-
Working conditions	-

6. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from assessments of health and safety practices and working conditions of value chain partners.

Not Applicable

**PRINCIPLE 4: Businesses should respect the interests of and be responsive to all its stakeholders**

We share a relationship based on mutual trust and consistent engagement with our internal and external stakeholders. Our comprehensive engagement mechanism enables us to understand their expectations and accordingly streamline our policies, processes and products.

**Essential Indicators**

- Describe the processes for identifying key stakeholder groups of the entity.  
 For our diverse stakeholders with varied interests across the capitals, it is inherently important for us to understand their expectations and integrate those into our business strategy. For this purpose, we collaborated with Ernst & Young LLP for a structured identification of the stakeholder groups. The findings were based on various parameters that impact the sustainability of business such as dependency, responsibility, tension and influence.
- List stakeholder groups identified as key for your entity and the frequency of engagement with each stakeholder group.

Stakeholder group	Whether identified as vulnerable and marginalised group (Yes/No)	Channels of communication (email; SMS; newspaper; pamphlets; advertisement; community meetings; notice board; website); other	Frequency of engagement (annually / half yearly / quarterly / other - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Customers	No	We have dedicated relationship managers to ensure customer's need, apart from this there is also a dedicated portal available for customers to access information's (payment record, construction status, etc.)	Continuous engagement throughout the year	We intend to develop a sustained and long-term relationship with our customers.  We engage with them to better understand their expectations, needs and then act on fulfilling those with our offerings.
Investors	No	Public disclosures like annual reports, quarterly financial performances on websites, newspapers and published accounts.  In-depth discussions during analyst meets & investor presentations.	Quarterly	Understand their concerns and expectations, and then act on it to create high shared value.
Employees and Workers	No	Internal training programmes, structured interactive appraisal process, reward & recognition programmes.	As per planned activities	It helps to share organisation's vision, goals, and expectations. It also enables us to better understand employees' career ambitions, job satisfaction, and development perspectives.
Local Community	No	Activities by institution partnered by us like Arvind Foundation and SHARDA Trust.  Also, our business development and civil & execution teams interact with them.	As per planned activities	Building sustainable cohesive community relations and positively impacting the quality of life of the local community.
Media	No	Media interaction is carried out through announcements, events, visits, conferences, etc.	As per planned activities & requirements	We communicate key developments, milestone events, and our growth perspective. It also enables us to build larger outreach and better narrative for key initiatives.

Stakeholder group	Whether identified as vulnerable and marginalised group (Yes/No)	Channels of communication (email; SMS; newspaper; pamphlets; advertisement; community meetings; notice board; website); other	Frequency of engagement (annually / half yearly / quarterly / other - please specify)	Purpose and scope of engagement including key topics and concerns raised during such engagement
Government agencies	No	By participation in industry forums, submission of compliance documents and meetings.	As required for compliance and as per available opportunities.	We consider this as an opportunity to understand the changing compliance and regulatory landscape, and discuss on opportunities to collaborate on pressing issues.
Suppliers	No	Our procurement and sourcing team interacts with the suppliers on a periodic basis. Likewise, we also engage with them during training programmes and workshops.	As per planned activities and business requirements.	It enables us to understand mutual expectations and needs, especially with regard to quality, cost, timely delivery, growth plans and sharing of best practices.

### Leadership Indicators

- Provide the processes for consultation between stakeholders and the Board on economic, environmental, and social topics or if consultation is delegated, how is feedback from such consultations provided to the Board.  
There is no process in place.
- Whether stakeholder consultation is used to support the identification and management of environmental, and social topics (Yes / No). If so, provide details of instances as to how the inputs received from stakeholders on these topics were incorporated into policies and activities of the entity.  
No
- Provide details of instances of engagement with, and actions taken to; address the concerns of vulnerable / marginalised stakeholder groups.  
No

### PRINCIPLE 5: Businesses should respect and promote human rights

Upholding the principles of Human Rights, in letter and in spirit, forms the bedrock of our organisation. We are an equal opportunity employer and strictly adhere to the policy of non-discrimination.

### Essential Indicators

- Employees and workers who have been provided training on human rights issues and policy(ies) of the entity, in the following format:

Category	FY22-23 Current Financial Year			FY21-22 Previous Financial Year		
	Total (A)	No. of employees/workers covered (B)	% (B/A)	Total (C)	No. of employees/workers covered (B)	% (D/C)
<b>Employees</b>						
Permanent	289	0	0	244	0	0
Other then permanent	3	0	0	5	0	0
<b>Total Employees</b>	<b>292</b>	<b>0</b>	<b>0</b>	<b>243</b>	<b>0</b>	<b>0</b>
<b>Workers</b>						
Permanent	0	0	0	0	0	0
Other then permanent	0	0	0	0	0	0
<b>Total Workers</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>

2. Details of minimum wages paid to employees and workers, in the following format:

Category	FY22-23 Current Financial Year					FY21-22 Previous Financial Year				
	Total (A)	Equal to Minimum Wage		More than Minimum Wage		Total (D)	Equal to Minimum Wage		More than Minimum Wage	
		No. (B)	% (B/A)	No. (C)	% (C/A)		No. (E)	% (E/D)	No. (F)	% (F/D)
<b>Employees</b>										
<b>Permanent</b>										
Male	240	0	0	240	100	209	0	0	209	100
Female	49	0	0	49	100	35	0	0	35	100
<b>Other then Permanent</b>										
Male	3	0	0	3	100	5	0	0	5	100
Female	0	0	0	0	0	0	0	0	0	0

Category	Workers					FY21-22 Previous Financial Year				
	FY22-23 Current Financial Year					Total (D)	Equal to Minimum Wage		More than Minimum Wage	
	Total (A)	Equal to Minimum Wage		More than Minimum Wage			No. (E)	% (E/D)	No. (F)	% (F/D)
	No. (B)	% (B/A)	No. (C)	% (C/A)						
<b>Permanent</b>										
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0
<b>Other then Permanent</b>										
Male	0	0	0	0	0	0	0	0	0	0
Female	0	0	0	0	0	0	0	0	0	0

3. Details of remuneration/salary/wages, in the following format:

	Male		Female	
	Number	Median remuneration / salary / wages of respective category	Number	Median remuneration / salary / wages of respective category
Board of Directors (BoD)	7	50,000	1	40,000
Key Managerial Personnel (KMP)	3	10,74,290	0	0
Employees other than BoD and KMP	237	50,817	49	38,249
Workers	0	0	0	0

\*Note: All median salaries mentioned above are on monthly basis.

4. Do you have a focal point (Individual/ Committee) responsible for addressing human rights impacts or issues caused or contributed to by the business? (Yes/No)

Yes

5. Describe the internal mechanisms in place to redress grievances related to human rights issues.

Grievances related to Human rights impacts or issues at Arvind SmartSpaces are addressed via the Whistle Blower Committee and/or the Internal Grievance Redressal Body depending upon the nature of the matter. Any such grievance can be posted through Arvind's Ethics Helpline portal - ([www.in.kpmg.com/ethicshelpline/Arvind](http://www.in.kpmg.com/ethicshelpline/Arvind))



6. Number of complaints on the following made by employees and workers:

	FY22-23 Current Financial Year			FY21-22 Previous Financial Year		
	Filed during the year	Pending resolution at the end of year	Remarks	Filed during the year	Pending resolution at the end of year	Remarks
Sexual harassment	No such incidents have been reporting during the current or previous financial year.					
Discrimination at workplace						
Child labour						
Forced labour/ Involuntary labour						
Wages						
Other human rights related issues						

7. Mechanisms to prevent adverse consequences to the complainant in discrimination and harassment cases.

For handling the complaints of discrimination, harassment or any other complaint under the scope of the Whistle Blower and POSH Policies, the identification of the complainant is kept confidential. Further every internal and external stakeholder has set obligations to follow, to prevent the adverse consequences to the complainant by adhering to the following mechanism (for more details refer to the Whistle Blower and POSH policies:

- a. Ensure that the complainant is not victimised for doing so, and is adequately protected against any such incident.
- b. Treat victimisation as a serious matter including initiating disciplinary action on such person/(s) that subjects or threatens to subject the other person to any detriment.
- c. Ensure complete confidentiality by,
  - Maintaining complete confidentiality / secrecy of the matter
  - Not discussing the matter in any informal / social gatherings / meetings
  - Discussing only to the extent or with the persons required for the purpose of completing the process and investigations
  - Not keeping the papers unattended anywhere at any time
  - Keeping the electronic mails / files under password

8. Do human rights requirements form part of your business agreements and contracts? (Yes/No)

No

9. Assessments for the year:

	% of your plants and offices that were assessed (by entity or statutory authorities or third parties)
Child labour	0
Forced/involuntary labour	0
Sexual harassment	0
Discrimination at workplace	0
Wages	0
Others - please specify	0

10. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 9 above.

No assessment was conducted.

## Leadership Indicators

1. Details of a business process being modified / introduced as a result of addressing human rights grievances / complaints.

Not applicable as no such modifications has been introduced in the current reporting year.

2. Details of the scope and coverage of any human rights due-diligence conducted.

No human rights due-diligence was conducted.

3. Is the premise/office of the entity accessible to differently abled visitors, as per the requirements of the Rights of Persons with Disabilities Act, 2016?

Presently, we are compliant for certain disabilities. For all our new projects, the blueprints will be subjected to an audit by the relevant authority and it will be compliant according to the act.

4. Details on assessment of value chain partners:

	% of value chain partners (by value of business done with such partners) that were assessed
Sexual Harassment	0
Discrimination at workplace	0
Child Labour	0
Forced Labour / Involuntary Labour	0
Wages	0
Others - please specify	0

5. Provide details of any corrective actions taken or underway to address significant risks / concerns arising from the assessments at Question 4 above.

No assessment was conducted

## PRINCIPLE 6: Businesses should respect and make efforts to protect and restore the environment

### Essential Indicators

1. Details of total energy consumption (in Joules or multiples) and energy intensity, in the following format:

Parameter	FY22-23 (Current Financial Year)	FY21-22 (Previous Financial Year)
Total electricity consumption (A)	5.90 TJ	2.07 TJ
Total fuel consumption (B)	2.0 TJ	1.9 TJ
Energy consumption through other sources (C)	No	No
Total energy consumption (A+B+C)	7.90 TJ	3.90 TJ
<b>Energy intensity per rupee of turnover (Total energy consumption / turnover in rupees)</b>	<b>3.09 Kilo Joule per rupee of turnover</b>	<b>1.53 Kilo Joule per rupee of turnover</b>
Energy intensity (optional) - the relevant metric may be selected by the entity	-	-

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

2. Does the entity have any sites / facilities identified as designated consumers (DCs) under the Performance, Achieve and Trade (PAT) Scheme of the Government of India? (Y/N) If yes, disclose whether targets set under the PAT scheme have been achieved. In case targets have not been achieved, provide the remedial action taken, if any.

No

3. Provide details of the following disclosures related to water, in the following format

Parameter	FY22-23 (Current Financial Year)	FY21-22 (Previous Financial Year)
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	182500	37235
(iv) Seawater / desalinated water	0	0
(v) Others - waste water from Municipality	0	0
Total volume of water withdrawal (in kilolitres) (i + ii + iii + iv + v)	182500	37235
Total volume of water consumption (in kilolitres)	182500	37235
<b>Water intensity per thousand rupee of turnover</b> (Water consumed / turnover)	0.07 kiloliter per thousand rupee of turnover	0.01 kiloliter per thousand rupee of turnover
<b>Water intensity</b> (optional) - the relevant metric may be selected by the entity		

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

4. Has the entity implemented a mechanism for Zero Liquid Discharge? If yes, provide details of its coverage and implementation.

No

5. Please provide details of air emissions (other than GHG emissions) by the entity, in the following format:

Parameter	Please specify unit	FY22-23 (Current Financial Year)	FY21-22 (Previous Financial Year)
NOx	NA	NA	NA
SOx	NA	NA	NA
Particulate matter (PM)	NA	NA	NA
Persistent organic pollutants (POP)	NA	NA	NA
Volatile organic compounds (VOC)	NA	NA	NA
Hazardous air pollutants (HAP)	NA	NA	NA
Others - please Specify	NA	NA	NA

For each parameter, the data reported above is the sum of emissions by all the units.

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment / evaluation / assurance has been carried out by an external agency.

6. Provide details of greenhouse gas emissions (Scope 1 and Scope 2 emissions) and its intensity, in the following format:

Parameter	Unit	FY22-23 (Current Financial Year)	FY21-22 (Previous Financial Year)
Total Scope 1 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	MT CO <sub>2</sub> e	184	170
Total Scope 2 emissions (Break-up of the GHG into CO <sub>2</sub> , CH <sub>4</sub> , N <sub>2</sub> O, HFCs, PFCs, SF <sub>6</sub> , NF <sub>3</sub> , if available)	MT CO <sub>2</sub> e	826	290
Total Scope 1 and Scope 2 emissions per rupee of turnover	MT CO <sub>2</sub> e per rupee of turnover	3.9E-07	1.8E-07
Total Scope 1 and Scope 2 emission intensity (optional) - the relevant metric may be selected by the entity			
	-	-	-

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

7. Does the entity have any project related to reducing greenhouse gas emissions? If yes, then provide details.  
 No
8. Provide details related to waste management by the entity, in the following format

Parameter	FY22-23 (Current Financial Year)	FY21-22 (Previous Financial Year)
<b>Total waste generated (in metric tonnes)</b>		
Plastic waste (A)	0	Not Available
E-waste (B)	0	Not Available
Bio-medical waste (C)	0	Not Available
Construction and demolition waste (D)	350	Not Available
Battery waste (E)	0	Not Available
Radioactive waste (F)	0	Not Available
Other Hazardous waste - please specify, if any (G) - ETP Sludge	0	Not Available
Other Non-hazardous waste generated (H) - please specify, if any	0	Not Available
<b>Total (A+B + C + D + E + F + G + H)</b>	<b>350</b>	<b>Not Available</b>
<b>For each category of waste generated, total waste recovered through recycling, re-using or other recovery operations (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Recycled	100	Not Available
(ii) Re-used	200	Not Available
(iii) Other recovery operations	0	Not Available
<b>Total</b>	<b>300</b>	<b>Not Available</b>
<b>For each category of waste generated, total waste disposed by nature of disposal method (in metric tonnes)</b>		
<b>Category of waste</b>		
(i) Incineration	0	Not Available
(ii) Landfilling	0	Not Available
(iii) Other disposal operations	50	Not Available
<b>Total</b>	<b>50</b>	<b>Not Available</b>

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment / evaluation / assurance has been carried out by an external agency.

9. Briefly describe the waste management practices adopted in your establishments. Describe the strategy adopted by your company to reduce usage of hazardous and toxic chemicals in your products and processes and the practices adopted to manage such wastes.

We have devised an internal process that focuses on the classification of waste followed by segregation and storage in separated areas. After storage, periodically the waste is collected and responsibly disposed of accordance with the regulatory norms defined by the State Pollution Control Board (SPCB) / Central Pollution Control Board (CPCB).

10. If the entity has operations/offices in/around ecologically sensitive areas (such as national parks, wildlife sanctuaries, biosphere reserves, wetlands, biodiversity hotspots, forests, coastal regulation zones etc.) where environmental approvals / clearances are required, please specify details in the following format:

S. No.	Location of operations/offices	Type of operations	Whether the conditions of environmental approval / clearance are being complied with? (Y/N) If no, the reasons thereof and corrective action taken, if any.
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All of our projects are located in premises which have the requisite building permits, including environmental approvals for carrying out the operations.

11. Details of environmental impact assessments of projects undertaken by the entity based on applicable laws, in the current financial year:

Name and brief details of project	EIA Notification No.	Date	Whether conducted by independent external agency (Yes / No)	Results communicated in public domain (Yes / No)	Relevant Web link
Arvind Aavishkaar	SEIAA/GUJ/EC/8(a)/645/2018	June 28, 2018	Yes	No	NA
Arvind Uplands	SEIAA/GUJ/EC/8(b)/1355/2021	July 01, 2021	Yes	No	NA
Arvind Forreste	SEIAA/GUJ/EC/8(b)/3056/2015	August 19, 2015	Yes	No	NA

12. Is the entity compliant with the applicable environmental law / regulations / guidelines in India; such as the Water (Prevention and Control of Pollution) Act, Air (Prevention and Control of Pollution) Act, Environment Protection Act and rules thereunder (Y/N). If not, provide details of all such non-compliances, in the following format:

Arvind SmartSpaces is compliant with all applicable laws and regulations across the sites in which we operate.

S. No.	Specify the law / regulation / guidelines which was not complied with	Provide details of the Non-compliance	Any fines / penalties / actions taken by regulatory agencies such as pollution control boards or by courts	Corrective action taken, if any
Not Applicable				

### Leadership Indicators

1. Provide break-up of the total energy consumed (in Joules or multiples) from renewable and non-renewable sources, in the following format:

Parameter	FY22-23 (Current Financial Year)	FY21-22 (Previous Financial Year)
<b>From renewable sources</b>		
Total electricity consumption (A)	0.16 TJ	0.05 TJ
Total fuel consumption (B)	0	0
Energy consumption through other sources (C)	0	0
<b>Total energy consumed from renewable sources (A+B+C)</b>	<b>0.16 TJ</b>	<b>0.05 TJ</b>
<b>From non-renewable sources</b>		
Total electricity consumption (D)	5.9	2.1
Total fuel consumption (E)	2.0	1.9
Energy consumption through other sources (F)	0	0
<b>Total energy consumed from non-renewable sources (D+E+F)</b>	<b>7.9</b>	<b>3.9</b>

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

2. Provide the following details related to water discharged:

Parameter	FY22-23 (Current Financial Year)	FY21-22 (Previous Financial Year)
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) To Surface water		
- No treatment	0	0
- With treatment - please specify level of Treatment	0	0



Parameter	FY22-23 (Current Financial Year)	FY21-22 (Previous Financial Year)
(ii) To Groundwater		
- No treatment	0	0
- With treatment - please specify level of Treatment	0	0
(iii) To Seawater		
- No treatment	0	0
- With treatment - please specify level of Treatment	0	0
(iv) Sent to third-parties (Discharge in municipality sewage line)		
- No treatment	0	0
- With treatment - Primary, secondary and tertiary treatments performed before sending it to the municipality sewage line.	0	0
(v) Others		
- No treatment	0	0
- With treatment - please specify level of Treatment	0	0
<b>Total water discharged (in kilolitres)</b>	<b>0</b>	<b>0</b>

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment / evaluation / assurance has been carried out by an external agency.

3. Water withdrawal, consumption and discharge in areas of water stress (in kilolitres):

For each facility / plant located in areas of water stress, provide the following information:

(i) Name of the area

(ii) Nature of operations

(iii) Water withdrawal, consumption and discharge in the following format:

Parameter	FY22-23 (Current Financial Year)	FY21-22 (Previous Financial Year)
<b>Water withdrawal by source (in kilolitres)</b>		
(i) Surface water	0	0
(ii) Groundwater	0	0
(iii) Third party water	182500	37235
(iv) Seawater / desalinated water	0	0
(v) Others	0	0
<b>Total volume of water withdrawal (in kilolitres)</b>	<b>182500</b>	<b>37235</b>
<b>Total volume of water consumption (in kilolitres)</b>	<b>0</b>	<b>0</b>
<b>Water intensity per thousand rupee of turnover (Water consumed / turnover)</b>	<b>0.07 kiloliter per thousand rupee of turnover</b>	<b>0.01 kiloliter per thousand rupee of turnover</b>
<b>Water intensity (optional) - the relevant metric may be selected by the Entity</b>	<b>0</b>	<b>0</b>
<b>Water discharge by destination and level of treatment (in kilolitres)</b>		
(i) Into Surface water		
- No treatment	0	0
- With treatment - please specify level of treatment	0	0
(ii) Into Groundwater		
- No treatment	0	0

Parameter	FY22-23 (Current Financial Year)	FY21-22 (Previous Financial Year)
- With treatment - please specify level of treatment	0	0
(iii)Into Seawater		
- No treatment	0	0
- With treatment - please specify level of treatment	0	0
(iv) Sent to third-parties	0	0
- No treatment	0	0
- With treatment - please specify level of treatment	0	0
(v) Others	0	0
- No treatment	0	0
- With treatment - please specify level of treatment	0	0
<b>Total water discharged (in kilolitres)</b>	<b>0</b>	<b>0</b>

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No independent assessment / evaluation / assurance has been carried out by an external agency

4. Please provide details of total Scope 3 emissions and its intensity, in the following format:

Parameter	Unit	FY22-23 (Current Financial Year)	FY21-22 (Previous Financial Year)
Total Scope 3 emissions (Break-up of the GHG into CO2, CH4, N2O, HFCs, PFCs, SF6, NF3, if available)	Metric tonnes of CO2 equivalent	-	-
Total Scope 3 emissions per rupee of turnover	MT CO2 equivalent per rupee of turnover	-	-
Total Scope 3 emission intensity (optional) - the relevant metric may be selected by the entity			

Note: Indicate if any independent assessment / evaluation / assurance has been carried out by an external agency? (Y/N) If yes, name of the external agency.

No

5. With respect to the ecologically sensitive areas reported at Question 10 of Essential Indicators above, provide details of significant direct & indirect impact of the entity on biodiversity in such areas along with prevention and remediation activities.

Not applicable.

6. If the entity has undertaken any specific initiatives or used innovative technology or solutions to improve resource efficiency, or reduce impact due to emissions / effluent discharge / waste generated, please provide details of the same as well as outcome of such initiatives, as per the following format

Sr. No.	Initiative undertaken	Details of the initiative (Web-link, if any, may be provided along with summary)	Outcome of the initiative
1	-	-	-

7. Does the entity have a business continuity and disaster management plan? Give details in 100 words/web link.

No

8. Disclose any significant adverse impact to the environment, arising from the value chain of the entity. What mitigation or adaptation measures have been taken by the entity in this regard?  
 -
9. Percentage of value chain partners (by value of business done with such partners) that were assessed for environmental impacts.  
 No value chain partners were assessed.

**PRINCIPLE 7: Businesses, when engaging in influencing public and regulatory policy, should do so in a manner that is responsible and transparent**

**Essential Indicators**

1. a. Number of affiliations with trade and industry chambers / associations.  
 Two
- b. List the top 10 trade and industry chambers / associations (determined based on the total members of such body) the entity is a member of / affiliated to.

S. No.	Name of the trade and industry chambers /associations	Reach of trade and industry chambers /associations (State / National)
1	Gujarat Institute of Housing and Estate Developers	State
2	CREDAI Ahmedabad	State

2. Provide details of corrective action taken or underway on any issues related to anti-competitive conduct by the entity, based on adverse orders from regulatory authorities.

Name of authority	Brief of the case	Corrective action taken
Not Applicable. No such corrective action was taken as we received no such adverse orders from regulatory authorities on any issue related to anti-competitive conduct.		

**Leadership Indicators**

1. Details of public policy positions advocated by the entity:

S. No	Public policy advocated	Method resorted for such advocacy	Whether information available in public domain? (Yes/No)	Frequency of review by Board (Annually / Half Yearly / Quarterly / Others - please specify)	Web Link, if available
-	-	-	-	-	-

**PRINCIPLE 8: Businesses should promote inclusive growth and equitable development**

**Essential Indicators**

1. Details of Social Impact Assessments (SIA) of projects undertaken by the entity based on applicable laws, in the current financial year.

Name and brief details of the project	SIA Notification No.	Date of Notification	Whether conducted by independent external agency (Y/N)	Results communicated in public domain (Y/N)	Relevant web link
No such project requiring SIA has been undertaken in the current or previous reporting year.					

2. Provide information on project(s) for which ongoing Rehabilitation and Resettlement (R&R) is being undertaken by your entity, in the following format:

S. No.	Name of the project for which R&R is ongoing	State	District	No. of Project Affected Families (PAFs)	% of PAFs covered by R&R	Amount paid to PAFs in the FY (In INR)
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Not applicable

3. Describe the mechanisms to receive and redress grievances of the community.

The community can post any grievance through Arvind's Ethics Helpline portal.

4. Percentage of input material (inputs to total inputs by value) sourced from suppliers:

	FY22-23 (Current Financial Year)	FY21-22 (Previous Financial Year)
Directly sourced from MSMEs / small producers	19%	21%
Sourced directly from within the district and neighbouring districts	-	-

### Leadership Indicators

1. Provide details of actions taken to mitigate any negative social impacts identified in the Social Impact Assessments (Reference: Question 1 of Essential Indicators above):

Details of negative social impact identified	Corrective action taken
As mentioned previously, no such project requiring SIA has been undertaken in the current or previous reporting year.	

2. Provide the following information on CSR projects undertaken by your entity in designated aspirational districts as identified by government bodies:

S. No.	State	Aspirational District	Amount spent (In INR)
1	-	-	-

3. (a) Do you have a preferential procurement policy where you give preference to purchase from suppliers comprising marginalised / vulnerable groups? (Yes/No)

No

(b) From which marginalised / vulnerable groups do you procure?

NA

(c) What percentage of total procurement (by value) does it constitute?

NA

4. Details of the benefits derived and shared from the intellectual properties owned or acquired by your entity (in the current financial year), based on traditional knowledge:

S. No.	Intellectual property based on traditional knowledge	Owned/Acquired (Yes/No)	Benefit shared (Yes/No)	Basis of calculating benefit share
-	-	-	-	-

5. Details of corrective actions taken or underway, based on any adverse order in intellectual property related disputes wherein usage of traditional knowledge is involved.

Name of authority	Brief of the Case	Corrective Action Taken
-	-	-

6. Details of beneficiaries of CSR Projects

For details refer to Annexure-B to Directors' Report FY22-23 (CSR Report)

**PRINCIPLE 9: Businesses should engage with and provide value to their consumers in a responsible manner**

We develop innovative solutions based on market needs and customers' feedback. State-of-the-art plants, cutting-edge technology, robust processes, and comprehensive policies - all combine to create products that generate tremendous value for the customer.

**Essential Indicators**

1. Describe the mechanisms in place to receive and respond to consumer complaints and feedback.

We have multiple mechanism to receive consumer complaints and feedback. We receive them through either Arvind SmartSpaces Ethics Helpline Portal, or through dedicated email address or through My Gate for all projects. Once the complaint is received, they are forwarded to the respective relationship / facility manager. They acknowledge the receipt of the complaint within 24 to 48 hours. They are also required to close the complaints in a maximum of 7 to 10 days. In case, closure takes more than 7 days, the dedicated relationship / facility manager is required to report to the complainant about the timeline of closure.

2. Turnover of products and/or services as a percentage of turnover from all products/service that carry information about:

	As a percentage of total turnover
Environmental and social parameters relevant to the product	Not Applicable
Safe and responsible usage	
Recycling and/or safe disposal	

3. Number of consumer complaints in respect of the following:

	FY22-23 (Current Financial Year)		Remarks	FY21-22 (Previous Financial Year)		Remarks
	Received during the year	Pending resolution at end of year		Received during the year	Pending resolution at end of year	
Data privacy	0	0		0	0	
Advertising	0	0		0	0	
Cyber-security	0	0		0	0	
Delivery of essential services	0	0		0	0	
Restrictive trade practices	0	0		0	0	
Unfair trade practices	0	0		0	0	
Other	0	0		0	0	

4. Details of instances of product recalls on account of safety issues:

	Number	Reasons for recall
Voluntary recalls	0	N.A.
Forced recalls	0	N.A.

5. Does the entity have a framework/policy on cyber security and risks related to data privacy? (Yes/No) If available, provide a web-link of the policy.

Yes, Arvind SmartSpaces has an Information Security and Data Privacy Policy. The purpose of this policy is to state the organisation's directive towards data confidentiality and to ensure adequate safeguards to prevent misuse or loss of information. Arvind SmartSpaces has taken adequate precautions for the protection of data and has ensured that information related to its employees is secure. Appropriate controls are in place to prevent unauthorised disclosure or modification.

Under this policy, Cybersecurity Grievance Team has set a mechanism to handle such incidents once they are reported to the team. The policy also includes details of various security incidents that needs to be reported, and also has a Cybersecurity Incident Response Plan. The Response Plan has four major components which include: Preparation, Detection and Analysis, Response and Remediation, and Recovery.



6. Provide details of any corrective actions taken or underway on issues relating to advertising, and delivery of essential services; cyber security and data privacy of customers; re-occurrence of instances of product recalls; penalty / action taken by regulatory authorities on safety of products / services.

No such incident related to the mentioned topics has been reported.

### **Leadership Indicators**

1. Channels / platforms where information on products and services of the entity can be accessed (provide web link, if available).

The information can be accessed through our website, the link is <https://www.arvindsmartspaces.com/>

2. Steps taken to inform and educate consumers about safe and responsible usage of products and/or services.

Not applicable.

3. Mechanisms in place to inform consumers of any risk of disruption/discontinuation of essential services.

We have partnered with My Gate which is used to communicate any important information with the consumers.

4. Does the entity display product information on the product over and above what is mandated as per local laws? (Yes/No/Not Applicable) If yes, provide details in brief. Did your entity carry out any survey with regard to consumer satisfaction relating to the major products / services of the entity, significant locations of operation of the entity or the entity as a whole? (Yes/No)

No

5. Provide the following information relating to data breaches:

- a. Number of instances of data breaches along with impact
- b. Percentage of data breaches involving personally identifiable information of customers

No instance of data breach has been reported.

# Standalone Financial Statements

# INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
**Arvind SmartSpaces Limited**

## **Report on the Audit of the Standalone Financial Statements**

### **Opinion**

We have audited the accompanying standalone financial statements of Arvind SmartSpaces Limited ("the Company"), which comprise the Balance sheet as at March 31 2023, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the standalone financial statements").

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 Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, its profit 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 of the standalone financial statements in accordance with the Standards on Auditing (SAs), as 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 Standalone 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 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 audit opinion on the standalone financial statements.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended 31<sup>st</sup> March, 2023. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the standalone financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the standalone financial statements. The results of our audit procedures, including the procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying standalone financial statements.

Key audit matters	How our audit addressed the key audit matter
<p>(a) Revenue from contracts with customer (Refer Note 2.2 of the standalone financial statements)</p> <p>In accordance with the requirements of Ind AS 115, Company's revenue from real estate projects is recognized at a point in time, which is upon the Company satisfying its performance obligation and the customer obtaining control of the promised asset.</p> <p>Application of Ind AS 115 requires significant judgment in determining when 'control' of the property underlying the performance obligation is transferred to the customer and in assessment of whether the contracts with customers involved any financing element.</p> <p>As the revenue recognition involves significant judgement, we regard this as a key audit matter.</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> <li>• We obtained and understood management process and controls around transfer of control in case of real estate projects and tested the relevant controls over revenue recognition at a point in time.</li> <li>• We assessed the management evaluation of whether the contracts with customers involved any financing element, taking in to account the consideration received in accordance with the terms of the contract.</li> <li>• We performed test of details, on a sample basis, and inspected the underlying customer contracts, sale deed and handover documents, evidencing the transfer of control of the property to the customer based on which revenue is recognized at a point in time.</li> <li>• We performed cut off procedures for determination of revenue in appropriate reporting period.</li> <li>• We assessed the disclosure made in accordance with the requirements of Ind AS 115.</li> </ul>
<p>Assessing the carrying value of Inventory (Refer Note 2.2 of the standalone financial statements)</p> <p>As at 31<sup>st</sup> March, 2023, the carrying value of the inventory of ongoing and completed real estate projects is Rs. 18,052.43 lacs. The inventories are held at the lower of the cost and net realizable value.</p> <p>We identified the assessment of whether carrying value of inventory were stated at the lower of cost and net realizable value ("NRV") as a key audit matter due to the significance of the balance to the standalone financial statements as a whole. The determination of the NRV involves estimates based on prevailing market conditions and taking into account the estimated future selling price, cost to complete projects and selling costs.</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the management process for determination of the Net realizable value (NRV) including estimating the future costs to complete stock of ongoing projects.</li> <li>• Obtained, read and assessed the management's process in estimating the future costs to complete stock of ongoing projects.</li> <li>• Assessed the methods used by the management, in determining the NRV of ongoing and completed real estate projects and tested the underlying assumptions used by the management in arriving at those projections.</li> <li>• Performed sensitivity analysis on these key assumptions to assess any potential downside.</li> </ul> <p>- For sample of selected projects:</p> <ul style="list-style-type: none"> <li>• Compared the forecasted costs to complete the project to the construction costs of other similar projects</li> <li>• Compared the NRV to recent sales in the project or to the estimated selling price.</li> </ul> <p>Compared the carrying value to the NRV.</p>

Key audit matters	How our audit addressed the key audit matter
<p>Assessing carrying value of investment and other receivables in subsidiaries and joint ventures (Refer Note 2.2 of the standalone financial statements)</p> <p>As at 31<sup>st</sup> March, 2023, the carrying value of Company's investment in subsidiaries and joint ventures is Rs. 18,485.87 lacs and other receivable is Rs. 19,775.60 lacs. Management reviews on a periodical basis whether there are any indicators of impairment of such investments.</p> <p>Management performs its impairment assessment by comparing the carrying value of these investments and other receivable to their recoverable amount to determine whether an impairment needs to be recognized.</p> <p>For investments where impairment indicators exist, management estimated the recoverable amounts of the investments, being higher of fair value less costs of disposal and value in use. Significant judgements are required to determine the key assumptions used in determination of fair value / value in use.</p> <p>As the impairment assessment involves significant assumptions and judgement, we regard this as a key audit matter.</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> <li>• We evaluated the accounting policies with respect to investment.</li> <li>• We assessed Company's evaluation of whether there are any indicators of impairment of such investment and other receivable.</li> <li>• We assessed the Company's valuation methodology applied in determining the recoverable amount.</li> <li>• Assessed the financial position of the subsidiaries and joint ventures to identify excess of their net assets over the aggregate of carrying amount of investment and other receivable and assessing the assumptions used for projected profitability in these subsidiaries and joint ventures where applicable.</li> <li>• We compared the recoverable amount of the investment to the aggregate of carrying value in books of investment and other receivable.</li> <li>• We assessed the disclosures made in the standalone Ind AS financial statements regarding such investments.</li> </ul>

### 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 Annual report, 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 other information and we do not express any form of assurance conclusion thereon.

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

### Responsibilities of Management for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting

principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. 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 the 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone 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 Standalone 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 skepticism 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 control 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 responsible for expressing our opinion on whether the 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 management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or

conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the 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.

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 for the financial year ended 31<sup>st</sup> March, 2023 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.

### Other Matter

We did not audit the financial statements and other financial information, in respect of 2 LLPs, whose financial statements include Company's share of net profit of ₹1.33 lacs and Company's share of total comprehensive income of ₹1.33 lacs for the year ended 31<sup>st</sup> March, 2023. These financial statements and other financial information of the said LLPs have been audited by other auditors, whose financial statements, other financial information and auditor's reports have been furnished to us by the management. Our opinion on the standalone financial statements, in so far as it relates to the amounts and disclosures included in respect of these LLPs and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid LLPs, is based solely on the reports of such other auditors. Our opinion is not modified in respect of this matter.

## 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 sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books except that the backup of the books of account and other books and papers maintained in electronic mode has not been maintained on servers physically located in India and on daily basis;
  - (c) The Balance Sheet, the Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 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 with reference to these standalone financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - (g) In our opinion, the managerial remuneration for the year ended 31<sup>st</sup> March, 2023 has been paid / provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to the Act;
  - (h) 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 has disclosed the impact of pending litigations on its financial position in its standalone financial statements - Refer Note 28 to the standalone financial statements;
    - 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.
    - iv.
      - a) The management has represented that, as disclosed in note 41 to the standalone financial statements, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
      - b) The management has represented that, as disclosed in note 41 to the standalone financial statements, to the best of its knowledge and belief, no funds have been received by the Company from any person or entity, 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

- c) Based on such audit procedures performed that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- v. As stated in note 40 to the standalone financial statements, the Board of Directors of the Company have proposed final dividend and one-time special dividend for the year which is subject to the approval of the members at the ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
- vi. As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. 1<sup>st</sup> April, 2023, reporting under this clause is not applicable.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

**per Sukrut Mehta**

Partner

Membership Number: 101974

UDIN: 23101974BGUFLY5808

Place of Signature: Ahmedabad

Date: May 19, 2023

**ANNEXURE 1 REFERRED TO IN PARAGRAPH ON REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS OF OUR REPORT OF EVEN DATE OF ARVIND SMARTSPACES LIMITED FOR THE YEAR ENDED MARCH 31, 2023**

- (i) (a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.
- (B) The Company has maintained proper records showing full particulars of intangibles assets.
- (b) Property, plant and equipment has been physically verified by the management during the year, which is reasonable considering the size of the company and nature of its assets and no material discrepancies were identified on such verification.
- (c) The title deeds of all the immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.
- (d) The Company has not revalued its Property, Plant and Equipment or intangible assets during the year ended 31<sup>st</sup> March, 2023.
- (e) There are no proceedings initiated or are pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification by the management is reasonable and the coverage and procedure for such verification is appropriate. Discrepancies of 10% or more in aggregate for each class of inventory were not noticed on such physical verification.
- (b) As disclosed in note 14 to the financial statements, the Company has been sanctioned working capital limits in excess of Rs. five crores in aggregate from banks during the year on the basis of security of current assets of the Company. The requisite statements filed by the Company with such banks are materially in agreement with the books of accounts of the Company. There are no sanctioned working capital limits from financial institutions during the year.

- (iii) (a) During the year the Company has provided loan to seven Companies as follows:

(Amount Rs. In Lacs)

<b>Loans</b>	
Aggregate amount granted during the year to subsidiaries	21,966.91
Aggregate amount granted during the year to Others	12,500.00
Balance outstanding as at balance sheet date in respect of above loan to subsidiaries	27,039.84
Balance outstanding as at balance sheet date in respect of loan to others	-

Further, the Company has not provided advances in the nature of loans, stood guarantee and provided security to any other companies, firms, Limited Liabilities Partnerships or any other parties.

- (b) During the year the investments made, loans and advances in the nature of loans, to companies, firms, Limited liability partnership or any other parties are not prejudicial to the Company's interest. The company has not provided any guarantee or security to any companies, firms, Limited liability partnership or any other parties during the year.
- (c) In respect of a loan or advance in the nature of loan granted to companies, firms, Limited Liability Partnerships or any other parties, the schedule of repayment of principal and payment of interest has not been stipulated in the agreement. Hence, we are unable to make a specific comment on the regularity of repayment of principal and payment of interest in respect of such loan.
- (d) There are no stipulated repayment schedules for loans given and hence there are no amounts of loans and advances in the nature of loans granted to companies, firms, Limited liability partnership or any other parties which are overdue for more than ninety days.
- (e) There were no loans or advance in the nature of loan granted to companies, firms, Limited

liability partnership or any other parties which had fallen due during the year as these have not been demanded during the year.

- (f) As disclosed in note 5 to the financial statements, the Company has granted loans or advances in the nature of loans, either repayable on demand or without specifying any terms or period of repayment to companies, firms, Limited Liability Partnerships or any other parties. Of these following are the details of the aggregate amount of loans or advances in the nature of loans granted to promoters or related parties as defined in clause (76) of section 2 of the Companies Act, 2013:

	All Parties	Promoters	Related Parties
Aggregate amount of loans/ advances in nature of loans - Repayable on demand	34,466.91	NA	21,966.91
Percentage of loans/ advances in nature of loans to the total loans	100%	NA	63.73%

- (iv) There are no loans, investments, guarantees, and security in respect of which provisions of sections 185 and 186 of the Companies Act, 2013 are applicable and accordingly, the requirement to report on clause 3(iv) of the Order is not applicable to the Company.
- (v) The Company has neither accepted any deposits from the public nor accepted any amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Companies Act 2013 (as amended) and the rules made thereunder, to the extent applicable. Accordingly, the requirement to report on clause 3(v) of the Order is not applicable to the Company.
- (vi) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013 ( as amended), related to real estate development, and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- (vii) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including goods and services tax, duty of customs, provident fund, employees' state insurance, income-tax, value added tax, cess and other statutory dues applicable to it. According to the information and explanations given to us and based on audit procedures performed by us, no undisputed amounts payable in respect of these statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (b) The dues of goods and services tax, duty of customs, provident fund, employees' state insurance, income-tax, value added tax, cess and other statutory dues which have not been deposited on account of any dispute, are as follows:

Name of the statute	Nature of the dues	Amount (Rs. lacs)	Period to which the amount relates	Forum where the dispute is pending
The Income tax Act 1961	Income tax	7.56	PY 2011-12	ITAT
The Income tax Act 1961	Income tax	490.76	PY 2013-14	ITAT
The Income tax Act 1961	Income tax	64.71	PY 2016-17	CIT(A)
The KVAT Act 2003	Value Added Tax	12.30	PY 2015-16	Deputy Commissioner of Commercial Taxes
The KVAT Act, 2003	Value Added Tax	17.26	PY 2017-18	Deputy Commissioner of Commercial Taxes

- (viii) The Company has not surrendered or disclosed any transaction, previously unrecorded in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year. Accordingly, the requirement to report on clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- (b) The Company has not been declared willful defaulter by any bank or financial institution or government or any government authority.
- (c) Term loans were applied for the purpose for which the loans were obtained.
- (d) On an overall examination of the financial statements of the Company, no funds raised on short-term basis have been used 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 or joint ventures.
- (f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries or joint ventures. Hence, the requirement to report on Clause 3(ix)(f) of the Order is not applicable to the Company.
- (x) (a) The Company has not raised any money during the year by way of initial public offer / further public offer (including debt instruments) hence, the requirement to report on clause 3(x)(a) of the Order is not applicable to the Company.
- (b) The Company has complied with provisions of sections 42 and 62 of the Companies Act, 2013 in respect of the preferential allotment/ private placement of shares during the year. The amounts raised, have been used for the purposes for which the funds were raised.
- (xi) (a) No fraud/ material fraud by the Company or no fraud / material fraud on the Company has been noticed or reported during the year.
- (b) During the year, no report under sub-section (12) of section 143 of the Companies Act, 2013 ( as amended) has been filed by cost auditor, secretarial auditor or by us in Form ADT - 4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As represented to us by the management, there are no whistle blower complaints received by the Company during the year.
- (xii) The Company is not a nidhi company as per the provisions of the Companies Act, 2013( as amended). Therefore, the requirement to report on clause 3(xii)(a)(b)( c) of the Order is not applicable to the Company.
- (xiii) Transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013(as amended) where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- (xiv)(a) The Company has an internal audit system commensurate with the size and nature of its business.
- (b) The internal audit reports of the Company issued till the date of the audit report, for the period under audit have been considered by us.
- (xv) The Company has not entered into any non-cash transactions with its directors or persons connected with its directors and hence requirement to report on clause 3(xv) of the Order is not applicable to the Company.
- (xvi) (a) The provisions of section 45-IA of the Reserve Bank of India Act, 1934 (2 of 1934) are not applicable to the Company. Accordingly, the requirement to report on clause 3(xvi)(a) of the Order is not applicable to the Company.
- (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without obtained a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act, 1934.
- (c) The Company is not a Core Investment Company as defined in the regulations made by Reserve Bank of India. Accordingly, the requirement to report on clause 3(xvi)( c) of the Order is not applicable to the Company.
- (d) There is no Core Investment Company as a part of the Group, hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred cash losses in the current financial year and in the immediately preceding financial year respectively.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly requirement to report on Clause 3(xviii) of the Order is not applicable to the Company.
- (xix) On the basis of the financial ratios disclosed in note 36A to the standalone financial statements, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future

viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- (xx) (a) In respect of other than ongoing projects, there are no unspent amounts that are required to be transferred to a fund specified in Schedule VII of the Companies Act (the Act), in compliance with second proviso to sub section 5 of section 135 of the Act. This matter has been disclosed in note 25 to the financial statements.
- (b) There are no unspent amounts in respect of ongoing projects, that are required to be

transferred to a special account in compliance of provision of sub section (6) of section 135 of Companies Act. This matter has been disclosed in note 25 to the financial statements.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

**per Sukrut Mehta**

Partner

Membership Number: 101974

UDIN: 23101974BGUFLY5808

Place of Signature: Ahmedabad

Date: May 19, 2023

## **ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF ARVIND SMARTSPACES 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 with reference to standalone financial statements of Arvind SmartSpaces Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the standalone 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 over financial reporting 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 ("ICAI"). 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 the 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.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these standalone financial statements 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, both, issued by the Institute of Chartered Accountants of India and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls over financial reporting. 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 with reference to these standalone financial statements 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 over financial reporting with reference to these standalone financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to standalone financial statements included obtaining an understanding of internal financial controls with reference to these standalone financial statements, 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 standalone 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 with reference to these standalone financial statements.

#### **Meaning of Internal Financial Controls With Reference to these Standalone Financial Statements**

A company's internal financial controls over financial reporting with reference to these standalone financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to these standalone financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of standalone 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 (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the standalone financial statements.

### **Inherent Limitations of Internal Financial Controls With Reference to Standalone Financial Statements**

Because of the inherent limitations of internal financial controls with reference to the standalone financial statements, 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 with reference to standalone financial statements to future periods are subject to the risk that the internal financial control with reference to these standalone financial statements 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, adequate internal financial controls with reference to these standalone financial statements

and such internal financial controls with reference to these standalone financial statements 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 issued by the ICAI.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

**per Sukrut Mehta**

Partner

Membership Number: 101974

UDIN: 23101974BGUFLY5808

Place of Signature: Ahmedabad

Date: May 19, 2023

# Standalone Balance Sheet

as at 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

Particulars	Notes	As at	
		31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3.1	890.28	813.52
Right of use assets	3.2	73.92	-
Intangible assets	3.3	29.75	20.60
Intangible assets under development	3.4	144.19	69.35
Financial assets			
(i) Investments	4	14,959.88	18,963.18
(ii) Loans	5	21,639.84	5,781.76
(iii) Other financial assets	9	16,339.80	12,621.10
Deferred tax assets (net)	26	42.37	42.99
Income tax assets (net)		289.98	315.13
Other non-current assets	11	1,174.61	380.75
<b>Total non-current assets</b>		<b>55,584.62</b>	<b>39,008.38</b>
<b>Current Assets</b>			
Inventories	10	18,052.43	19,432.15
Financial assets			
(i) Investments	4	9,457.87	3,277.02
(ii) Trade receivables	6	178.31	103.04
(iii) Cash and cash equivalents	7	1,914.38	14,007.70
(iv) Bank balance other than (iii) above	8	4.40	4.42
(v) Loans	5	5,400.00	4,000.81
(vi) Others financial assets	9	4,594.10	2,665.33
Other current assets	11	2,830.43	1,126.93
<b>Total current assets</b>		<b>42,431.92</b>	<b>44,617.40</b>
<b>Total assets</b>		<b>98,016.54</b>	<b>83,625.78</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	12	4,531.20	4,246.20
Other equity	13	48,354.35	41,798.29
Money received against share warrants		-	726.75
<b>Total Equity</b>		<b>52,885.55</b>	<b>46,771.24</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	14	4,977.19	146.82
(ii) Lease Liabilities	39	75.65	-
Long term provisions	17	271.00	232.60
<b>Total non-current liabilities</b>		<b>5,323.84</b>	<b>379.42</b>
<b>Current liabilities</b>			
Financial liabilities			
(i) Borrowings	14	215.85	50.05
(ii) Lease Liabilities	39	3.66	-
(iii) Trade payables			
Total outstanding dues of micro enterprise and small enterprise	15	75.98	156.09
Total outstanding dues of creditors other than micro enterprise and small enterprise	15	1,571.36	1,781.46
(iv) Other financial liabilities	16	364.75	351.05
Other current liabilities	18	37,368.24	34,076.83
Short term provisions	17	69.98	59.64
Current tax liabilities (net)		137.33	-
<b>Total current liabilities</b>		<b>39,807.16</b>	<b>36,475.12</b>
<b>Total equity and liabilities</b>		<b>98,016.54</b>	<b>83,625.78</b>
Summary of Significant Accounting Policies	2.2		

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date

**For S R B C & CO LLP**

Chartered accountants

ICAI Firm Registration No. 324982E/E300003

**per Sukrut Mehta**

Partner

Membership No. : 101974

Place : Ahmedabad

Date : 19<sup>th</sup> May, 2023

For and on Behalf of Board of Directors of

Arvind SmartSpaces Limited

CIN : L45201GJ2008PLC055771

**Sanjay S. Lalbhai**

Chairman

DIN : 00008329

**Kamal Singal**

MD & CEO

DIN : 02524196

**Ankit Jain**

Chief Financial Officer

Place : Ahmedabad

Date : 19<sup>th</sup> May, 2023

**Prakash Makwana**

Company Secretary

Place : Ahmedabad

Date : 19<sup>th</sup> May, 2023



# Standalone Statement of Profit and Loss

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

Particulars	Notes	For the year 2022-2023	For the year 2021-2022
<b>INCOME</b>			
Revenue from operations	19	11,727.81	12,017.05
Other income	20	3,745.25	2,730.64
<b>Total Income</b>		<b>15,473.06</b>	<b>14,747.69</b>
<b>EXPENSES</b>			
Cost of construction materials and components consumed	21	363.23	531.10
Land development costs		1,366.16	254.05
Construction and labour costs		2,917.61	3,908.33
Changes in inventories	22	1,481.86	1,256.79
Employee benefit expenses	23	1,875.54	1,355.77
Finance costs	24	556.64	1,137.33
Depreciation and amortisation expense	3.1/3.2/3.3	128.01	93.85
Other expenses	25	2,049.60	1,671.27
<b>Total Expenses</b>		<b>10,738.65</b>	<b>10,208.49</b>
<b>Profit from operations before tax</b>		<b>4,734.41</b>	<b>4,539.20</b>
<b>Tax expense:</b>			
Current tax	26	1,004.97	619.97
Adjustment of tax pertaining to earlier years	26	(104.21)	7.72
Deferred tax charge/(credit)	26	6.34	7.03
<b>Total tax expense</b>		<b>907.10</b>	<b>634.72</b>
<b>Net Profit for the year</b>		<b>3,827.31</b>	<b>3,904.48</b>
<b>Other Comprehensive Income (net of Tax)</b>			
Items that will not be reclassified to profit or loss in subsequent periods :			
Remeasurement gains/(losses) on defined benefit plans		(22.73)	1.53
Income tax effect on above	26	5.72	(0.39)
<b>Total other comprehensive income for the year, net of tax</b>		<b>(17.01)</b>	<b>1.14</b>
<b>Total Comprehensive Income for the year</b>		<b>3,810.30</b>	<b>3,905.62</b>
<b>Earnings per equity share (nominal value per share Rs. 10/- (31<sup>st</sup> March, 2022: Rs. 10/-))</b>			
Basic	27	8.71	10.08
Diluted		8.41	9.82
Summary of Significant Accounting Policies	2.2		

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date  
For S R B C & CO LLP  
Chartered accountants  
ICAI Firm Registration No. 324982E/E300003

For and on Behalf of Board of Directors of  
Arvind SmartSpaces Limited  
CIN : L45201GJ2008PLC055771

**per Sukrut Mehta**  
Partner  
Membership No. : 101974  
Place : Ahmedabad  
Date : 19<sup>th</sup> May, 2023

**Sanjay S. Lalbhai**  
Chairman  
DIN : 00008329

**Kamal Singal**  
MD & CEO  
DIN : 02524196

**Ankit Jain**  
Chief Financial Officer

**Prakash Makwana**  
Company Secretary

Place : Ahmedabad  
Date : 19<sup>th</sup> May, 2023

Place : Ahmedabad  
Date : 19<sup>th</sup> May, 2023

# Standalone Cash Flow Statement

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

Particulars	Notes	For the year 2022-2023	For the year 2021-2022
<b>A. Cash flow from operating activities</b>			
Profit for the period before tax		4,734.41	4,539.20
Adjustments to reconcile profit before tax to net cash flow :			
Profit from limited liability partnerships		(665.05)	(2,304.95)
Depreciation and amortization expense		128.01	93.85
Loss on sale of property plant and equipment (Net)		17.21	17.06
Finance cost		556.64	1,137.33
Share based payment expense		123.77	1.10
Interest income		(3,633.90)	(2,583.73)
Gain from Mutual funds		(60.16)	-
Impairment of investments		-	48.25
Provision for doubtful debt		-	3.74
Sundry Balance Written off/ (Written back) (Net)		54.57	(85.60)
<b>Operating profit before working capital changes</b>		<b>1,255.50</b>	<b>866.25</b>
Adjustments for:			
(Decrease) / Increase in trade payables		(284.59)	190.02
Increase in provisions		26.00	18.43
Increase in other liabilities		3,291.44	21,648.80
(Decrease) / Increase in financial liabilities		(34.95)	346.63
Decrease in inventory		1,371.70	1,258.85
(Increase) in financial assets		(5,369.14)	(1,061.93)
(Increase) / Decrease in trade receivables		(75.27)	119.86
(Increase) in other assets		(2,594.46)	(36.35)
Cash generated from operations		(2,413.77)	23,350.56
Direct taxes paid (Net of refund)		(744.78)	(896.57)
<b>Net cash (used in) / generated from operating activities</b>	<b>[A]</b>	<b>(3,158.55)</b>	<b>22,453.99</b>
<b>B. Cash flow from investing activities</b>			
Investments in subsidiaries and joint ventures		(20,470.34)	(14,418.83)
Proceeds from withdrawal of investments in subsidiaries and joint ventures		24,889.71	9,195.58
Investments in Mutual Funds		(11,900.00)	-
Proceeds from redemption of Mutual funds		6,028.28	-
Proceeds from withdrawal of fixed deposits		297.94	160.88
Loans given (net)		(17,257.28)	(5,510.99)
Purchase of property, plant and equipment		(341.81)	(269.90)
Proceeds from Sale of property, plant and equipment		35.83	0.82
Interest received		3,048.34	3,882.11
<b>Net cash (used in) investing activities</b>	<b>[B]</b>	<b>(15,669.33)</b>	<b>(6,960.31)</b>

# Standalone Cash Flow Statement

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

Particulars	Notes	For the year 2022-2023	For the year 2021-2022
<b>C. Cash flow from financing activities</b>			
Proceeds from long term borrowings		9,547.45	3,626.21
Repayment of long term borrowings		(4,489.91)	(15,340.96)
Interest paid on lease liabilities		(11.04)	-
Finance cost paid		(492.20)	(1,137.33)
Proceeds from issue of share capital through warrants & ESOPs (including securities premium)		2,180.25	9,248.73
<b>Net cash generated from/(used in) financing activities</b>	<b>[C]</b>	<b>6,734.56</b>	<b>(3,603.35)</b>
<b>Net Increase in cash and cash equivalents</b>	<b>[A+B+C]</b>	<b>(12,093.32)</b>	<b>11,890.31</b>
Cash and cash equivalents at the beginning of the year		14,007.70	2,117.39
<b>Cash and cash equivalents at the end of the year</b>		<b>1,914.38</b>	<b>14,007.70</b>
<b>Components of cash and cash equivalents (Refer note 7)</b>			
Balances with banks		1,014.12	542.30
Cash in hand		0.26	3.17
Fixed deposits having maturity of less than 3 months		900.00	13,462.23
		<b>1,914.38</b>	<b>14,007.70</b>
Summary of Significant Accounting Policies	2.2		

## Notes to the Cash Flow Statement :

- The Cash Flow Statement has been prepared under the Indirect Method as set out in the Indian Accounting Standard 7 on Statement of Cash Flows issued by the Institute of Chartered Accountants of India.
- Changes in liabilities arising from financing activities :

The accompanying notes are an integral part of these consolidated financial statements.

Particulars	1 <sup>st</sup> April, 2022	Cash flow	New Leases	Other	31 <sup>st</sup> March, 2023
Current borrowings (refer Note 14)	-	-	-	-	-
Non-current borrowings (Note 14)	196.87	5,057.54	-	(61.38)	5,193.03
Accrued interest (Note 16)	-	-	-	48.65	48.65
Lease Liability (Note 39)	-	(11.04)	82.14	8.21	79.31
Total liabilities from financing activities	196.87	5,046.50	82.14	4.52	5,320.99

Particulars	1 <sup>st</sup> April, 2021	Cash flow	New Leases	Other	31 <sup>st</sup> March, 2022
Non-current borrowings (Note 14)	11,911.61	(11,714.74)	-	-	196.87
Total liabilities from financing activities	11,911.61	(11,714.74)	-	-	196.87

**Note :** The 'other' column includes accrued interest and the effect of reclassification if any, of non-current portion of borrowings to current due to passage of time etc.

- Figures in brackets indicate outflow.

The accompanying notes are an integral part of these Standalone financial statements.

As per our report of even date  
For S R B C & CO LLP  
Chartered accountants  
ICAI Firm Registration No. 324982E/E300003

For and on Behalf of Board of Directors of  
Arvind SmartSpaces Limited  
CIN : L45201GJ2008PLC055771

**Sanjay S. Lalbhai**  
Chairman  
DIN : 00008329

**Kamal Singal**  
MD & CEO  
DIN : 02524196

**per Sukrut Mehta**  
Partner  
Membership No. : 101974  
Place : Ahmedabad  
Date : 19<sup>th</sup> May, 2023

**Ankit Jain**  
Chief Financial Officer

**Prakash Makwana**  
Company Secretary

Place : Ahmedabad  
Date : 19<sup>th</sup> May, 2023

Place : Ahmedabad  
Date : 19<sup>th</sup> May, 2023

# Standalone Statement of Changes in Equity

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

## A. Equity share capital (Refer Note 12)

### F.Y. 2022-23

Particulars	Balance at the 1 <sup>st</sup> April, 2022	Changes in Equity Share Capital due to prior period errors	Balance at the beginning of the current Year	Changes in equity share capital during the current year	Balance at the end of 31 <sup>st</sup> March, 2023
Equity Shares of Rs. 10 each Issued, Subscribed and fully paid up	4,246.20	-	4,246.20	285.00	4,531.20
	<b>4,246.20</b>	<b>-</b>	<b>4,246.20</b>	<b>285.00</b>	<b>4,531.20</b>

### F.Y. 2021-22

Particulars	Balance at the 1 <sup>st</sup> April, 2021	Changes in Equity Share Capital due to prior period errors	Balance at the beginning of the current Year	Changes in equity share capital during the current year	Balance at the end of 31 <sup>st</sup> March, 2022
Equity Shares of Rs. 10 each Issued, Subscribed and fully paid up	3,555.36	-	3,555.36	690.84	4,246.20
	<b>3,555.36</b>	<b>-</b>	<b>3,555.36</b>	<b>690.84</b>	<b>4,246.20</b>

# Standalone Statement of Changes in Equity

for the year ended on 31<sup>st</sup> March, 2023

## B. Other Equity

(Amount in Rs. Lacs, unless stated otherwise)

Particulars	Reserves and Surplus attributable to equity holders of the Company (Refer note 13)				Total other equity
	Securities Premium	Share based Payment Reserve	Retained Earnings	Other comprehensive income reserve	
<b>As at 1<sup>st</sup> April, 2021</b>	<b>17,405.29</b>	<b>6.42</b>	<b>12,680.66</b>	<b>(31.96)</b>	<b>30,060.42</b>
Changes in accounting policy or prior period errors	-	-	-	-	-
Profit for the year	-	-	3,904.48	-	3,904.48
Other comprehensive income for the year (net of tax)	-	-	-	1.14	1.14
<b>Total comprehensive income for the year</b>	<b>17,405.29</b>	<b>6.42</b>	<b>16,585.14</b>	<b>(30.82)</b>	<b>33,966.04</b>
Receipt against issue of equity shares pursuant to exercise of preferential issue	7,831.15	-	-	-	7,831.15
Transferred on exercise of stock options	6.42	(6.42)	-	-	-
Compensation expense for options granted during the year	-	1.10	-	-	1.10
<b>As at 31<sup>st</sup> March, 2022</b>	<b>25,242.86</b>	<b>1.10</b>	<b>16,585.14</b>	<b>(30.82)</b>	<b>41,798.29</b>
<b>As at 1<sup>st</sup> April, 2022</b>	<b>25,242.86</b>	<b>1.10</b>	<b>16,585.14</b>	<b>(30.82)</b>	<b>41,798.29</b>
Profit for the year	-	-	3,827.31	-	3,827.31
Other comprehensive income for the year (net of tax)	-	-	-	(17.01)	(17.01)
<b>Total comprehensive income for the year</b>	<b>25,242.86</b>	<b>1.10</b>	<b>20,412.45</b>	<b>(47.83)</b>	<b>45,608.59</b>
Receipt against issue of equity shares pursuant to conversion of warrants	2,622.00	-	-	-	2,622.00
Compensation expense for options granted during the year	-	123.77	-	-	123.77
<b>As at 31<sup>st</sup> March, 2023</b>	<b>27,864.86</b>	<b>124.87</b>	<b>20,412.45</b>	<b>(47.83)</b>	<b>48,354.35</b>

Summary of Significant Accounting Policies 2.2

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date  
For S R B C & CO LLP  
Chartered accountants  
ICAI Firm Registration No. 324982E/E3000003

For and on Behalf of Board of Directors of  
Arvind SmartSpaces Limited  
CIN : L45201GJ2008PLC055771

**Sanjay S. Lalbhai**  
Chairman  
DIN : 00008329

**Kamal Singal**  
MD & CEO  
DIN : 02524196

**per Sukrut Mehta**

Partner  
Membership No. : 101974  
Place : Ahmedabad  
Date : 19<sup>th</sup> May, 2023

**Ankit Jain**  
Chief Financial Officer

Place : Ahmedabad  
Date : 19<sup>th</sup> May, 2023

**Prakash Makwana**  
Company Secretary

Place : Ahmedabad  
Date : 19<sup>th</sup> May, 2023



# Notes to Standalone Financial Statements

## for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

### 1. CORPORATE INFORMATION

Arvind SmartSpaces Limited (“Company” or “ASL”) is a public company domiciled in India and is incorporated on 26<sup>th</sup> December, 2008 under the provisions of the Companies Act applicable in India. Its shares are listed on the National Stock Exchange of India Limited and Bombay Stock Exchange Limited. The registered office of the Company is located at 24, Government Servant society, Nr Municipal Market, CG road, Navrangpura, Ahmedabad – 380009.

The company is engaged in the development of real estate comprising of residential, commercial and industrial projects.

The standalone financial statements were authorized for issue in accordance with a resolution of the directors on May 19, 2023.

### 2. SIGNIFICANT ACCOUNTING POLICIES

#### 2.1 Basis of preparation

The standalone financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the Standalone Financial Statements.

The standalone financial statements have been prepared on the historical cost basis, except for certain financial assets and liabilities measured at fair value at the end of each reporting period, as explained in the accounting policies below. The standalone financial statements are presented in INR and all values are rounded to the nearest lacs (Rs. 00,000), except when otherwise indicated.

#### 2.2 Summary of Significant Accounting Policies

##### a) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management’s best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to

the carrying amounts of assets or liabilities. The effect of change in an accounting estimate is recognized prospectively.

##### b) 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 realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized 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.

The Company’s normal operating cycle in respect of operations relating to the construction of real estate projects may vary from project to project depending upon the size of the project, type of development, project complexities and related approvals. Operating cycle for all completed projects is based on 12 months period. Assets and liabilities have been classified into current and non-current based on their respective operating cycle.

##### c) Business combinations

The Company acquires subsidiaries that own real estate. At the time of acquisition, the Company considers whether each acquisition

# Notes to Standalone Financial Statements

## for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

represents the acquisition of a business or the acquisition of an asset. The Company accounts for an acquisition as a business combination where an integrated set of activities and assets, including property, is acquired. When the acquisition of subsidiaries does not represent a business combination, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognised.

### **d) Property, Plant and Equipment**

Property, plant and equipment, are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Borrowing costs directly attributable to acquisition of property, plant and equipment

which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

An item of property, plant and equipment and any significant part initially recognized is de-recognized 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 included in the income statement when the Property, plant and equipment is de-recognized.

### **e) Depreciation on Property, Plant and Equipment**

Depreciation on property, plant and equipment are provided on straight line method over the useful lives of assets specified in Part C of Schedule II to the Companies Act 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

### **f) Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets comprising of computer software are amortized on a straight line basis over a period of three years, which is estimated by the management to be the useful life of the asset.

The residual values, useful lives and methods of amortization of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in

# Notes to Standalone Financial Statements

## for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

the statement of profit and loss when asset is derecognized.

### g) Borrowing Costs

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized/inventorised as part of the cost of the respective asset. All other borrowing costs are charged to statement of profit and loss.

### h) Inventories

Direct expenditures relating to real estate activity are inventorised. Other expenditure (including borrowing costs) during construction period is inventorised to the extent the expenditure is directly attributable cost of bringing the asset to its working condition for its intended use. Other expenditure (including borrowing costs) incurred during the construction period which is not directly attributable for bringing the asset to its working condition for its intended use is charged to the statement of profit and loss. Direct and other expenditure is determined based on specific identification to the real estate activity. Cost incurred/ items purchased specifically for projects are taken as consumed as and when incurred/ received.

- i. Work-in-progress (including land inventory): Represents 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. Work-in-progress is valued at lower of cost and net realizable value.
- ii. Finished goods - unsold flats and plots: Valued at lower of cost and net realizable value.
- iii. Construction material: Valued at lower of cost and net realizable value. Cost is determined based on FIFO basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

### i) Land

Advances paid by the Company to the seller/ intermediary towards outright purchase of land is recognized as land advance under other assets during the course of obtaining clear and marketable title, free from all encumbrances and transfer of legal title to the Company, whereupon it is transferred to land stock under inventories.

Land/ development rights received under joint development arrangements ('JDA') is measured at the fair value of the estimated construction service rendered to the land owner and the same is accounted on launch of the project. The amount of non-refundable deposit paid by the Company under JDA is recognized as land advance under other assets and on the launch of the project, the non-refundable amount is transferred as land cost to work-in-progress.

### j) Revenue from contracts with customers

#### (i) Revenue recognition

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is measured based on the transaction price, which is the consideration and adjusted for discounts, if any, as specified in the contract with the customer. The Company presents revenue from contracts with customers net of indirect taxes in its statement of profit and loss.

The Company considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Company considers the effects of variable consideration and the existence of significant financing components, if any.

Revenue from real estate development of residential or commercial unit is recognised at the point in time, when the control of the asset is transferred to the customer.

Revenue consists of sale of undivided share of land and constructed area to the customer, which have been identified by the Company as a single performance obligation, as they are highly interrelated/ interdependent.

# Notes to Standalone Financial Statements

## for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

The performance obligation in relation to real estate development is satisfied upon completion of project work and transfer of control of the asset to the customer.

For contracts involving sale of real estate unit, the Company receives the consideration in accordance with the terms of the contract in proportion of the percentage of completion of such real estate project and represents payments made by customers to secure performance obligation of the Company under the contract enforceable by customers. Such consideration is received and utilised for specific real estate projects in accordance with the requirements of the Real Estate (Regulation and Development) Act, 2016. Consequently, the Company has concluded that such contracts with customers do not involve any financing element since the same arises for reasons explained above, which is other than for provision of finance to/from the customer.

### (ii) Contract balances

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Company performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liability is the obligation to transfer goods or services to a customer for which the Company has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Company transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Company performs under the contract.

### (iii) Cost to obtain a contract

The Company recognises as an asset the incremental costs of obtaining a contract with a customer if the Company expects to recover

those costs. The Company incurs costs such as sales commission when it enters into a new contract, which are directly related to winning the contract. The asset recognised is amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates.

### (iv) Share in profit/ loss of Limited liability partnerships ("LLPs") and partnership firm

The Company's share in profits from LLPs and partnership firm, where the Company is a partner, is recognised as income in the statement of profit and loss as and when the right to receive its profit/ loss share is established by the Company in accordance with the terms of contract between the Company and the partnership entity.

### (v) Interest income

Interest income, including income arising from other financial instruments measured at amortised cost, is recognised using the effective interest rate method.

If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Company recognises any impairment loss that has occurred on assets dedicated to that contract.

### k) Retirement and other employee benefits

Retirement benefits in the form of state governed Employee Provident Fund and Employee State Insurance are defined contribution schemes (collectively the 'Schemes'). The company has no obligation, other than the contribution payable to the schemes. The company recognizes contribution payable to the schemes as expenditure, when an employee renders the related service. The contribution paid in excess of amount due is recognized as an asset and the contribution due in excess of amount paid is recognized as a liability.

Gratuity, which is a defined benefit plan, is accrued based on an independent actuarial valuation, which is done based on project unit credit method as at the balance sheet date. The company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit

# Notes to Standalone Financial Statements

## for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

liability/ (asset) are recognized in other comprehensive income. In accordance with Ind AS, re-measurement gains and losses on defined benefit plans recognized in OCI are not to be subsequently reclassified to statement of profit and loss. As required under Ind AS compliant Schedule III, the company recognizes re-measurement gains and losses on defined benefit plans (net of tax) to retained earnings.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The company measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The company treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method, made at the end of each financial year. Actuarial gains/ losses are immediately taken to the statement of profit and loss. The Company presents the leave as a current liability in the balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where company has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

### l) Income taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognized in the statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

**I. Current income tax** - Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income

for that period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

**II. Deferred income tax** - Deferred income tax is recognized using the balance sheet approach, deferred tax is recognized on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

### m) Share based payment

Employees (including senior executives) of the company receives remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model and the cost is recognised,



# Notes to Standalone Financial Statements

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

together with a corresponding increase in share options outstanding account in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

## n) Segment reporting

The company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the company operate.

## o) Leases

The Company assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether (i) the contract involves the use of identified asset; (ii) the Company has substantially all of the economic benefits from the use of the asset through the period of lease and (iii) the Company has right to direct the use of the asset.

### Where the Company is the lessee

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the

commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received.

Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised.

The right-of-use asset is subsequently depreciated using the straight-line method from the 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. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, and the Company's incremental borrowing rate. Generally, the Company uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease payments have been classified as financing activities in Statement of Cash Flow.

The Company has elected not to recognize right-of-use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months with no purchase

# Notes to Standalone Financial Statements

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

option and assets with low value leases. The Company recognizes the lease payments associated with these leases as an expense in statement of profit and loss over the lease term. The related cash flows are classified as operating activities.

## Short term leases and leases of low value of assets

The Company applies the short-term lease recognition exemption to its short-term leases. It also applies the lease of low value assets recognition exemption that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognized as expense on a straight-line basis over the lease term.

## p) Provisions and contingent liabilities

A provision is recognized when the company has a present obligation (legal or constructive) as a result of 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. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses it in the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

If the Company has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an

onerous contract is established, the Company recognises any impairment loss that has occurred on assets dedicated to that contract.

## q) Financial Instruments

Financial assets and liabilities are recognized when the company becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

i. Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

ii. Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in statement of profit and loss.

iii. Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

- a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- b) Contractual terms of the asset give rise on specified dates to cash flows

# Notes to Standalone Financial Statements

## for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables

- iv. Equity investment in subsidiaries and joint ventures

Investment in subsidiaries and joint ventures are carried at cost. Impairment recognized, if any, is reduced from the carrying value.

- v. De-recognition of financial asset

The Company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109.

- vi. Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as payables, as appropriate. The company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts. The subsequent measurement of financial liabilities depends on their classification, which is described below.

- vii. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

- viii. Financial liabilities at amortized cost

Financial liabilities are subsequently carried at amortized cost using the effective interest ('EIR') method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the statement of profit and loss.

Interest-bearing loans and borrowings are subsequently measured at amortized cost using EIR method. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

- ix. De-recognition of financial liability

A financial liability is derecognised 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 derecognition 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.

- x. Fair value of financial instruments

In determining the fair value of its financial instruments, the Company uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

Fair value hierarchy:

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

# Notes to Standalone Financial Statements

## for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

### r) Impairment

#### a. Financial assets

The company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognizes lifetime expected losses for all contract assets and /or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

#### b. 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 impairment loss is recognized wherever the carrying amount of an asset exceeds

its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. 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. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

#### s) Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period 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.

#### t) Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

#### u) Dividend

The Company recognises a liability to pay dividend to equity holders of the company when the distribution is authorised, and the distribution is no longer at the discretion of the Company. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

# Notes to Standalone Financial Statements

## for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

### 2.3 Significant accounting judgements, estimates and assumptions

The preparation of financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions that affect the reported balances of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

#### (a) Judgements

In the process of applying the Company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

##### Classification of property

Inventory comprises property that is held for sale in the ordinary course of business. Principally, this is residential and commercial property that the Company develops and intends to sell before or during the course of construction or upon completion of construction.

#### (b) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the company. Such changes are reflected in the assumptions when they occur.

*Inventory is stated at the lower of cost and net realizable value (NRV).*

NRV for completed inventory property is assessed by reference to market conditions and prices existing at the reporting date and is determined by the company, based on comparable transactions identified by

the company for properties in the same geographical market serving the same real estate segment.

NRV in respect of inventory property under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction and an estimate of the time value of money to the date of completion.

With respect to Land advance given, the net recoverable value is based on the present value of future cash flows, which depends on the estimate of, among other things, the likelihood that a project will be completed, the expected date of completion, the discount rate used and the estimation of sale prices and construction costs.

*The Company applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:*

#### a) Identification of performance obligation

Revenue consists of sale of undivided share of land and constructed area to the customer, which have been identified by the Company as a single performance obligation, as they are highly interrelated/interdependent. In assessing whether performance obligations relating to sale of undivided share of land and constructed area are highly interrelated/interdependent, the Company considers factors such as:

- Whether the customer could benefit from the undivided share of land or the constructed area on its own or together with other resources readily available to the customer.
- Whether the entity will be able to fulfil its promise under the contract to transfer the undivided share of land without transfer of constructed area or transfer the constructed area without transfer of undivided share of land.

#### b) Timing of satisfaction of performance obligation

Revenue from sale of real estate units is recognised when (or as) control of such units is transferred to the customer. The



# Notes to Standalone Financial Statements

## for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

entity assesses timing of transfer of control of such units to the customers as transferred over time if one of the following criteria are met:

- The customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.
- The entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

If control is not transferred over time as above, the entity considers the same as transferred at a point in time.

For contracts where control is transferred at a point in time, the Company considers the following indicators of the transfer of control of the asset to the customer:

When the entity obtains a present right to payment for the asset.

When the entity transfers legal title of the asset to the customer.

When the entity transfers physical possession of the asset to the customer.

When the entity transfers significant risks and rewards of ownership of the asset to the customer.

When the customer has accepted the asset.

### c) Significant financing component

For contracts involving sale of real estate unit, the Company receives the consideration in accordance with the terms of the contract in proportion of the percentage of completion of such real estate project and represents payments made by customers to secure performance obligation of the Company under the contract enforceable by customers. Such consideration is received and utilised for specific real estate projects in accordance with the requirements

of the Real Estate (Regulation and Development) Act, 2016. Consequently, the Company has concluded that such contracts with customers do not involve any financing element since the same arises for reasons explained above, which is other than for provision of finance to/from the customer.

## 2.4 New Standards, Interpretation and amendments adopted by the company

### New and amended Standards:-

The Company applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1<sup>st</sup> April, 2022.

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated 23<sup>rd</sup> March, 2022, to amend the following Ind AS which are effective from 1<sup>st</sup> April, 2022.

### (i) Onerous Contracts - Costs of Fulfilling a Contract - Amendments to Ind AS 37

An onerous contract is a contract under which the unavoidable of meeting the obligations under the contract costs (i.e., the costs that the Group cannot avoid because it has the contract) exceed the economic benefits expected to be received under it. These amendment had no impact on Financial statement of the company.

### (ii) Property, Plant and Equipment: Proceeds before Intended Use - Amendments to Ind AS 16

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The amendments are effective for annual reporting periods beginning on or after 1<sup>st</sup> April, 2022. These amendments had no impact on the financial statements of the Company as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

# Notes to Standalone Financial Statements

## for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

### **(iii) Ind AS 109 Financial Instruments – Fees in the '10 per cent' test for derecognition of financial liabilities**

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf. These amendments had no impact on the financial statements of the company as there were no modifications of the Company's financial instruments during the period.

#### **Amendments not yet effective: -**

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31<sup>st</sup> March, 2023 to amend the following Ind AS which are effective from 1<sup>st</sup> April, 2023.

### **(i) Definition of Accounting Estimates - Amendments to Ind AS 8**

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1<sup>st</sup> April, 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

The company is currently assessing the impact of the amendments.

### **(ii) Disclosure of Accounting Policies - Amendments to Ind AS 1**

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to Ind AS 1 are applicable for annual periods beginning on or after 1<sup>st</sup> April, 2023. Consequential amendments have been made in Ind AS 107.

The company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

### **(iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12**

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101. The amendments to Ind AS 12 are applicable for annual periods beginning on or after 1<sup>st</sup> April, 2023.

The company is currently assessing the impact of the amendments.

# Notes to Standalone Financial Statements

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

## 3.1 Property Plant and Equipment

Particulars	Build-ings	Equip-ments	Furni-ture & Fix-tures	Office Equip-ments	Com-puters	Vehi-cles	Leasehold Improve-ments (Refer Note 39)	Total
<b>Cost (Refer note 1 below)</b>								
<b>At 31<sup>st</sup> March, 2021</b>	<b>504.02</b>	<b>94.37</b>	<b>113.07</b>	<b>7.46</b>	<b>58.97</b>	<b>274.02</b>	<b>-</b>	<b>1,051.91</b>
Additions	-	13.31	31.31	2.76	18.78	133.13	-	199.29
Disposals	-	6.92	11.97	0.48	3.17	10.18	-	32.72
<b>At 31<sup>st</sup> March, 2022</b>	<b>504.02</b>	<b>100.76</b>	<b>132.41</b>	<b>9.74</b>	<b>74.58</b>	<b>396.97</b>	<b>-</b>	<b>1,218.48</b>
Additions	-	18.98	12.20	13.39	48.05	63.06	82.15	237.83
Disposals	-	24.64	19.15	1.70	1.19	65.99	-	112.67
<b>At 31<sup>st</sup> March, 2023</b>	<b>504.02</b>	<b>95.10</b>	<b>125.46</b>	<b>21.43</b>	<b>121.44</b>	<b>394.04</b>	<b>82.15</b>	<b>1,343.64</b>
<b>Depreciation and impairment</b>								
<b>At 31<sup>st</sup> March, 2021</b>	<b>87.50</b>	<b>35.84</b>	<b>64.08</b>	<b>4.61</b>	<b>45.52</b>	<b>98.52</b>	<b>-</b>	<b>336.07</b>
Depreciation for the year	17.50	8.75	9.41	1.11	7.68	39.85	-	84.31
On Disposals	-	2.52	3.05	0.17	2.77	6.90	-	15.42
<b>At 31<sup>st</sup> March, 2022</b>	<b>105.00</b>	<b>42.07</b>	<b>70.44</b>	<b>5.55</b>	<b>50.43</b>	<b>131.47</b>	<b>-</b>	<b>404.96</b>
Depreciation for the year	17.46	9.53	13.51	2.31	14.51	46.37	4.32	108.01
On Disposals	-	10.53	14.24	0.98	1.13	32.73	-	59.61
<b>At 31<sup>st</sup> March, 2023</b>	<b>122.46</b>	<b>41.07</b>	<b>69.71</b>	<b>6.88</b>	<b>63.81</b>	<b>145.11</b>	<b>4.32</b>	<b>453.36</b>
<b>Net book value</b>								
<b>At 31<sup>st</sup> March, 2023</b>	<b>381.56</b>	<b>54.03</b>	<b>55.75</b>	<b>14.55</b>	<b>57.63</b>	<b>248.93</b>	<b>77.83</b>	<b>890.28</b>
<b>At 31<sup>st</sup> March, 2022</b>	<b>399.02</b>	<b>58.69</b>	<b>61.97</b>	<b>4.19</b>	<b>24.15</b>	<b>265.50</b>	<b>-</b>	<b>813.52</b>

## 3.2 Leased Assets:

### Right of use assets (Refer Note 39)

Particulars	Building	Total
<b>Cost (Refer note 1 below)</b>		
<b>At 1<sup>st</sup> April, 2022</b>	<b>-</b>	<b>-</b>
Additions	82.13	82.13
Disposals	-	-
<b>At 31<sup>st</sup> March, 2023</b>	<b>82.13</b>	<b>82.13</b>
<b>Accumulated Amortisation</b>		
<b>At 1<sup>st</sup> April, 2022</b>	<b>-</b>	<b>-</b>
Amortisation charge for the year	8.21	8.21
<b>At 31<sup>st</sup> March, 2023</b>	<b>8.21</b>	<b>8.21</b>
<b>Net book value</b>		
<b>At 31<sup>st</sup> March, 2023</b>	<b>73.92</b>	<b>73.92</b>
<b>At 31<sup>st</sup> March 2022</b>	<b>-</b>	<b>-</b>

# Notes to Standalone Financial Statements

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

## 3.3 Intangible assets

Particulars	Software	Total
<b>Cost (Refer note 1 below)</b>		
<b>At 1<sup>st</sup> April, 2021</b>	<b>36.01</b>	<b>36.01</b>
Additions	3.35	3.35
Disposals	0.58	0.58
<b>At 31<sup>st</sup> March, 2022</b>	<b>38.78</b>	<b>38.78</b>
Additions	20.93	20.93
Disposals	-	-
<b>At 31<sup>st</sup> March 2023</b>	<b>59.71</b>	<b>59.71</b>
<b>Amortisation</b>		
<b>At 1<sup>st</sup> April, 2021</b>	<b>8.63</b>	<b>8.63</b>
Amortisation charge for the year	9.55	9.55
<b>At 31<sup>st</sup> March, 2022</b>	<b>18.18</b>	<b>18.18</b>
Amortisation charge for the year	11.79	11.79
<b>At 31<sup>st</sup> March 2023</b>	<b>29.96</b>	<b>29.96</b>
<b>Net book value</b>		
<b>At 31<sup>st</sup> March 2023</b>	<b>29.75</b>	<b>29.75</b>
<b>At 31<sup>st</sup> March 2022</b>	<b>20.60</b>	<b>20.60</b>

Note-1 : For property plant & equipment and intangible assets existing as on 1<sup>st</sup> April, 2016 i.e. the date of transition to Ind AS, the company had elected to continue Indian GAAP carrying value as deemed cost as permitted by Ind AS 101 "First Time Adoption of Indian Accounting Standard". Accordingly, the net WDV as per Indian GAAP as on 1<sup>st</sup> April, 2016 was considered as Gross block under Ind AS and the accumulated depreciation was accordingly netted off as on 1<sup>st</sup> April, 2016.

## 3.4 Intangible Asset under Development Ageing Schedule

As at 31<sup>st</sup> March, 2023

Particulars	Amount in Intangible under Development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress (Refer note 1 below)	74.84	69.35	-	-	144.19
<b>Total</b>	<b>74.84</b>	<b>69.35</b>	<b>-</b>	<b>-</b>	<b>144.19</b>

As at 31<sup>st</sup> March, 2022

Particulars	Amount in Intangible under Development for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress (Refer note 1 below)	69.35	-	-	-	69.35
<b>Total</b>	<b>69.35</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>69.35</b>

Note-1 : Intangible assets under development for FY22-23 consists of SAP software under development and patents & trademark related costs for FY21-22 consists of SAP software under development.

Intangible assets under development whose completion is overdue, following is the completion schedule:

Particulars	Intangible Asset under Development To be completed in				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
SAP Implementation	143.04	-	-	-	143.04
<b>Total</b>	<b>143.04</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>143.04</b>

Note-2 : Intangible assets under development relating to SAP implementation are overdue as per original plan finalised with original vendor. There has been a change in implementation partner and correspondingly the software implementation timelines have been revised. Other intangible assets are expected to complete as per plan .

# Notes to Standalone Financial Statements

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

## 4 Investment

Particulars	Non current portion		Current portion	
	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
<b>Unquoted (carried at cost)</b>				
<b>i. In equity shares of</b>				
Wholly owned subsidiary				
Arvind Hebbal Homes Private Limited				
10,000 (31 <sup>st</sup> March 2022: 10,000) shares of ₹10/- each, fully paid up	1.00	1.00	-	-
Arvind Homes Private Limited				
1,25,10,000 (31 <sup>st</sup> March 2022: 1,25,10,000) shares of ₹10/- each, fully paid up	1,251.00	1,251.00	-	-
Arvind SmartHomes Private Limited				
2,10,10,000 (31 <sup>st</sup> March 2022: Nil) shares of ₹10/- each, fully paid up	2,101.00	-	-	-
<b>ii. In capital of Limited Liability Partnership firms (subsidiaries)</b>				
Ahmedabad East Infrastructure LLP	438.66	8,809.39	2,000.00	450.00
Ahmedabad Industrial Infrastructure (One) LLP	1,344.77	1,407.77	-	-
ASL Facilities Management LLP	32.49	32.49	-	-
Uplands facility Management LLP (Formerly known as Arvind Altura LLP)	2.36	2.36	-	-
Arvind Beyond Five Club LLP	418.38	265.38	-	-
Arvind Five Homes LLP	29.10	3,454.22	-	-
Arvind Infracon LLP	1,028.17	913.27	1,501.37	2,800.00
Changodar Industrial Infrastructure (One) LLP	26.50	16.73	-	-
Arvind Infrabuild LLP - Current A/c	710.99	-	-	-
Yogita Shelters LLP	1,828.22	1,968.22	-	-
Arvind Smart City LLP	5,247.24	841.28	-	-
<b>iii. In capital of Limited Liability Partnership firms (joint ventures)</b>				
Arvind Bsafal Homes LLP	-	48.25	24.62	27.02
Less: Provision for impairment of Investment	-	(48.25)	-	-
Arvind Integrated Projects LLP	-	0.07	-	-
In debt Securities of				
Arvind Smart Homes Private Limited	500.00	-	-	-
5,000 (31 <sup>st</sup> March 2022 : Nil) optionally convertible debentures of Rs. 100000/- each				
<b>Aggregate book value of unquoted investments (Refer note i below for impairment)</b>	<b>14,959.88</b>	<b>18,963.18</b>	<b>3,525.99</b>	<b>3,277.02</b>
<b>Quoted</b>				
<b>Investment carried at fair value through profit or loss</b>				
<b>Investment in mutual funds</b>				
2,11,441.37 (31 <sup>st</sup> March 2022 : Nil) Units of Aditya Birla Sunlife Liquid Fund - Regular - Growth	-	-	760.76	-
9,079.78 (31 <sup>st</sup> March 2022 : Nil) Units of Kotak Liquid Fund - Regular - Growth	-	-	410.17	-
17,340.23 (31 <sup>st</sup> March 2022 : Nil) Units of HDFC Liquid Fund - Regular - Growth	-	-	760.19	-



# Notes to Standalone Financial Statements

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

Particulars	Non current portion		Current portion	
	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
28,621.05 (31 <sup>st</sup> March 2022 : Nil) Units of SBI Liquid Fund - Regular - Growth	-	-	1,000.62	-
7,339.70 (31 <sup>st</sup> March 2022 : Nil) Units of Nippon India Liquid Fund - Regular - Growth	-	-	400.25	-
27,284.52 (31 <sup>st</sup> March 2022 : Nil) Units of UTI Liquid Fund - Cash Plan - Regular - Growth	-	-	999.57	-
3,02,303.182 (31 <sup>st</sup> March 2022 : Nil) Units of ICICI Prudential liquid fund - Regular - Growth	-	-	1,000.00	-
24,166.10 (31 <sup>st</sup> March 2022 : Nil) Units of Axis Liquid Fund - Regular - Growth	-	-	600.32	-
<b>Aggregate book and market value of Quoted investment</b>	-	-	<b>5,931.88</b>	-
<b>Total investments</b>	<b>14,959.88</b>	<b>18,963.18</b>	<b>9,457.87</b>	<b>3,277.02</b>

Note : i) Aggregate value of impairment of Investment is Rs. Nil (31<sup>st</sup> March, 2022- Rs. 48.25 lacs)

## 5 Loans

Particulars	Non current portion		Current portion	
	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Loans Receivables considered good - Unsecured (Refer notes below)	21,639.84	5,781.76	5,400.00	4,000.81
	21,639.84	5,781.76	5,400.00	4,000.81

### Details of Loans repayable on demand

Type of Borrower	31 <sup>st</sup> March, 2023		31 <sup>st</sup> March, 2022	
	Amount of loan or advances in the nature of loan outstanding	% of total Loans and Advances in the nature of loans	Amount of loan or advances in the nature of loan outstanding	% of total Loans and Advances in the nature of loans
Promoters	-	-	-	-
Directors	-	-	-	-
KMPs	-	-	-	-
Related parties	27,039.84	100%	9,782.57	100%
Others	-	-	-	-
<b>Total</b>	<b>27,039.84</b>		<b>9,782.57</b>	<b>100%</b>

Note :

- As required under section 186(4) of the Companies Act, loan outstanding of Rs. 27,039.84 lacs (31<sup>st</sup> March, 2022 : Rs. 9,782.57 lacs) is given at rate ranging from 10% - 12% rate of interest and the same are repayable on demand.
- For amounts due and terms and conditions relating to related party receivables, refer Note 37.
- Since all the above loans given by the company are unsecured and considered good, the bifurcation of loan in other categories as required by Schedule III of Companies Act, 2013 Viz : (a) Secured, (b) Loans which have significant increase in credit risk and (c) credit impaired is not applicable.

# Notes to Standalone Financial Statements

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

## 6 Trade receivables

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
<b>Trade receivables (refer note below)</b>	178.31	103.04
(Unsecured, Considered good, unless Otherwise stated)		
Trade Receivables considered good	<b>178.31</b>	<b>103.04</b>
Trade Receivables - credit impaired	3.74	3.74
Less: Impairment allowance - credit impaired	(3.74)	(3.74)
	<b>178.31</b>	<b>103.04</b>

### Trade receivables Ageing Schedule (Refer Notes below)

As at 31<sup>st</sup> March, 2023

Particulars	Curent but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - considered good	-	164.44	-	-	-	13.87	178.31
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable - credit impaired	-	-	-	-	-	3.74	3.74
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>164.44</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17.61</b>	<b>182.05</b>

As at 31<sup>st</sup> March, 2022

Particulars	Curent but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - considered good	-	72.18	-	-	-	30.86	103.04
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable - credit impaired	-	-	-	-	-	3.74	3.74
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>72.18</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34.60</b>	<b>106.78</b>

### Note :

- (i) Since all the above trade receivables of the company are unsecured and considered good except those which are disclosed as credit impaired, the further bifurcation in other categories as required by Schedule

# Notes to Standalone Financial Statements

## for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

III of Companies Act, 2013 viz : (a) Secured, and (b) Receivables which have significant increase in credit risk is not applicable.

- (ii) For amounts due and terms and conditions relating to related party receivables, refer Note 37
- (iii) For information about credit risk and market risk related to trade receivables, refer note 35
- (iv) No trade or other receivables are due from directors or other officers of the company, either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, director or a member.

\* Following is the table summarized change in impairment allowance using lifetime expected credit loss model:

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
At the beginning of the year	3.74	-
Provision during the year	-	3.74
Utilised/Reversed during the year	-	-
<b>At the end of the year</b>	<b>3.74</b>	<b>3.74</b>

### 7 Cash and cash equivalents

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Balances with banks in current accounts	1,014.11	542.30
Cash on hand	0.26	3.17
Fixed deposits having maturity of less than 3 months	900.00	13,462.23
	<b>1,914.38</b>	<b>14,007.70</b>

### 8 Other bank balances

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
<b>Balances with banks</b>		
- Earmarked balances for unclaimed dividend	4.40	4.42
	<b>4.40</b>	<b>4.42</b>

### 9 Other financial assets

Particulars	Non current portion		Current portion	
	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
<b>(Unsecured, considered good)</b>				
Security deposits	90.52	30.16	-	-
Interest accrued but not due from Limited Liability Partnership firms (Refer note 37)	741.89	1,998.60	2,284.56	407.83
Interest accrued - Others	-	-	2.15	45.91
Receivables from Limited Liability Partnership firms for sharing of common costs (Refer note 37)	402.43	230.84	1,327.37	960.94
Advance for land, recoverable in cash	-	-	917.01	1,187.01
Bank deposits*	140.22	438.16	-	-
Other Receivables from LLP / Subsidiaries (refer note 37)	14,963.08	9,922.69	56.26	14.78

# Notes to Standalone Financial Statements

## for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

Particulars	Non current portion		Current portion	
	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Others	1.66	0.65	6.75	48.87
	<b>16,339.80</b>	<b>12,621.10</b>	<b>4,594.10</b>	<b>2,665.33</b>

\* Non-current bank deposits consists of deposits which are lien as a stipulation of sanction for various loans.

### 10 Inventories (At lower of cost and net realisable value)

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Construction work-in-progress	17,242.20	16,567.67
Unsold developed plots of land and units	672.64	2,829.03
Construction materials	137.59	35.45
	<b>18,052.43</b>	<b>19,432.15</b>

### 11 Other assets

Particulars	Non current portion		Current portion	
	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
<b>(Unsecured, considered good)</b>				
Prepaid expenses	4.68	64.84	40.18	49.56
Advances to suppliers	-	-	410.57	512.76
Balance with government authorities	207.44	207.44	152.52	230.08
Advance for land (refer note below)	950.00	100.00	2,205.00	300.00
Others advances	12.49	8.48	22.16	34.53
Security deposits	12.49	8.48	-	-
Advance to Employees	-	-	10.19	6.36
Imprest balance	-	-	11.97	28.17
	<b>1,174.61</b>	<b>380.75</b>	<b>2,830.43</b>	<b>1,126.93</b>

Note :

- Advance for land though unsecured, are considered good as the advances have been given based on arrangement/memorandum of understanding executed by the company and the company/seller/intermediary is in the course of obtaining clear and marketable title, free from all encumbrances, including for certain properties under litigation.
- Balance with government authorities includes amounts paid under protest Rs. 207.19 lacs (31<sup>st</sup> March, 2022 : Rs. 207.19 lacs)

### 12 Equity share capital

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
<b>(a) Authorised</b>		
5,00,00,000 (31 <sup>st</sup> March, 2022 : 5,00,00,000) equity shares of Rs. 10/- each (P.Y. Rs. 10/-)	5,000.00	5,000.00
<b>(b) Issued, subscribed and fully paid-up</b>		
4,53,11,979 (31 <sup>st</sup> March, 2022 : 4,24,61,979) equity shares of Rs. 10/- each (P.Y. Rs. 10/-)	4,531.20	4,246.20

# Notes to Standalone Financial Statements

## for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

### (c) Reconciliation of shares outstanding at the beginning and at the end of the reporting year

Particulars - Equity Share Capital	31 <sup>st</sup> March, 2023		31 <sup>st</sup> March, 2022	
	No. of shares	Amount	No. of shares	Amount
<b>Outstanding at beginning of the year</b>	42,461,979	4,246.20	35,553,550	3,555.36
Add :				
Issued on exercise of share options under ESOS / ESOP	-	-	53,729	5.37
Shares issued pursuant to preferential share warrants	2,850,000	285.00	6,854,700	685.47
<b>Outstanding at end of the year</b>	<b>45,311,979</b>	<b>4,531.20</b>	<b>42,461,979</b>	<b>4,246.20</b>

- (d) During the year ended 31<sup>st</sup> March, 2023, the company has allotted equity shares of Rs. 10 each pursuant to conversion of warrants to 28,50,000 equity shares (31<sup>st</sup> March 2022: Nil) to Kausalya Realserve LLP. During the year ended 31<sup>st</sup> March 2022, the company had allotted equity shares of Rs. 10 each on preferential issue and private placement basis of 40,32,200 equity shares to HDFC Capital Affordable Real Estate Fund-1, 16,00,000 equity shares to Aura Business Ventures LLP and 12,22,500 equity shares to Aura Merchandise Private Limited in accordance with provisions of the Companies Act, 2013 read with rules made there under and other applicable laws for the time being in force.

### (e) Terms / rights attached to the equity shares

The company has only one class of shares referred to as equity shares having a par value of ₹10/-. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of director is subject to the approval of the shareholders in the ensuing Annual General meeting.

In the event of liquidation of the company the holders of the equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.

- (f) During the year ended 31<sup>st</sup> March, 2023 the Company has allotted NIL (31<sup>st</sup> March, 2022 : 53,729) equity shares of Rs. 10/- each to the eligible employee's pursuant to the exercise of stock options granted to them under Employees Stock Option Scheme - 2013 (AIL ESOP 2013) for shares reserved for issue under ESOP scheme
- (g) For details of shares reserved for issue under the share based payment plan of the company, Please refer note 31.

### (h) Shareholders holding more than 5% in the shareholding of the company

Name of the shareholder	31 <sup>st</sup> March, 2023			31 <sup>st</sup> March, 2022		
	No. of shares	Rs. in Lacs	% Holding	No. of shares	Rs. in Lacs	% Holding
<b>Equity shares of Rs. 10 each fully paid</b>						
Aura Securities Private Limited	18,712,646	1,871.26	41.30%	18,712,646	1,871.26	44.07 %
HDFC Capital Affordable Real Estate Fund - 1	4,032,200	403.22	8.90%	4,032,200	403.22	9.50%
Kausalya Realserve LLP	2,850,000	285.00	6.29%	-	-	-
Ketankumar Ratilal Patel	2,265,101	226.51	5.00%	2,265,101	226.51	5.33 %

The above details is as per records of the company, including its register of shareholders / Members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.



# Notes to Standalone Financial Statements

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

## (f) Details of shares held by promoters

### As at 31<sup>st</sup> March, 2023

Class of Shares	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares*	% change during the year
Equity shares of Rs. 10 each fully paid	Aura Securities Private Limited	18,712,646	-	18,712,646	41.30%	0.00%
	Sanjaybhai Shrenikbhai Lalbhai	200,155	-	200,155	0.44%	0.00%
	Jayshreeben Sanjaybhai Lalbhai	33	-	33	0.00%	0.00%
	Punit Sanjaybhai	371	-	371	0.00%	0.00%
<b>Total</b>		<b>18,913,205</b>	<b>-</b>	<b>18,913,205</b>	<b>41.74%</b>	

### As at 31<sup>st</sup> March, 2022

Class of Shares	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares*	% change during the year
Equity shares of Rs. 10 each fully paid	Aura Securities Private Limited	18,712,646	-	18,712,646	44.07%	0.00%
	Sanjaybhai Shrenikbhai Lalbhai	200,155	-	200,155	0.47%	0.00%
	Jayshreeben Sanjaybhai Lalbhai	33	-	33	0.00%	0.00%
	Punit Sanjaybhai	371	-	371	0.00%	0.00%
<b>Total</b>		<b>18,913,205</b>	<b>-</b>	<b>18,913,205</b>	<b>44.54%</b>	

\* Disclosed as rounded to two decimals

## 13 Other equity

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
<b>(a) Securities Premium</b>		
Balance at the beginning of the year	25,242.86	17,405.29
Add : Received on issue of equity shares pursuant to exercise of preferential issue/conversion of warrants	2,622.00	7,831.15
Add : Transferred to securities premium on exercise of stock options	-	6.42
<b>Balance at the end of the year</b>	<b>27,864.86</b>	<b>25,242.86</b>
<b>(b) Share Based Payment Reserve</b>		
Balance at the beginning of the year	1.10	6.42
Add : Compensation expense for options granted during the year	123.77	1.10
Less : Transferred on exercise of stock options	-	(6.42)
<b>Balance at the end of the year</b>	<b>124.87</b>	<b>1.10</b>
<b>(c) Surplus in the consolidated statement of profit and loss</b>		
Balance at the beginning of the year	16,585.14	12,680.66
Add: Profit for the year	3,827.31	3,904.48
<b>Balance at the end of the year</b>	<b>20,412.45</b>	<b>16,585.14</b>
<b>(d) Other comprehensive income reserve</b>		
Balance at the beginning of the year	(30.82)	(31.96)
Add: Movement in OCI during the year (net)	(17.01)	1.14
<b>Balance at the end of the year</b>	<b>(47.83)</b>	<b>(30.82)</b>
	<b>48,354.35</b>	<b>41,798.29</b>

# Notes to Standalone Financial Statements

## for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

### Securities premium

Securities premium is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

### Share based payment reserve

The share options based payment reserve is used to recognise the grant date fair value of options issued to employees under Employee stock option plan.

### Proposed dividends on Equity shares

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Proposed dividend for the year ended on 31 <sup>st</sup> March, 2023: Rs. 3.30 per share (31 <sup>st</sup> March, 2022: Nil) (refer note below)	1,495.30	-

#### Note:

The Board of Directors recommended a final dividend of Rs.1.65/- per equity share and one- time special dividend of Rs.1.65/- per equity share, totalling to a dividend of Rs.3.3/- per equity share of face value of Rs 10 each , for the financial year ended March 31,2023.

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at 31 March.

## 14 Borrowings

Particulars	Effective Rate of Interest	Maturity	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
<b>Non-current borrowings</b>				
<b>Secured</b>				
Line of credit facility from NBFC			-	23.17
Vehicle loans from banks	7% - 9%	2023-2027	158.44	173.70
Term loans	9.35% - 11%	2025-2027	5,034.60	-
<b>Total</b>			<b>5,193.04</b>	<b>196.87</b>
Less : Current maturities of long term borrowings clubbed under Current Borrowings (Refer note 1 and 4)			(215.85)	(50.05)
<b>Total</b>			<b>4,977.19</b>	<b>146.82</b>
<b>Current borrowings</b>				
<b>Secured</b>				
Current maturities of long term borrowings			215.85	50.05
<b>Total</b>			<b>215.85</b>	<b>50.05</b>
The above amounts includes :				
Secured Borrowings			5,193.04	196.87

#### Nature of Securities on above Loans:

1. Term loan taken and outstanding of Rs. 4,095.98 lacs (31<sup>st</sup> March, 2022 : Rs. NIL) and overdraft facility from ICICI Bank Limited is secured by first mortgage of unsold units of project "Arvind Aavishkaar" and "Arvind Oasis" together with hypothecation of receivables from the same projects.
2. Term loan taken and outstanding of Rs. 1,000 lacs (31<sup>st</sup> March, 2022 : Rs. NIL) is secured by way of mortgage of NA land at project Uplands township situated at Nasmed village, Gandhinagar owned by Ahmedabad East Infrastructure LLP (Subsidiary Company).
3. The line of credit facility amounting to Rs. NIL (31<sup>st</sup> March, 2022 : Rs. 23.17 lacs) from HDFC Limited is secured by first mortgage of unsold units of project "Arvind Aavishkaar" together with hypothecation of receivables from the same project.

# Notes to Standalone Financial Statements

## for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

4. Vehicle loans amounting to Rs. 158.44 lacs (31<sup>st</sup> March, 2022 : Rs. 173.70 lacs) are secured by respective vehicles.

<b>Terms of Repayment of Loans</b>	
<b>Secured Loan</b>	
<b>Line of Credit Facility</b>	
HDFC Limited	Line of credit facility of Rs. NIL (31 <sup>st</sup> March, 2022 : Rs. 23.17 Lacs) repaid fully by the end of May 2022.
<b>Overdraft Facility</b>	
ICICI Bank Limited	During the year 31 <sup>st</sup> March, 2023, Company has borrowed Rs. 1,500 lacs overdraft facility with a tenure of 32 months (including moratorium of 8 months ending on May 2023).
<b>Vehicle Loan</b>	
HDFC Bank Limited and ICICI Bank Limited	Loan is repayable in monthly instalments on varied dates as mentioned above.
<b>Term Loan</b>	
ICICI Bank Limited	During the year 31 <sup>st</sup> March, 2023, Company has borrowed Rs. 8,500 lacs with a tenure of 32 months (including moratorium of 8 months ending on May 2023). Outstanding loan of Rs. 4,095.98 lacs (31 <sup>st</sup> March, 2022 : Rs. NIL) to be repaid in 24 monthly installments commencing from 15 May 2023.
TATA capital financial services limited	Loan of Rs. 1,000 lacs (31 <sup>st</sup> March, 2022 : Rs. NIL) at the rate of 10.3% p.a. with a tenure of 48 months (including moratorium of 15 months)

### 15 Trade payables

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Total outstanding dues of micro and small enterprise	75.98	156.09
Total outstanding dues of creditors other than micro and small enterprise		
For goods and services	1,571.37	1,781.46
For land	-	-
	<b>1,647.35</b>	<b>1,937.55</b>
Trade payables	1,335.28	1,763.29
Trade payables to related parties (Refer Note 37)	312.07	174.26
	<b>1,647.35</b>	<b>1,937.55</b>

#### Note 1 : Trade payables Ageing Schedule

As at 31<sup>st</sup> March, 2023

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Total outstanding dues of micro enterprises and small enterprises (MSME)	75.98	-	-	-	75.98
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises (Others)	1,235.26	78.24	51.51	206.36	1,571.37
(iii) Disputed dues of micro enterprises and small enterprises (MSME)	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises (Others)	-	-	-	-	-
	<b>1,311.24</b>	<b>78.24</b>	<b>51.51</b>	<b>206.36</b>	<b>1,647.35</b>

# Notes to Standalone Financial Statements

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

## As at 31<sup>st</sup> March, 2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Total outstanding dues of micro enterprises and small enterprises (MSME)	156.09	-	-	-	156.09
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises (Others)	1,250.01	167.23	268.89	95.33	1,781.46
(iii) Disputed dues of micro enterprises and small enterprises (MSME)	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises (Others)	-	-	-	-	-
	<b>1,406.10</b>	<b>167.23</b>	<b>268.89</b>	<b>95.33</b>	<b>1,937.55</b>

## Note 2: Details of transactions with Struck off companies

Name of the party	Nature of Transactions	Transactions during the year ended 31 <sup>st</sup> March, 2023	Balance Outstanding as at 31 <sup>st</sup> March, 2023	Relationship with the struck off company
KRISHNA MARKETING	Receivable	4.24	2.14	-
LINTAS INDIA PVT. LTD.	Payable	(4.72)	-	-
OMICRON MARKETING	Payable	*	*	-
PATEL TRADERS	Payable	*	*	-
SETU INFRASTRUCTURE	Payable	*	*	-
SHYAM TRADERS	Payable	*	*	-

Name of the party	Nature of Transactions	Transactions during the year ended 31 <sup>st</sup> March, 2022	Balance Outstanding as at 31 <sup>st</sup> March, 2022	Relationship with the struck off company
KRISHNA MARKETING	Receivable	6.38	6.38	-
LINTAS INDIA PVT. LTD.	Payable	4.32	4.72	-
OMICRON MARKETING	Payable	*	*	-
PATEL TRADERS	Payable	*	*	-
SETU INFRASTRUCTURE	Payable	*	*	-
SHYAM TRADERS	Payable	*	*	-

\* Amount less than Rs. 1 lacs

**Note 3:** Trade payables for goods and services are non-interest bearing and are majorly settled on 30 to 90 days terms

**Note 4:** Based on information and records available with company, details of suppliers who are registered as micro, small or medium enterprise under "The Micro, Small and Medium Enterprise Development Act, 2006" (Act) till 31<sup>st</sup> March, 2023 is as mentioned below. This has been relied upon by the auditors.

# Notes to Standalone Financial Statements

## for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

On the basis of the information and records available with management, details of dues to micro and small enterprises as defined under the MSMED Act, 2006 are as below:

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
	Principal amount remaining unpaid to any supplier as at the year end	75.98
Interest due thereon	-	-
"Amount of interest paid in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year"	-	-
"Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED."	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
Amount of further interest remaining due and payable even in succeeding years.	-	-

**Note 5:** Refer Note 35 for company's credit risk management process.

### 16 Other current financial liabilities

Particulars	Current portion	
	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Unclaimed dividend	4.40	4.42
Employee benefits expense payable (Refer Note 37)	311.70	346.63
Interest accrued but not due on borrowings	48.65	-
	<b>364.75</b>	<b>351.05</b>

### 17 Provisions

Particulars	Non current portion		Current portion	
	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
<b>Provision for employee benefits</b>				
Provision for gratuity (Refer Note 30)	174.60	142.67	43.01	33.99
Provision for leave encashment	96.40	89.93	26.97	25.65
	<b>271.00</b>	<b>232.60</b>	<b>69.98</b>	<b>59.64</b>

### 18 Other current liabilities

Particulars	Current portion	
	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Advances from customers (Refer Note 38 - contract liabilities)	36,963.93	33,453.70
Statutory dues	401.68	621.24
Other payables	2.63	1.88
	<b>37,368.24</b>	<b>34,076.83</b>



# Notes to Standalone Financial Statements

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

## 19 Revenue from operations

Particulars	For the year 2022-23	For the year 2021-22
<b>Revenue from contracts with customers (Refer note 38)</b>		
Commercial and residential units	10,317.99	8,720.29
<b>Other operating revenue</b>		
Share of profit from investments in Limited Liability Partnership firms	665.05	2,304.95
Plot cancellation and transfer fees	11.50	20.05
Project consultancy income	733.27	969.26
Others	-	2.50
	<b>11,727.81</b>	<b>12,017.05</b>

## 20 Other income

Particulars	For the year 2022-23	For the year 2021-22
Interest income from loans to subsidiaries and others	2,993.66	1,677.58
Interest from investments in Limited liability partnerships	554.98	714.73
Interest on bank deposits	75.97	191.42
Income from Investment in mutual funds	93.05	-
Others	27.59	146.91
	<b>3,745.25</b>	<b>2,730.64</b>

## 21 Cost of construction materials and components consumed

Particulars	For the year 2022-23	For the year 2021-22
<b>Inventory at the beginning of the year</b>	35.45	37.51
Add : Purchases	465.37	529.04
Less : Inventory at the end of the year	(137.59)	(35.45)
<b>Cost of construction materials and components consumed</b>	<b>363.23</b>	<b>531.10</b>

## 22 Changes in inventories

Particulars	For the year 2022-23	For the year 2021-22
<b>Closing Stock</b>		
Unsold developed plots of land and units	672.64	2,829.03
Construction work-in-progress	17,242.20	16,567.67
	<b>17,914.84</b>	<b>19,396.70</b>
<b>Opening Stock</b>		
Unsold developed plots of land and units	2,829.03	6,094.02
Construction work-in-progress	16,567.67	14,559.47
	<b>19,396.70</b>	<b>20,653.49</b>
<b>Decrease/(Increase) in inventories</b>	<b>1,481.86</b>	<b>1,256.79</b>

## 23 Employee benefit expenses

Particulars	For the year 2022-23	For the year 2021-22
Salaries, allowances and bonus	1,533.93	1,186.94
Contribution to provident and other funds (Refer Note 30)	137.66	100.30
Employee stock option expenses/ charge (Refer note 31)	123.77	1.10
Gratuity (Refer Note 30)	37.80	32.70
Staff welfare expenses	42.38	34.73
	<b>1,875.54</b>	<b>1,355.77</b>

# Notes to Standalone Financial Statements

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

## 24 Finance costs

Particulars	For the year 2022-23	For the year 2021-22
<b>Interest on</b>		
Inter-corporate deposits	-	-
Term loan	416.49	734.39
Line of credit facility from NBFC	0.20	68.60
Vehicle loans from banks	12.91	11.37
Others	24.00	76.41
Borrowing processing cost	103.04	246.56
	<b>556.64</b>	<b>1,137.33</b>

## 25 Other expenses

Particulars	For the year 2022-23	For the year 2021-22
Repairs and maintenance		
Buildings	5.39	3.69
Others	18.87	15.47
Rates and taxes	46.28	42.23
Travelling expenses	90.48	48.09
Power and fuel	80.64	29.69
Advertisement	400.35	289.21
Brokerage and commission charges	111.64	199.68
Legal and professional charges	783.88	518.49
Secretarial expenses	48.03	62.69
Information Technology expenses	86.48	77.31
Auditors' remuneration (Refer note a)	21.71	21.43
Insurance charges	48.59	34.42
CSR expenses (Refer note b)	60.00	68.31
Loss on sale of property, plant and equipment	17.44	17.09
Rent (Refer note 39)	-	11.04
Printing & Stationary & Postage	21.94	19.73
Impairment of investments	-	48.25
Miscellaneous expenses	207.88	164.46
	<b>2,049.60</b>	<b>1,671.27</b>
<b>a. Payment to Auditors</b>		
Statutory audit fees	13.75	14.32
Limited review fees	6.27	5.70
Certification Fees	1.00	1.25
Out of pocket expenses	0.69	0.16
	<b>21.71</b>	<b>21.43</b>

# Notes to Standalone Financial Statements

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

## b(i) Details of CSR expenditure

Particulars	For the year 2022-23			For the year 2021-22		
	In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
Gross amount required to be spent during the year	-	-	59.84	-	-	68.26
Amount spent as approved by the board during the year						
Construction/acquisition of any asset	-	-		-	-	
On purposes other than above	60.00	-	60.00	68.31	-	68.31
<b>Total</b>	<b>60.00</b>	<b>-</b>	<b>60.00</b>	<b>68.31</b>	<b>-</b>	<b>68.31</b>

## b (ii). Details related to spent / unspent obligations:

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
a) Contribution to Charitable Trust, Spent by that trust	36.45	36.45
b) Direct Expenditure	23.55	31.86
c) Amount unspent	-	-
<b>Total</b>	<b>60.00</b>	<b>68.31</b>

Note 1: Nature of CSR activities undertaken by company includes Rural development projects, COVID Relief Operations , Digital literacy program for rural government school students, Strengthening the dairy practices, Strengthening the farming practices, The Scholarship to youth for higher education.

Note 2: For details of related party transactions , refer Note 37.

## 26 Income Tax

### (a) Tax expenses

The major components of income tax expenses for the years ended 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022 are :

#### Statement of Profit and Loss :

Particulars	For the year 2022-23	For the year 2021-22
<b>Profit or loss section :</b>		
<b>Current income tax</b>		
Current income tax charge	1,004.97	619.97
Adjustment of tax pertaining to earlier years	(104.21)	7.72
<b>Deferred tax</b>		
Relating to origination and reversal of temporary differences	6.34	7.03
<b>Income tax expense reported in the statement of profit or loss</b>	<b>907.10</b>	<b>634.72</b>
<b>OCI section :</b>		
<b>Deferred tax related to items recognised in OCI during in the year:</b>		
Net loss/(gain) on remeasurements of defined benefit plans	5.72	(0.39)
<b>Income tax effect recognised in OCI</b>	<b>5.72</b>	<b>(0.39)</b>

# Notes to Standalone Financial Statements

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

**(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31<sup>st</sup> March 2023 and 31<sup>st</sup> March 2022:**

Particulars	For the year 2022-23	For the year 2021-22
Accounting profit before income tax	4,734.41	4,539.20
<b>Tax on accounting profit at statutory income tax rate 25.17% (31<sup>st</sup> March, 2022: 25.17%)</b>	<b>1,191.65</b>	<b>1,142.52</b>
Income exempt from taxes / income already offered in previous years	(175.67)	(580.16)
Income/ Expenses disallowed	23.75	61.15
Adjustment of tax pertaining to earlier years	(104.21)	7.72
Others	(28.41)	3.51
<b>Tax expense reported in the statement of profit or loss</b>	<b>907.11</b>	<b>634.72</b>

**(c) Deferred tax**

Particulars	balance sheet		Other comprehensive income		statement of profit and loss	
	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
<b>a) Deferred Tax Liabilities</b>						
Impact of difference between tax depreciation and depreciation charged for the financial reporting	49.17	31.89	-	-	(17.28)	0.41
<b>Gross deferred tax liabilities</b>	<b>49.17</b>	<b>31.89</b>	<b>-</b>	<b>-</b>	<b>(17.28)</b>	<b>0.41</b>
<b>b) Deferred Tax Assets</b>						
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	85.82	73.16	5.72	(0.39)	(12.66)	5.19
Income offered for tax but not recognized in the books	-	1.72	-	-	1.72	2.25
<b>Gross deferred tax assets</b>	<b>85.82</b>	<b>74.88</b>	<b>5.72</b>	<b>(0.39)</b>	<b>(10.94)</b>	<b>7.44</b>
<b>Deferred tax expense/ (income)</b>	<b>-</b>	<b>-</b>	<b>5.72</b>	<b>(0.39)</b>	<b>6.34</b>	<b>7.03</b>
<b>Deferred tax assets/ (liabilities)</b>	<b>42.37</b>	<b>42.99</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**Reconciliation of deferred tax (liabilities)/assets (net):**

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Opening balance as at 1 <sup>st</sup> April	42.99	50.41
Deferred tax credit/(charge) during the year recognised in profit or loss	(6.34)	(7.03)
Deferred tax credit/(charge) during the year recognised in OCI	5.72	(0.39)
<b>Closing balance as at 31<sup>st</sup> March</b>	<b>42.37</b>	<b>42.99</b>

# Notes to Standalone Financial Statements

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

## 27 Earnings per share

Basic EPS is calculated by dividing the profit for the year attributable to equity shareholders by weighted average number of equity shares outstanding during the year. Diluted EPS is calculated by dividing the profit for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares. The following table reflects the income and share data used in the basic and diluted EPS computation.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the year 2022-23	For the year 2021-22
<b>Earnings per share (Basic and Diluted)</b>		
Profit after tax	3,827.31	3,904.48
<b>Total number of equity shares at the end of the year</b>	<b>45,311,979</b>	<b>42,461,979</b>
<b>Weighted average number of equity shares</b>		
For basic EPS	43,950,441	38,721,654
For diluted EPS	45,483,390	39,745,849
Nominal value of equity shares	10.00	10.00
Basic earnings per share	8.71	10.08
Diluted earnings per share	8.41	9.82
<b>Weighted average number of equity shares for basic EPS</b>	<b>43,950,441</b>	<b>38,721,654</b>
Effect of dilution: stock options granted under ESOP	197,955	26,802
Effect of dilution: share warrants	1,334,995	997,393
<b>Weighted average number of equity shares adjusted for the effect of dilution</b>	<b>45,483,390</b>	<b>39,745,849</b>

## 28 Commitments and Contingencies

### a. Commitments

As at 31<sup>st</sup> March, 2023 the company has given net advance of Rs. 4,072.01 lacs/- (31<sup>st</sup> March, 2022: Rs. 1587.01 lacs) for purchase of land. Under the agreements executed with the land owners, the company is required to make further payments based on the agreed terms.

### b. Contingent liabilities

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
<b>Disputed demands in respect of -</b>		
Income tax	563.03	528.80
Indirect Tax (TDR)	207.44	207.44
Indirect Tax (VAT)	42.22	42.22

Notes:

The Company has not recognized and acknowledged the claims as liability in the books of account amounting to ₹563.03 Lacs (31<sup>st</sup> March, 2022: Rs. 528.80 lacs) which have been made against the company by Department of Income Tax since such claims have been disputed and pending before the appropriate authorities for final adjudication and accordingly sub-judice. The company has been advised by its tax counsel that it is only possible, but not probable, that the action will succeed. Accordingly, no provision for any liability has been made in these financial statements.

The Company has not recognized and acknowledged the claims as liability in the books of account amounting to Rs. 249.66 Lacs (31<sup>st</sup> March, 2022: Rs. 249.66 Lacs) which have been made against the



# Notes to Standalone Financial Statements

## for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

company by Department of Goods and service tax & Karnataka VAT, since such claims have been disputed and pending before the appropriate authorities for final adjudication and accordingly sub-judice. The claim of TDR of Rs. 207.44 lacs is paid under protest while Rs. 42.22 have been paid in cash and by furnishing Bank guarantee. The company has been advised by its legal counsel that it is only possible, but not probable, that the action will succeed. Accordingly, no provision for any liability has been made in these financial statements.

### 29 Segment Reporting

The Company's primary business is development of real estate comprising of residential, commercial and industrial projects. Company's performance for operation as defined in Ind AS 108 is evaluated as a whole by chief operating decision maker ('CODM') of the Company based on which development of real estate activities are considered as a single operating segment. The Company reports geographical segment which is based on the areas in which major operating divisions of the Company operate and the entire operations are based only in India and hence no further disclosures are made in this regards. During the year 2021-22 and 2022-23, no single external customer has generated revenue of 10% or more of the Company's total revenue.

### 30 Disclosure pursuant to employee benefits

#### A. Defined contribution plans : Provident fund and employee state insurance

The company makes contribution towards employees' provident fund and employees' state insurance plan scheme. Under the rules of these schemes, the Company is required to contribute a specified percentage of payroll costs. The Company during the year recognized Rs. 137.66 lacs (31<sup>st</sup> March, 2022 : Rs. 100.30 lacs) as expense towards contributions to these plans. The company does not have any further obligation in this regards.

#### B. Defined benefit plans

##### (a) Gratuity

The Company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement / termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a non funded plan.

# Notes to Standalone Financial Statements

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

## 31<sup>st</sup> March, 2023 : Changes in defined benefit obligation

Particulars	1 <sup>st</sup> April, 2022		Gratuity cost charged to statement of profit and loss		Benefit paid	Remeasurement (gains)/losses in other comprehensive income			Contributions by employer	31 <sup>st</sup> March, 2023
	Service cost	Net interest expense	Sub-total included in statement of profit and loss	Return on plan assets (excluding amounts included in net interest expense)		Actuarial changes arising from demographic assumptions	Actuarial changes arising from financial assumptions	Experience adjustments		
<b>Gratuity</b>										
Defined benefit obligation	176.66	26.47	11.32	37.80	(19.58)	-	(9.19)	31.92	22.73	- 217.60
<b>Benefit liability</b>	<b>176.66</b>	<b>26.47</b>	<b>11.32</b>	<b>37.80</b>	<b>(19.58)</b>	<b>-</b>	<b>(9.19)</b>	<b>31.92</b>	<b>22.73</b>	<b>- 217.60</b>

## 31<sup>st</sup> March, 2022 : Changes in defined benefit obligation

Particulars	1 <sup>st</sup> April, 2021		Gratuity cost charged to statement of profit and loss		Benefit paid	Remeasurement (gains)/losses in other comprehensive income			Contributions by employer	31 <sup>st</sup> March, 2022
	Service cost	Net interest expense	Sub-total included in statement of profit and loss	Return on plan assets (excluding amounts included in net interest expense)		Actuarial changes arising from demographic assumptions	Actuarial changes arising from financial assumptions	Experience adjustments		
<b>Gratuity</b>										
Defined benefit obligation	158.97	23.07	9.63	32.70	(13.48)	-	(2.67)	1.13	(1.53)	- 176.66
<b>Benefit liability</b>	<b>158.97</b>	<b>23.07</b>	<b>9.63</b>	<b>32.70</b>	<b>(13.48)</b>	<b>-</b>	<b>(2.67)</b>	<b>1.13</b>	<b>(1.53)</b>	<b>- 176.66</b>

# Notes to Standalone Financial Statements

## for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

The principal assumptions used in determining above defined benefit obligations for the Company's plans are shown below:

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Discount rate	7.39%	6.41%
Future salary increase	7.00%	7.00%
Attrition rate	15.00%	15.00%
Mortality rate during employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality (2012-14)

A quantitative sensitivity analysis for significant assumptions is as shown below:

### Gratuity

Particulars	Sensitivity level	Increase / (Decrease) in defined benefit obligation (Impact)	
		31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
<b>Gratuity</b>			
Discount rate	1% increase	(8.58)	(7.18)
	1% decrease	9.38	7.88
Salary increase	1% increase	9.33	7.76
	1% decrease	(8.69)	(7.20)
Attrition rate	1% increase	(0.81)	(0.91)
	1% decrease	0.82	0.94

The following are the expected future benefit payments for the defined benefit plan :

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
<b>Gratuity</b>		
Within the next 12 months (next annual reporting period)	43.01	33.99
2 to 5 years	97.84	80.62
5 to 10 years	113.57	80.86
Beyond 10 years	60.88	49.21
<b>Total expected payments</b>	<b>315.30</b>	<b>244.69</b>

### Weighted average duration of defined plan obligation (based on discounted cash flows)

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Gratuity	5	6

## 31 Share-based payments

The company provides share-based payment schemes to its employees. During the year ended 31<sup>st</sup> March, 2023, an employee stock option plan (ESOP) was in existence. The relevant details of the scheme and the grant are as below:

### Employee Stock Option (ESOP) Scheme (2016)

The Company instituted an Employees Stock Option Scheme ('ESOP 2016') pursuant to the approval of the shareholders of the company at their Annual General Meeting held on 23<sup>rd</sup> September, 2016.

- In earlier years, the company granted 4,50,000 options under ESOP 2016 scheme, comprising equal number of equity shares in one or more tranches to the eligible employees of the company. The options

# Notes to Standalone Financial Statements

## for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

under this grant would vest to the employees with 40% i.e. 1,80,000 ESOPs within 2 years and rest within 3 years, with an exercise period of maximum five years from the date of respective vesting. As per the plan, holders of vested options are entitled to purchase one equity shares for every option at an exercise price of Rs. 194.05.

- b) In earlier years, the company granted 3,70,000 options under ESOP 2016 scheme, comprising equal number of equity shares in one or more tranches to the eligible employees of the company. As per the plan, holders of vested options are entitled to purchase one equity shares for every option at an exercise price of Rs. 158.30.

The aggregated options under ESOP 2016 scheme as on 31<sup>st</sup> March, 2023 is 8,20,000 that would vest to the employees over a minimum period of 1 year and maximum 5 years based on continued service and certain performance parameters, with an exercise period of maximum five years from the date of respective vesting."

### Employee Stock Option (ESOP) Scheme (2013)

The Company instituted an Employees Stock Option Scheme ('ESOP 2013') pursuant to the approval of the shareholders of the company at their Extraordinary General Meeting held on March 8, 2013. As per ESOP 2013, the company granted 10,32,972 options comprising equal number of equity shares in one or more tranches to the eligible employees of the company. The options under this grant would vest to the employees over a minimum period of 1 year and maximum 5 years based on continued service and certain performance parameters, with an exercise period of maximum five years from the date of respective vesting. As per the plan, holders of vested options are entitled to purchase one equity shares for every option at an exercise price of Rs. 41.25. There were no grants made during the year. All the remaining grant ESOPs have been exercised during the year, 31<sup>st</sup> March, 2022 and no ESOPs are outstanding under ESOP 2013 scheme as on 31<sup>st</sup> March, 2023.

Expense recognised for employee services received during the year is shown in the following table:

Particulars	For the year 2022-23	For the year 2021-22
Expense arising from equity-settled share-based payment transactions	123.77	1.10
<b>Total</b>	<b>123.77</b>	<b>1.10</b>

\* There were no cancellations or modifications to the plan during the year ended 31<sup>st</sup> March, 2023 or 31<sup>st</sup> March, 2022.

### Movement during the year:

The following table illustrates the number and weighted average exercise price of share options during the year:

Particulars	For the year 2022-23		For the year 2021-22		
	ESOP Scheme 2016 (Tranch-1)	ESOP Scheme 2016 (Tranch-2)	ESOP Scheme 2013	ESOP Scheme 2016 (Tranch-1)	ESOP Scheme 2016 (Tranch-2)
<b>Options</b>					
Outstanding at the beginning of the year	370,000	450,000	53,729	370,000	-
Granted during the year	-	-	-	-	450,000
Exercised during the year	-	-	53,729	-	-
Outstanding at the end of the year	370,000	450,000	-	370,000	450,000
Exercisable at the end of the year	185,000	-	-	185,000	-
weighted average share price at the exercise date	-	-	-	-	-
weighted average remaining contractual life (In years)	4.39	7.99	-	5.39	8.99

# Notes to Standalone Financial Statements

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

The fair value of the share options is estimated at the grant date using Binomial Model taking into account the terms and conditions upon which the share options are granted and there are no cash settled alternatives for employees.

## 32 Fair value disclosures for financial assets and financial liabilities

Below is a comparison, by class, of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Particulars	Carrying amount		Fair value	
	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
<b>Financial assets measured at amortised cost</b>				
Investments (Refer Note 4)	24,417.75	22,240.20	24,417.75	22,240.20
Loans given (Refer Note 5)	27,039.84	9,782.57	27,039.84	9,782.57
Trade Receivables (Refer Note 6)	178.31	103.04	178.31	103.04
Other financial assets (Refer Note 9)	20,933.90	15,286.43	20,933.90	15,286.43
Cash and cash equivalents (Refer Note 7)	1,914.38	14,007.70	1,914.38	14,007.70
Other bank balances (Refer Note 8)	4.40	4.42	4.40	4.42
<b>Total</b>	<b>74,488.58</b>	<b>61,424.37</b>	<b>74,488.58</b>	<b>61,424.37</b>
<b>Financial liabilities measured at amortised cost</b>				
Borrowings (Refer Note 14)	5,193.03	196.87	5,193.03	196.87
Trade payables (Refer Note 15)	1,647.35	1,937.55	1,647.35	1,937.55
Other financial liabilities (Refer Note 16)	364.75	351.05	364.75	351.05
<b>Total</b>	<b>7,205.13</b>	<b>2,485.47</b>	<b>7,205.13</b>	<b>2,485.47</b>

The management assessed that the fair values of financial assets and financial liabilities approximate their carrying amounts due to the short-term maturities.

## 33 Fair value measurement hierarchy

The details of fair value measurement hierarchy of Group's financial assets/liabilities are as below:

Particulars	Level	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
<b>Assets disclosed at fair value</b>			
Investments	Level - 2	24,417.75	22,240.20
Loans given	Level - 2	27,039.84	9,782.57
Trade Receivable	Level - 2	178.31	103.04
Other financial assets	Level - 2	20,933.90	15,286.43
Cash and cash equivalents	Level - 2	1,914.38	14,007.70
Other bank balances	Level - 2	4.40	4.42
<b>Liabilities disclosed at fair value</b>			
Borrowings	Level - 2	5,193.03	196.87
Trade payables	Level - 2	1,647.35	1,937.55
Other financial liabilities	Level - 2	364.75	351.05

There have been no transfers between Level 1 and Level 2 during the period.



# Notes to Standalone Financial Statements

## for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

### 34 Capital management

The Company's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors of the Company seek to maintain a balance between the higher returns that might be possible with higher level of borrowings and advantages of a sound capital position.

The Company monitors capital using a net debt to equity ratio, which is as follows:

- Equity includes equity share capital and all other equity components attributable to the equity holders.
- Net debt includes borrowings (non-current and current) less cash and cash equivalents

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Borrowings	5,193.03	196.87
Less: Cash and cash equivalents	(1,914.38)	(14,007.70)
<b>Net Debt (A)</b>	<b>3,278.66</b>	<b>(13,810.83)</b>
Equity share capital	4,531.20	4,246.20
Other equity	48,354.35	41,798.29
Money received against share warrants	-	-
<b>Total Equity (B)</b>	<b>52,885.55</b>	<b>46,044.49</b>
<b>Gearing Ratio (C=A/B)</b>	<b>0.06</b>	<b>NA</b>

No changes were made in the objectives, policies or processes for managing capital during the current and previous years.

### 35 Financial risk management objectives and policies

The Company's principal financial liabilities, comprise of borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations. The Company's principal financial assets include loans, Investments, trade and other receivables and cash and cash equivalents that are derived directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The Company's management oversees the management of these risks and ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

#### 1. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and other price risk, such as commodity/ real-estate risk.

The sensitivity analysis in the following sections relate to the position as at 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022. The sensitivity analysis has been prepared on the basis that the amount of net debt and the ratio of fixed to floating interest rates of the debt. The analysis excludes the impact of movements in market variables on the carrying values of gratuity and other post retirement obligations/provisions.

The below assumption has been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022.

Interest rate risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in Interest rate. The entity's exposure to the risk of changes in Interest rates relates primarily to the entity's operating activities (when receivables or payables are subject to different interest rates) and the entity's net receivables or payables.

# Notes to Standalone Financial Statements

## for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

The company is affected by the price volatility of certain commodities/ real estate. Its operating activities require the ongoing development of real estate. The company's management has developed and enacted a risk management strategy regarding commodity/ real estate price risk and its mitigation. The company is subject to the price risk variables, which are expected to vary in line with the prevailing market conditions.

### Interest rate sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in interest rates, with all other variables held constant for variable rate instruments. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding as at that date. The year end balances are not necessarily representative of the average debt outstanding during the year.

Particulars	Changes in interest rate	Effect of profit before tax
<b>31<sup>st</sup> March, 2023</b>	+1%	(51.93)
	-1%	51.93
<b>31<sup>st</sup> March, 2022</b>	+1%	(1.97)
	-1%	1.97

## 2. Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The carrying amount of following financial assets represents the maximum credit exposure.

### Trade receivables

**Receivables resulting from sale of properties:** Customer credit risk is managed by requiring customers to pay advances before transfer of ownership, therefore substantially eliminating the company's credit risk in this respect.

The ageing of trade receivables (net) is as follows:

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
More than 6 months	13.87	30.86
Others	164.44	72.18
<b>Total receivables</b>	<b>178.31</b>	<b>103.04</b>

### Financial Instrument and cash deposits

Credit risk from balances with banks and financial institutions is managed by the company's treasury department in accordance with the company's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the company's Board of Directors on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments. The company's maximum exposure to credit risk for the components of the statement of financial position at 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022 is the carrying amounts.

## 3. Liquidity Risk

Liquidity risk is the risk that the company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

# Notes to Standalone Financial Statements

## for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

The table below summarises the remaining contractual maturities of the company's financial liabilities at the reporting date.

### Year ended 31<sup>st</sup> March, 2023

Class of Shares	On demand	Less than 3 months	3 months to 1 year	1 year to 5 years	Total
Borrowings*	-	58.83	205.67	4,977.19	5,241.69
Trade payables	-	1,647.35	-	-	1,647.35
Other financial liabilities	-	311.70	-	-	311.70
	-	<b>2017.88</b>	<b>205.67</b>	<b>4977.19</b>	<b>7200.74</b>

### Year ended 31<sup>st</sup> March, 2022

Class of Shares	On demand	Less than 3 months	3 months to 1 year	1 year to 5 years	Total
Borrowings*	-	13.09	36.95	146.82	196.86
Trade payables	-	1,937.55	-	-	1,937.55
Other financial liabilities	-	346.63	-	-	346.63
	-	<b>2,297.27</b>	<b>36.95</b>	<b>146.82</b>	<b>2,481.04</b>

\*Includes current maturities of non-current borrowings and interest accrued but not due on borrowings

## 36 Disclosure in respect interest in joint ventures and subsidiaries

### (a) List of subsidiaries

Sr No.	Name of subsidiary	Country of incorporation	Percentage of holding	
			31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
<b>(i) Companies</b>				
1	Arvind Hebbal Homes Pvt. Ltd.	India	100.00%	100.00%
2	Arvind Homes Pvt. Ltd.	India	100.00%	100.00%
3	Arvind SmartHomes Pvt. Ltd.	India	100.00%	0.00%
<b>(ii) LLPs</b>				
1	ASL Facilities Management LLP	India	99.00%	99.00%
2	Uplands facilities Management LLP (Formerly known as Arvind Altura LLP)	India	99.00%	99.00%
3	Changodar Industrial Infrastructure (One) LLP	India	99.00%	99.00%
4	Ahmedabad Industrial Infrastructure (One) LLP	India	99.00%	99.00%
5	Ahmedabad East Infrastructure LLP*	India	51.43%	51.43%
6	Arvind Five Homes LLP*	India	51.00%	51.00%
7	Arvind Infracon LLP	India	99.00%	99.00%
8	Arvind Beyond Five Club LLP	India	99.00%	99.00%
9	Yogita Shelters LLP	India	99.79%	99.79%
10	Arvind Smart City LLP	India	93.21%	96.00%
11	Arvind Infrabuild LLP	India	99.00%	0.00%
12	Thol Highlands LLP	India	99.00%	0.00%

\* Profit sharing of Arvind SmartSpaces Limited in Ahmedabad East Infrastructure LLP is 94% during 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March 2022.

\*Profit sharing of Arvind SmartSpaces Limited in Arvind Five Homes LLP is 41% during 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March 2022

# Notes to Standalone Financial Statements

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

**(b) List of joint ventures**

Sr No.	Name of Joint Ventures	Country of incorporation	Percentage of holding	
			31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
<b>(i) LLPs</b>				
1	Arvind Bsafal Homes LLP*	India	50.00%	50.00%
2	Arvind Integrated Projects LLP	India	50.00%	50.00%

\* Profit sharing of Arvind SmartSpaces Limited in Arvind Bsafal Homes LLP is 41% during 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022. In case of LLPs percentage of holding in the above table denotes the share of capital contribution in the LLP which is same as share of profit, unless stated otherwise.

Particulars	31 <sup>st</sup> March, 2023		31 <sup>st</sup> March, 2022	
	Arvind Bsafal Homes LLP	Arvind Integerated projects LLP	Arvind Bsafal Homes LLP	Arvind Integerated projects LLP
Assets	91.27	0.51	91.36	0.51
Liabilities	0.40	0.74	3.91	0.44
Income	3.93	-	0.49	-
Expense (Including depreciation and tax)	0.51	0.43	175.70	0.27

**36A Ratio Analysis and its elements**

Ratio	Numerator	Denominator	31-Mar-23	31-Mar-22	% change	Reason for variance
Current ratio	Current Assets	Current Liabilities	1.07	1.22	-13%	-
Debt- Equity Ratio	Total Debt	Shareholder's Equity	0.10	-	2233%	New funds borrowed during the year
Debt Service Coverage ratio	Earnings for debt service = Net Profit after taxes + Non-cash operating expenses (depreciation and other amortizations + Interest + other adjustments like loss on sale of Fixed assets etc.	Debt service = Interest & Lease Payments + Principal Repayments	0.91	0.31	190%	Repayment of loans/ borrowing along with prepayments based on project cash flows. During previous year, the Company made voluntary prepayments from internal accruals.
Return on Equity ratio	Net Profits after taxes - Preference Dividend	Average Shareholder's Equity	8%	10%	-23%	-
Inventory Turnover ratio	Cost of goods sold	Average Inventory	0.25	0.27	-5%	-
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	73.35	52.90	39%	Higher revenue from operations alongwith lower average trade receivables

# Notes to Standalone Financial Statements

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

Ratio	Numerator	Denominator	31-Mar-23	31-Mar-22	% change	Reason for variance
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases/ services - purchase return	Average Trade Payables	1.89	3.54	-47%	Lower project expenditure during the year as the projects are in their completion phase
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets - Current liabilities	4.47	1.48	203%	Significant decrease in working capital during the year with higher advances from customers.
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	32%	33%	0%	-
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	9%	12%	-25%	-
Return on Investment	Interest (Finance Income)	Investment	NA	NA	NA	NA

## 37 Related party transactions

As per the Indian Accounting Standard on “Related Party Disclosures” (Ind AS 24), the related parties of the company are as follows :

### A. Name of related parties and nature of relationship:

Entity name	Relationship
Arvind Hebbal Homes Private Limited	Subsidiary Company
Arvind Homes Private Limited	Subsidiary Company
Arvind Smart Homes Private limited	Subsidiary Company (w.e.f 12 <sup>th</sup> August, 2022)
Arvind Integrated Projects LLP	Joint Venture
Arvind Bsafal Homes LLP	Joint Venture
ASL Facilities Management LLP	Subsidiary Entity (Partner in LLP)
Uplands facilities management LLP (Formerly known as Arvind Altura LLP)	Subsidiary Entity (Partner in LLP)
Changodar Industrial Infrastructure (One) LLP	Subsidiary Entity (Partner in LLP)
Chirping Woods Homes LLP	Subsidiary Entity (Partner in LLP)
Ahmedabad Industrial Infrastructure (One) LLP	Subsidiary Entity (Partner in LLP)
Ahmedabad East Infrastructure LLP	Subsidiary Entity (Partner in LLP)
Arvind Five Homes LLP	Subsidiary Entity (Partner in LLP)
Arvind Infracon LLP	Subsidiary Entity (Partner in LLP)



# Notes to Standalone Financial Statements

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

Entity name	Relationship
Arvind Beyond Five Club LLP	Subsidiary Entity (Partner in LLP)
Arvind Smart City LLP	Subsidiary Entity (Partner in LLP) (w.e.f 18 <sup>th</sup> October, 2021)
Yogita Shelters LLP	Subsidiary Entity (Partner in LLP)
Arvind Infrabuild LLP	Subsidiary Entity (Partner in LLP) (w.e.f 6 <sup>th</sup> October, 2022)
Thol Highlands LLP	Subsidiary Entity (Partner in LLP) (w.e.f 8 <sup>th</sup> July, 2022)
Mr. Sanjay S. Lalbhai	Chairman & Non-Executive Director
Mr. Kamal Singal	Managing Director and Chief Executive Officer- Key Managerial Personnel
Mr. Kulin Lalbhai	Non-Executive Director
Mr. Prem Prakash Pangotra	Non-Executive Director
Mr. Pratul Shroff	Non-Executive Director
Ms. Pallavi Vyas	Non-Executive Director
Mr. Nirav Kalyanbhai Shah	Non-Executive Director
Mr. Ankit Jain	Chief Financial Officer - Key Managerial Personnel
Mr. Prakash Makwana	Company Secretary - Key Managerial Personnel
Aura Securities Private limited	Holding Compnay (Upto 13 <sup>th</sup> Oct, 2021)
	Enterprise having significant influence by Key Management Personnel(W.e.f.14 <sup>th</sup> Oct ,2021)
Aura Merchandise Private Limited	Enterprise having significant influence by Key Management Personnel(W.e.f.14 <sup>th</sup> Oct ,2021)
Aura Business Ventures LLP	Enterprise having significant influence by Key Management Personnel(W.e.f.14 <sup>th</sup> Oct ,2021)
Kausalya Realserve LLP	Enterprise having significant influence by Key Management Personnel(W.e.f.27 <sup>th</sup> Apr ,2021)
Arvind Lifestyle brands Ltd	Enterprise having significant influence by Key Management Personnel
Arvind and Smartvalue Homes LLP	Enterprise having significant influence by Key Management Personnel
Arvind Limited	Enterprise having significant influence by Key Management Personnel

**B. Disclosure in respect of total amount of transactions that have been entered into with related parties:**

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
<b>Remuneration</b>		
Mr. Kamal Singal	418.23	395.64
Mr. Ankit Jain	135.99	100.88
Mr. Prakash Makwana	40.87	35.40
<b>Director's Sitting Fees &amp; Commission</b>		
Mr. Prem Prakash Pangotra	6.50	6.60
Mr. Pratul Shroff	6.00	5.80
Ms. Pallavi Vyas	4.80	4.90
Mr. Nirav Kalyanbhai Shah	6.30	6.20
<b>Sale of Inventory / Assignment of Receivables</b>		
Arvind Hebbal Homes Private Limited	2,760.00	4,793.74
Arvind Infracon LLP	68.00	127.80
<b>Project Management Consultancy Income</b>		
Arvind Limited	733.27	969.26

# Notes to Standalone Financial Statements

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
<b>Expenses incurred</b>		
Arvind Lifestyle Brands Ltd	8.40	3.75
<b>Purchase of materials</b>		
Ahmedabad East Infrastructure LLP	-	71.35
<b>Rent and Professional charges paid</b>		
Arvind Limited	33.81	21.57
<b>Purchase of Asset</b>		
Arvind Limited	3.68	-
<b>Advance for Land (Net)</b>		
Arvind Five Homes LLP	5,283.32	1,415.69
Ahmedabad East Infrastructure LLP	6,987.08	-
<b>Reimbursement of Employee Benefit Expense</b>		
Ahmedabad East Infrastructure LLP	406.68	450.59
Uplands Facilities Management LLP	18.35	13.96
Arvind Infracon LLP	408.51	439.16
Arvind Homes Private limited	189.73	24.63
Chirping Woods Homes LLP	150.95	22.37
Arvind Smart Homes Private limited	25.60	
Arvind Hebbal Homes Private Limited	384.18	234.60
Yogita Shelters LLP	177.73	166.74
<b>Reimbursement of expenses received / (paid) (net)</b>		
Arvind Limited	59.47	75.39
Arvind Bsafal Homes LLP	0.37	3.33
Arvind Infracon LLP	68.89	32.95
Ahmedabad East Infrastructure LLP	11.12	15.90
Ahmedabad Industrial Infrastructure (One) LLP	0.11	-
Yogita Shelters LLP	(1.28)	4.63
Arvind Hebbal Homes Private Limited	79.71	57.45
Arvind Homes Private limited	15.50	1.10
Uplands Facilities Management LLP	-	0.51
Arvind Five Homes LLP	0.93	-
Changodar Industrial Infrastructure(One) LLP	-	3.00
<b>Interest income from Limited Liability Partnerships</b>		
Ahmedabad East Infrastructure LLP	183.08	69.02
Arvind Five Homes LLP	168.70	306.90
Arvind Infracon LLP	217.37	338.81
Yogita Shelters LLP	44.18	73.11
Arvind Homes Private limited	825.60	162.05
Arvind Smart Homes Private limited	587.80	
Arvind Hebbal Homes Private Limited	1,101.19	1,058.24
<b>Investments made during the year</b>		
Ahmedabad East Infrastructure LLP	5,690.01	3,497.10
Ahmedabad Industrial Infrastructure (One) LLP	4.00	1,185.00
Arvind Five Homes LLP	1,101.48	2,564.12
Arvind Beyond Five Club LLP	173.00	-
Arvind Infracon LLP	5,774.13	6,317.18
Changodar Industrial Infrastructure (One) LLP	9.77	106.21

# Notes to Standalone Financial Statements

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Yogita Shelters LLP	-	615.66
Arvind Homes Private Limited	-	450.00
Arvind Smart City LLP	4,405.96	831.28
Arvind Infrabuild LLP	710.99	-
Arvind Smart Homes Private Limited	2,601.00	-
<b>Investments withdrawn during the year</b>		
Ahmedabad East Infrastructure LLP	10,646.24	4,032.99
Arvind Bsafal Homes LLP	3.45	-
Arvind Five Homes LLP	4,526.60	2,183.82
Ahmedabad Industrial infrastructure (One) LLP	67.00	259.86
Arvind Infracon LLP	9,486.42	2,953.22
Arvind Beyond Five Club LLP	20.00	155.00
Changodar Industrial Infrastructure (One) LLP	-	100.00
Yogita Shelters LLP	140.00	680.59
<b>Loans Given</b>		
Arvind Hebbal Homes Private Limited	460.93	6,324.64
Arvind Smart Homes Private Limited	17,088.28	-
Arvind Homes Private Limited	4,417.69	6,844.38
<b>Loans Repaid</b>		
Arvind Hebbal Homes Private Limited	-	1,910.93
Arvind Homes Private Limited	1,410.64	2,875.00
Arvind Smart Homes Private Limited	3,298.98	-
<b>Other receivable in respect of Project transfer</b>		
Arvind Hebbal Homes Private Limited	7,000.00	-
<b>Share of Profit/(Loss) from investments in LLP</b>		
Ahmedabad East Infrastructure LLP	(1,864.69)	2,385.45
Arvind Infracon LLP	2,528.55	-
Arvind Bsafal Homes LLP	1.40	(71.84)
Arvind Integrated LLP	(0.07)	(0.13)
<b>Preferential allotment of equity shares</b>		
Aura Merchandise Private Limited	-	122.25
Aura Business Ventures LLP	-	160.00
<b>Money received against share warrants</b>		
Kausalya Realserve LLP	2,180.25	726.75
<b>Exercise of share options under ESOS / ESOP</b>		
Mr. Kamal Singal	-	5.37

**C. Disclosure in respect of outstanding balance as at 31<sup>st</sup> March, 2023 :**

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
<b>Receivables for common sharing expenses</b>		
Arvind homes private Limited	204.91	26.60
Ahmedabad East Infrastructure LLP	439.22	486.64
Yogita Shelters LLP	191.95	180.08
Arvind Infracon LLP	268.33	474.29
Chirping Woods Homes LLP	163.02	24.16
Uplands Facilities Management LLP	19.82	15.08

# Notes to Standalone Financial Statements

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Arvind Smart Homes Private Limited	27.65	-
Arvind Hebbal Homes Private Limited	414.91	-
<b>Other receivables/ (Payables) from LLP</b>		
Yogita Shelters LLP	2.30	(0.76)
Ahmedabad East Infrastructure LLP	6,934.63	12.92
Arvind Infracon LLP	19.43	9.29
Arvind Beyond Five Club LLP	-	0.07
Arvind Hebbal Homes Private Limited	21.75	170.60
Arvind Five homes LLP	8,028.50	2,745.19
Arvind Smart City LLP	0.87	1.40
Arvind Homes Private Limited	11.86	1.10
<b>Receivables for Interest accrued but not due</b>		
Arvind Five Homes LLP	168.70	306.90
Ahmedabad East Infrastructure LLP	183.09	69.02
Arvind Infracon LLP	217.37	338.81
Arvind Hebbal Homes Private Limited	1,141.05	1,472.75
Arvind homes private limited	743.04	145.84
Yogita Shelters LLP	44.18	73.11
Arvind Smart Homes Private Limited	529.02	-
<b>Trade Receivable</b>		
Arvind Limited	164.43	72.31
<b>Other receivable in respect of Project transfer</b>		
Arvind Hebbal Homes Private Limited	-	7,000.00
<b>Trade payables</b>		
Arvind Homes Private limited	5.87	-
Arvind Limited	80.32	54.05
Ahmedabad East Infrastructure LLP	207.56	82.24
Yogita Shelters LLP	5.17	-
Arvind Five Homes LLP	0.02	16.98
Uplands Facilities Management LLP	-	0.51
Mr. Prem Prakash Pangotra	5.00	5.00
Mr. Pratul Shroff	5.00	5.00
Ms. Pallavi Vyas	4.00	5.48
Mr. Nirav Kalyanbhai Shah	5.00	5.00
<b>Employee Benefits Expense Payable</b>		
Mr. Kamal Singal	20.29	79.42
Mr. Ankit Jain	4.64	4.92
Mr. Prakash Makwana	5.29	2.40
<b>Advance to suppliers</b>		
Arvind Limited	6.50	21.85
Arvind Infracon LLP	-	4.58
Changodar Industrial Infrastructure (One) LLP	0.02	0.76
<b>Loans Given</b>		
Arvind Homes Private Limited	7,912.67	4,905.62
Arvind Hebbal Homes Private Limited	5,337.88	4,876.95
Arvind Smart Homes Private limited	13,789.29	-
<b>Capital Contributions (Initial and Additional)</b>		
Ahmedabad East Infrastructure LLP	2,438.66	9,259.39
Arvind Bsafal Homes LLP	24.62	27.02

# Notes to Standalone Financial Statements

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Ahmedabad Industrial Infrastructure (One) LLP	1,344.77	1,407.77
ASL Facilities Management LLP	32.49	32.49
Uplands facility management LLP	2.36	2.36
Arvind Beyond Five Club LLP	418.38	265.38
Arvind Five Homes LLP	29.10	3,454.22
Arvind Infracon LLP	2,529.54	3,713.27
Changodar Industrial Infrastructure (One) LLP	26.50	16.73
Arvind Infrabuild LLP	710.99	-
Yogita Shelters LLP	1,828.22	1,968.22
Arvind Smart City LLP	5,247.24	841.28
Arvind Integrated Projects LLP	-	0.07
<b>Investment in subsidiary company</b>		
Arvind Hebbal Homes Private Limited	1.00	1.00
Arvind Homes Private Limited	1,251.00	1,251.00
Arvind Smart Homes Private limited	2,601.00	-

#### D. Terms and conditions of transactions with related parties :

- Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. The company has not recorded any provision/ write-off of receivables relating to amounts owed by related parties.
- In respect of the transactions with the related parties, the Company has complied with the provisions of Section 177 and 188 of the Companies Act, 2013 where applicable, and the details have been disclosed above, as required by the applicable accounting standards.
- Refer note 31 for ESOPs granted as per ESOP schemes
- Transactions entered for loan with related party are made on terms equivalent to those that prevail in arm's length transactions. Outstanding loan balances are unsecured and there have been no guarantees received for such loan balances.

#### E. Commitments with related parties :

The company has not provided any commitment to the related party as at 31<sup>st</sup> March, 2023 (31<sup>st</sup> March, 2022: Rs. Nil)

#### F. Transactions with key management personnel :

Compensation of key management personnel of the Company

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Short-term employee benefits	595.08	531.92
Post employment benefits		
Other long-term employment benefits		
<b>Total compensation paid to key management personnel</b>	<b>595.08</b>	<b>531.92</b>

The company creates provision for post-employment gratuity benefits based on actuarial valuation of such liability. Such an actuarial valuation is carried out on a company-level and not an individual level. Hence, expenses incurred on key management personnel during the year to this extent is not identifiable and has thus not been disclosed.



# Notes to Standalone Financial Statements

## for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

### 38 Disclosures for Ind AS 115

#### Revenue from contracts with customers:

The Company has adopted Ind AS 115 using the modified retrospective method w.e.f 1<sup>st</sup> April, 2018.

#### 1 Disaggregation of revenue

Below is the disaggregation of the Company's revenue from contracts with customers, which is in agreement with the contracted price and is recognised in accordance with revenue recognition policy. (Refer Note -2.2 (j))

Particulars	Note	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
<b>Revenue from contracts with customers</b>			
Commercial and residential units	19	10,317.99	8,720.29
		<b>10317.99</b>	<b>8720.29</b>
<b>Other operating revenue</b>			
Share of profit from investments in Limited Liability Partnership firms	19	665.05	2,304.95
Plot cancellation and transfer fees	19	11.50	20.05
Project consultancy income	19	733.27	969.26
Miscellaneous	19	-	2.50
		<b>1,409.82</b>	<b>3,296.76</b>
		<b>11,727.81</b>	<b>12,017.05</b>
<b>Timing of revenue recognition</b>			
Revenue transferred at a point in time		11,062.76	9,712.10
Revenue transferred over time		665.05	2,304.95
		<b>11,727.81</b>	<b>12,017.05</b>

#### 2 Contract balances

Particulars	Note	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Trade and other receivables	6	178.31	103.04
Contract liabilities	18	36,963.93	33,453.70

Trade receivables are generally on credit terms of upto 30-60 days.

Contract liabilities include advances received from customers as well as deferred revenue representing transaction price allocated to unsatisfied performance obligations. The increase in contract liabilities majorly pertains to revenue to be recognised pertaining to Uplands - II and Highgrove projects since BU for the same is yet to be received.

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Revenue recognised during the year that was included in the contract liability balance at the beginning of the year.	5,930.75	5,314.05

#### 3 Performance obligations

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as of the end of the current year **		
Revenue to be recognised at a point in time	46,631.58	50,959.30

\*\* The entity expects to satisfy the performance obligations when (or as) the underlying real estate projects to which such performance obligations relate are completed. Such real estate projects are in various stages of development and are expected to be completed in the coming periods of upto four years.

# Notes to Standalone Financial Statements

## for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

### 39 Leases

#### Company as a lessee

The lease liability is initially measured at amortized cost at the present value of the future lease payments on the date of initial application. Right to use assets are initially recognized that is equal to lease liabilities on the initial application date.

The company has lease contract for office building used for its operations with lease term of 3 years and option of further extension for additional 7 years at the option of lessee . Accordingly, a right-of-use asset of Rs. 82.14 Lakhs and a corresponding lease liability of Rs. 82.14 Lakhs has been recognized. The principal portion of the lease payments have been disclosed under cash flow from financing activities. The company's obligations under its leases are secured by the lessor's title to the leased assets. The lease contract includes extension and termination options and variable lease payments, which are further discussed below.

Below are the carrying amounts of right-of-use assets recognised and the movements during the year:

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
<b>As at 1<sup>st</sup> April</b>	-	-
Additions (Refer Note 3.2)	82.14	-
Depreciation Expense (Refer Note 3.2)	8.21	-
<b>As at 31<sup>st</sup> March</b>	<b>73.92</b>	-

Below are the carrying amounts of lease liabilities and the movements during the year:

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
<b>As at 1<sup>st</sup> April</b>	-	-
Additions	82.14	-
Accretion of interest	8.21	-
Payments	(11.04)	-
<b>As at 31<sup>st</sup> March</b>	<b>79.31</b>	-
Current	3.66	-
Non-current	75.65	-

The maturity analysis of lease liabilities is as below:

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
<b>Maturity analysis of contractual undiscounted cashflows</b>	3.66	-
Less than one year	3.66	-
One to five years	25.41	-
More than 5 years	50.24	-
<b>Total</b>	<b>79.31</b>	-

The weighted average incremental borrowing rate of 10% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

The following are the amounts recognised in profit or loss:

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Depreciation expense of right-of-use assets (Refer Note 3.2)	8.21	-
Interest expense on lease liabilities (Refer Note 24)	8.21	-
Expense relating to short-term leases (included in other expenses)	-	11.04
<b>Total amount recognised in profit or loss</b>	<b>16.43</b>	<b>11.04</b>

# Notes to Standalone Financial Statements

## for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

The company had total cash outflows for leases of Rs. 11.04 in 31<sup>st</sup> March, 2023 (Rs. NIL in 31<sup>st</sup> March, 2022). The company had non-cash additions of right-of-use assets and lease liabilities of Rs. 82.14 lacs in 31<sup>st</sup> March, 2023 (Rs. NIL in 31<sup>st</sup> March, 2022).

The Company has incurred leasehold improvement cost of Rs. 82.15 lacs which will be amortised over the tenure of lease. (Refer Note 3.1)

### 40 Events after the reporting period:

The board of directors have proposed dividend after the balance sheet date which are subject to approval by the shareholders at the annual general meeting. Refer Note 13 for details.

### 41 Other statutory Information:

- a The Company has availed loans from banks on the basis of security of current assets. The Company files statement of current assets with the bank on periodical basis. There are no material discrepancies between the statements filed by the Company and the books of accounts of the Company.
- b The company has not been declared a wilful Defaulter by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI.
- c There are no proceedings initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- d The company has not traded or invested in Crypto currency or Virtual Currency during the reporting periods.
- e The company has neither advanced, loaned or invested funds nor received any fund to/from any person or entity for lending or investing or providing guarantee to/on behalf of the ultimate beneficiary during the reporting periods.
- f There is no immovable property whose title deed is not held in the name of the company.
- g There is no charge or satisfaction of charge which is yet to be registered with ROC beyond the statutory period.
- h The company has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.
- i The company has not entered into any scheme of arrangement in terms of sections 230 to 237 of the Companies Act, 2013.
- j The company does not have any transaction not recorded in the books of accounts that has been surrendered or not disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.

**42** The figures for the previous year have been regrouped/reclassified wherever necessary to confirm with the current year's classification.

The accompanying notes are an integral part of these standalone financial statements.

As per our report of even date  
For S R B C & CO LLP  
Chartered accountants  
ICAI Firm Registration No. 324982E/E300003

**per Sukrut Mehta**  
Partner  
Membership No. : 101974  
Place : Ahmedabad  
Date : 19<sup>th</sup> May, 2023

For and on Behalf of Board of Directors of  
Arvind SmartSpaces Limited  
CIN : L45201GJ2008PLC055771

**Sanjay S. Lalbhai**  
Chairman  
DIN : 00008329

**Kamal Singal**  
MD & CEO  
DIN : 02524196

**Ankit Jain**  
Chief Financial Officer

**Prakash Makwana**  
Company Secretary

Place : Ahmedabad  
Date : 19<sup>th</sup> May, 2023

Place : Ahmedabad  
Date : 19<sup>th</sup> May, 2023

# Consolidated Financial Statements

# INDEPENDENT AUDITOR'S REPORT

To  
The Members of  
**Arvind SmartSpaces Limited**

## **Report on the Audit of the Consolidated Financial Statements**

### **Opinion**

We have audited the accompanying consolidated financial statements of Arvind SmartSpaces Limited (hereinafter referred to as "the Holding Company"), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") and its joint ventures comprising of the consolidated Balance sheet as at March 31 2023, the consolidated Statement of Profit and Loss, including other comprehensive income, the consolidated Cash Flow Statement and the consolidated Statement of Changes in Equity for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of reports of other auditors on separate financial statements and on the other financial information of the subsidiaries and joint ventures, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013, as amended ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group and its joint ventures as at March 31, 2023, their consolidated profit including other comprehensive income, their consolidated cash flows and the consolidated statement of changes in equity for the year ended on that date.

### **Basis for Opinion**

We conducted our audit of the consolidated financial statements in accordance with the Standards on Auditing (SAs), as 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 Consolidated Financial Statements' section of our report. We are independent of the Group and its joint ventures in accordance with the 'Code of Ethics' issued by the Institute of Chartered Accountants of India 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 audit opinion on the consolidated financial statements.

### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated financial statements for the financial year ended March 31, 2023. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. For each matter below, our description of how our audit addressed the matter is provided in that context.

We have determined the matters described below to be the key audit matters to be communicated in our report. We have fulfilled the responsibilities described in the Auditor's responsibilities for the audit of the consolidated financial statements section of our report, including in relation to these matters. Accordingly, our audit included the performance of procedures designed to respond to our assessment of the risks of material misstatement of the consolidated financial statements. The results of audit procedures performed by us and by other auditors of components not audited by us, as reported by them in their audit reports furnished to us by the management, including those procedures performed to address the matters below, provide the basis for our audit opinion on the accompanying consolidated financial statements.



Key audit matters	How our audit addressed the key audit matter
<p><b>Revenue from contracts with customer</b> (Refer Note 2.3 of the consolidated financial statements)</p> <p>In accordance with the requirements of Ind AS 115, Group's revenue from real estate projects is recognized at a point in time, which is upon the Company satisfying its performance obligation and the customer obtaining control of the promised asset.</p> <p>Application of Ind AS 115 requires significant judgment in determining when 'control' of the property underlying the performance obligation is transferred to the customer and in assessment of whether the contracts with customers involved any financing element.</p> <p>As the revenue recognition involves significant judgement, we regard this as a key audit matter.</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> <li>• We obtained and understood management process and controls around transfer of control in case of real estate projects and tested the relevant controls over revenue recognition at a point in time.</li> <li>• We assessed the management evaluation of whether the contracts with customers involved any financing element, taking in to account the consideration received in accordance with the terms of the contract.</li> <li>• We performed test of details, on a sample basis, and inspected the underlying customer contracts, sale deed documents, evidencing the satisfaction of performance obligation and the transfer of control of the property based on which revenue is recognized at a point in time.</li> <li>• We performed cut off procedures for determination of revenue in appropriate reporting period.</li> <li>• We assessed the disclosures made in accordance with the requirements of Ind AS 115.</li> </ul>
<p><b>Assessing the carrying value of Inventory</b> (Refer Note 2.3 of the consolidated financial statements)</p> <p>As at March 31, 2023, the carrying value of the inventory of ongoing and completed real estate projects is Rs. 95,103.21 lacs. The inventories are held at the lower of the cost and net realizable value.</p> <p>We identified the assessment of whether carrying value of inventory were stated at the lower of cost and net realizable value ("NRV") as a key audit matter due to the significance of the balance to the consolidated financial statements as a whole. The determination of the NRV involves estimates based on prevailing market conditions and taking into account the estimated future selling price, cost to complete projects and selling costs.</p>	<p>Our audit procedures included, among others, the following:</p> <ul style="list-style-type: none"> <li>• Obtained an understanding of the management process for determination of the Net realizable value (NRV) including estimating the future costs to complete for stock of ongoing projects.</li> <li>• Obtained, read and assessed the management's process in estimating the future costs to complete for stock of ongoing projects.</li> <li>• Assessed the methods used by the management, in determining the NRV of ongoing and completed real estate projects and tested the underlying assumptions used by the management in arriving at those projections.</li> <li>• Performed sensitivity analysis on these key assumptions to assess any potential downside. <ul style="list-style-type: none"> <li>- For sample of selected projects: <ul style="list-style-type: none"> <li>• Compared the forecasted costs to complete the project to the construction costs of other similar projects</li> <li>• Compared the NRV to recent sales in the project or to the estimated selling price.</li> <li>• Compared the carrying value to the NRV.</li> </ul> </li> </ul> </li> </ul>

**Information Other than the Consolidated Financial Statements and Auditor's Report Thereon**

The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated 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 consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether such other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the 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.

### **Responsibilities of Management for the Consolidated Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in terms of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its joint ventures in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. The respective Board of Directors of the companies and management of limited liability partnerships included in the Group and of its joint ventures are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and of its joint ventures 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 the 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 consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies and management of limited liability partnership included in the Group and of its joint ventures are responsible for assessing the ability of the Group and of its joint ventures to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless

management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

Those respective Board of Directors of the companies included in the Group and of its joint ventures are also responsible for overseeing the financial reporting process of the Group and of its joint ventures.

### **Auditor's Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated 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 consolidated financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the 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 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 ability of the Group and its joint ventures 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 consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its joint ventures to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its joint ventures of which we are the independent auditors, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors 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 consolidated financial statements for the financial year ended March 31, 2023 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.

## Other Matter

- (a) We did not audit the financial statements and other financial information, in respect of 8 subsidiaries, whose financial statements include total assets of Rs. 22,971.75 lacs as at March 31, 2023, and total revenues of Rs. 12,781.84 lacs and net cash inflows of Rs. 1,058.79 lacs for the year ended on that date. These financial statement and other financial information have been audited by other auditors, which financial statements, other financial information and auditor's reports have been furnished to us by the management. The consolidated financial statements also include the Group's share of net profit of Rs. 1.33 lacs for the year ended March 31, 2023, as considered in the consolidated financial statements, in respect of 2 joint ventures, whose financial statements, other financial information have been audited by other auditors and whose reports have been furnished to us by the Management. Our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries and joint ventures, and our report in terms of sub-sections (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries and joint ventures, is based solely on the reports of such other auditors.
- (b) The accompanying consolidated financial statements include unaudited financial statement and other unaudited financial information in respect of 1 subsidiary, whose financial statement and other financial information reflect total assets of Rs. Nil lacs as at March 31, 2023, and total revenues of Rs. Nil lacs for the year ended on that date. This unaudited financial statement and other unaudited financial information have been furnished to us by the management. Our opinion, in so far as it relates amounts and disclosures included in respect of this subsidiary, and our report in terms of sub-sections (3) of Section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statement and other unaudited financial information. In our opinion and according to the information and explanations given to us by the Management, this financial statement and other financial information are not material to the Group.

Our opinion above on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial statements and other financial information certified by the Management.

## 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 sub-section (11) of section 143 of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of the subsidiary companies and joint ventures incorporated in India, as noted in the 'Other Matter' paragraph, we give in the "Annexure 1" a statement on the matters specified in paragraph 3(xxi) of the Order.

2. As required by Section 143(3) of the Act, based on our audit and on the consideration of report of the other auditors on separate financial statements and the other financial information of subsidiaries, and joint ventures, as noted in the 'other matter' paragraph we report, to the extent applicable, that:
  - (a) We/the other auditors whose report we have relied upon 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 of the aforesaid consolidated financial statements;
  - (b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidation of the financial statements have been kept so far as it appears from our examination of those books and reports of the other auditors except that the backup of the books of account and other books and papers maintained in electronic mode has not been maintained on servers physically located in India and on daily basis;
  - (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss including the Statement of Other Comprehensive Income, the Consolidated Cash Flow Statement and Consolidated Statement of Changes in Equity dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of the consolidated financial statements;
  - (d) In our opinion, the aforesaid consolidated financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended;
  - (e) On the basis of the written representations received from the directors of the Holding Company as on March 31, 2023 taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors who are appointed under Section 139 of the Act, of its subsidiary companies and joint ventures, none of the directors of the Group's companies and its joint ventures, incorporated in India, 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 with reference to consolidated financial statements of the Holding Company and its subsidiary companies and joint ventures, incorporated in India, and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
- (g) In our opinion and based on the consideration of reports of other statutory auditors of the subsidiaries and joint ventures incorporated in India, the managerial remuneration for the year ended March 31, 2023 has been paid / provided by the Holding Company, its subsidiaries and joint ventures incorporated in India to their directors in accordance with the provisions of section 197 read with Schedule V to the Act;
- (h) 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 and based on the consideration of the report of the other auditors on separate financial statements as also the other financial information of the subsidiaries and joint ventures, as noted in the 'Other matter' paragraph:
  - i. The consolidated financial statements disclose the impact of pending litigations on its consolidated financial position of the Group and its joint ventures in its consolidated financial statements - Refer Note 28 to the consolidated financial statements;
  - ii. The Group and its joint ventures did not have any material foreseeable losses in long-term contracts including derivative contracts during the year ended March 31, 2023;
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, its subsidiaries and joint ventures incorporated in India during the year ended March 31, 2023.
- iv. a) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have

represented to us and the other auditors of such subsidiaries respectively that, as disclosed in note -43 to the consolidated financial statements, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Holding Company or any of such subsidiaries to or in any other persons or entities, 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 respective Holding Company or any of such subsidiaries (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- b) The respective managements of the Holding Company and its subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act have represented to us and the other auditors of such subsidiaries respectively that, as disclosed in note 43 to the consolidated financial statements, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the respective Holding Company or any of such subsidiaries from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Holding Company or any of such subsidiaries 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

- c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances performed by us and that performed by the auditors of the subsidiaries which are companies incorporated in India whose financial statements have been audited under the Act, nothing has come to our or other auditor’s notice that has caused us or the other auditors to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.

- v) As stated in note 42 to the consolidated financial statements, the respective Board of Directors of the Holding Company, incorporated in India have proposed final dividend and one-time special dividend for the year which is subject to the approval of the members at the respective ensuing Annual General Meeting. The dividend declared is in accordance with section 123 of the Act to the extent it applies to declaration of dividend.
- vi) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable only w.e.f. April 1, 2023 for the Holding Company and its subsidiary companies incorporated in India, hence reporting under this clause is not applicable.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

**per Sukrut Mehta**

Partner

Membership Number: 102974

UDIN: 23101974BGUFLZ6116

Place of Signature: Ahmedabad

Date: May 19, 2023



**ANNEXURE 1 REFERRED TO IN PARAGRAPH 1 UNDER THE HEADING OF “OTHER LEGAL AND REGULATORY REQUIREMENTS” OF OUR REPORT OF EVEN DATE ON CONSOLIDATED FINANCIAL STATEMENTS OF ARVIND SMARTSPACES LIMITED**

In terms of the information and explanations sought by us and given by the company and the books of account and records examined by us in the normal course of audit and to the best of our knowledge and belief, we state that:

- (xxi) There are no qualifications or adverse remarks by the respective auditors in the Companies (Auditors Report) Order (CARO) reports of the companies included in the consolidated financial statements. Accordingly, the requirement to report on clause 3 (xxi) of the Order is not applicable to the Holding Company.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

**per Sukrut Mehta**

Partner

Membership Number: 101974

UDIN: 23101974BGUFLZ6116

Place of Signature: Ahmedabad

Date: May 19, 2023

## **ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE CONSOLIDATED FINANCIAL STATEMENTS OF ARVIND SMARTSPACES LIMITED**

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

In conjunction with our audit of the consolidated financial statements of Arvind Smartspaces Limited (hereinafter referred to as the "Holding Company") as of and for the year ended March 31, 2023, we have audited the internal financial controls with reference to consolidated financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), which are companies incorporated in India, as of that date.

#### **Management's Responsibility for Internal Financial Controls**

The respective Board of Directors of the companies included in the Group, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls over financial reporting based on the internal control over financial reporting criteria established by the Holding 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 (ICAI). 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 the respective 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.

#### **Auditor's Responsibility**

Our responsibility is to express an opinion on the Holding Company's internal financial controls over financial reporting with reference to consolidated financial statements 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, specified under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls over financial reporting, both, issued by ICAI. 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 with reference to consolidated financial statements 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 over financial reporting with reference to consolidated financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting with reference to consolidated financial statements included obtaining an understanding of internal financial controls with reference to consolidated financial statements, 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 consolidated 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 internal financial controls with reference to consolidated financial statements.

#### **Meaning of Internal Financial Controls With Reference to Consolidated Financial Statements**

A company's internal financial controls over financial reporting with reference to consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to consolidated financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of consolidated 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 (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the consolidated financial statements.

### **Inherent Limitations of Internal Financial Controls With Reference to Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls with reference to consolidated financial statements, 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 with reference to consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to consolidated financial statements 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 Holding company and its subsidiary companies, which are companies incorporated in India, have maintained in all material respects, adequate

internal financial controls with reference to consolidated financial statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For **S R B C & CO LLP**

Chartered Accountants

ICAI Firm Registration Number: 324982E/E300003

**per Sukrut Mehta**

Partner

Membership Number: 101974

UDIN: 23101974BGUFLZ6116

Place of Signature: Ahmedabad

Date: May 19, 2023

# Consolidated Balance Sheet

as at 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

Particulars	Notes	As at	
		31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	3.1	4,527.01	4,295.22
Right of use assets	3.2	73.92	-
Capital work in progress	3.1	1,572.11	1,204.07
Intangible assets	3.3	42.19	35.69
Intangible assets under development	3.3a	144.20	69.39
Financial assets			
(i) Investments in Joint Ventures	4	-	0.07
(ii) Other financial assets	9	3,830.20	3,995.34
Deferred tax assets (net)	26	3,041.91	2,512.52
Income tax assets (net)		1,231.35	692.74
Other non-current assets	11	2,111.42	1,235.95
<b>Total non-current assets</b>		<b>16,574.31</b>	<b>14,040.99</b>
<b>Current Assets</b>			
Inventories	10	95,703.18	76,628.51
Financial assets			
(i) Investment in joint ventures	4	24.62	27.02
(ii) Other Investments	5	8,324.43	-
(iii) Trade receivables	6	271.29	106.14
(iv) Cash and cash equivalents	7	6,360.78	15,090.50
(v) Bank balance other than (iv) above	8	4.40	188.83
(vi) Other financial assets	9	13,721.37	2,878.13
Other current assets	11	10,076.50	4,635.86
<b>Total current assets</b>		<b>134,486.57</b>	<b>99,554.99</b>
<b>Total assets</b>		<b>151,060.88</b>	<b>113,595.98</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	12	4,531.20	4,246.20
Other equity	13	42,109.97	38,934.89
Money received against share warrants		-	726.75
<b>Equity attributable to equity holders of the parent</b>		<b>46,641.17</b>	<b>43,907.84</b>
Non-controlling interests		2,898.96	3,763.15
<b>Total Equity</b>		<b>49,540.13</b>	<b>47,670.99</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
Financial liabilities			
(i) Borrowings	14	14,270.75	2,966.77
(ii) Lease Liabilities		75.65	-
Long term provisions	17	271.00	232.60
<b>Total non-current liabilities</b>		<b>14,617.40</b>	<b>3,199.37</b>
<b>Current liabilities</b>			
Financial liabilities			
(i) Borrowings	14	230.09	50.05
(ii) Lease Liabilities		3.66	-
(iii) Trade payables			
Total outstanding dues of micro enterprise and small enterprise	15	99.43	156.09
Total outstanding dues of creditors other than micro enterprise and small enterprise	15	5,893.98	5,572.32
(iv) Other financial liabilities	16	1,578.88	1,125.72
Other current liabilities	18	78,820.72	54,160.56
Short term provisions	17	69.98	59.64
Current tax liabilities (net)		206.61	1,601.24
<b>Total current liabilities</b>		<b>86,903.35</b>	<b>62,725.62</b>
<b>Total equity and liabilities</b>		<b>151,060.88</b>	<b>113,595.98</b>
Summary of Significant Accounting Policies	2.3		

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date

**For S R B C & CO LLP**

Chartered accountants

ICAI Firm Registration No. 324982E/E300003

**per Sukrut Mehta**

Partner

Membership No. : 101974

Place : Ahmedabad

Date : 19<sup>th</sup> May, 2023

For and on Behalf of Board of Directors of

Arvind SmartSpaces Limited

CIN : L45201GJ2008PLC055771

**Sanjay S. Lalbhai**

Chairman

DIN : 00008329

**Kamal Singal**

MD & CEO

DIN : 02524196

**Ankit Jain**

Chief Financial Officer

Place : Ahmedabad

Date : 19<sup>th</sup> May, 2023

**Prakash Makwana**

Company Secretary

Place : Ahmedabad

Date : 19<sup>th</sup> May, 2023

# Consolidated Statement of Profit and Loss

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

Particulars	Notes	For the year 2022-2023	For the year 2021-2022
<b>INCOME</b>			
Revenue from operations	19	25,591.68	25,684.41
Other income	20	733.36	757.81
<b>Total Income</b>		<b>26,325.04</b>	<b>26,442.22</b>
<b>EXPENSES</b>			
Cost of construction materials and components consumed	21	1,701.57	2,229.76
Land development costs		19,244.64	6,570.23
Construction and labour costs		10,585.91	10,864.54
Changes in inventories	22	(18,962.62)	(7,132.05)
Employee benefits expenses	23	3,681.91	2,723.69
Finance costs	24	1,399.47	1,683.41
Depreciation and amortisation expense	3.1/3.2 /3.3	270.90	150.77
Other expenses	25	4,446.88	5,517.88
<b>Total Expenses</b>		<b>22,368.66</b>	<b>22,608.23</b>
Share of profit/(loss) of joint ventures		1.33	(71.97)
<b>Profit from operations before tax</b>		<b>3,957.71</b>	<b>3,762.02</b>
<b>Tax expense:</b>			
Current tax charge	26	1,802.73	2,607.23
Adjustment of tax pertaining to earlier years	26	(104.06)	7.72
Deferred tax charge/(credit)	26	(523.67)	(1,330.07)
<b>Total tax expense</b>		<b>1,175.00</b>	<b>1,284.88</b>
<b>Net Profit for the year</b>		<b>2,782.71</b>	<b>2,477.14</b>
<b>Other Comprehensive Income (net of Tax)</b>			
Items that will not be reclassified to profit or loss in subsequent periods:			
Remeasurement gains/(losses) on defined benefit plans		(22.73)	1.53
Income tax effect on above		5.72	(0.39)
<b>Total other comprehensive income for the year, net of tax</b>		<b>(17.01)</b>	<b>1.14</b>
<b>Total Comprehensive Income for the year</b>		<b>2,765.70</b>	<b>2,478.28</b>
<b>Profit for the year attributable to :</b>			
Equity holders of the parent company		2,560.75	2,505.83
Non-controlling interests		221.96	(28.69)
<b>Other comprehensive income attributable to :</b>			
Equity holders of the parent company		(17.01)	1.14
Non-controlling interests		-	-
<b>Total comprehensive income attributable to :</b>			
Equity holders of the parent company		2,543.74	2,506.97
Non-controlling interests		221.96	(28.69)
<b>Earnings per equity share (nominal value per share Rs. 10/- (31<sup>st</sup> March, 2022: Rs. 10/-))</b>	27		
Basic		5.83	6.47
Diluted		5.63	6.30
Summary of Significant Accounting Policies	2.3		

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date  
For S R B C & CO LLP  
Chartered accountants  
ICAI Firm Registration No. 324982E/E300003

per Sukrut Mehta  
Partner  
Membership No. : 101974  
Place : Ahmedabad  
Date : 19<sup>th</sup> May, 2023

For and on Behalf of Board of Directors of  
Arvind SmartSpaces Limited  
CIN : L45201GJ2008PLC055771

Sanjay S. Lalbhai  
Chairman  
DIN : 00008329

Kamal Singal  
MD & CEO  
DIN : 02524196

Ankit Jain  
Chief Financial Officer

Prakash Makwana  
Company Secretary

Place : Ahmedabad  
Date : 19<sup>th</sup> May, 2023

Place : Ahmedabad  
Date : 19<sup>th</sup> May, 2023



# Consolidated Cash Flow Statement

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

Particulars	Notes	For the year 2022-2023	For the year 2021-2022
<b>A. Cash flow from operating activities</b>			
Profit for the year before taxation		3,957.71	3,762.02
Adjustments to reconcile profit before tax to net cash flow :			
Share of (profit) / loss of joint ventures		(1.33)	71.97
Depreciation and amortization expense		270.90	150.77
Loss on sale of property, plant and equipment (Net)		17.51	18.08
Finance cost		1,399.47	1,683.41
Share based payment expense		123.77	1.10
Interest income		(547.61)	(402.88)
Gain from Mutual funds		(62.85)	-
Impairment of investments		-	48.25
Provision for doubtful debts		-	3.74
Miscellaneous balances written off/ back (Net)		54.57	(75.25)
<b>Operating profit before working capital changes</b>		<b>5,212.14</b>	<b>5,261.21</b>
Adjustments for:			
Increase / (Decrease) in trade payables		267.17	(183.79)
Increase in provisions		26.00	18.44
Increase in other liabilities		24,602.05	22,606.39
Increase in financial liabilities		110.05	346.63
(Increase) in inventory		(19,082.70)	(7,197.08)
(Increase) in financial assets		(11,022.21)	(967.68)
(Increase) / Decrease in trade receivables		(165.15)	117.51
(Increase) in other assets		(6,413.23)	(2,562.45)
Cash (used in) / generated from operations		<b>(6,465.88)</b>	<b>17,439.18</b>
Direct taxes paid (net of refund)		(3,638.39)	(1,380.89)
<b>Net cash (used in) / generated from operating activities</b>	<b>[A]</b>	<b>(10,104.27)</b>	<b>16,058.29</b>
<b>B. Cash flow from investing activities</b>			
Investments in Mutual Funds		(14,765.00)	-
Proceeds from redemption of Mutual funds		6,503.84	-
Loans (given) / received (net)		-	3,485.34
Proceeds/ (Deposits) with Bank Deposits		482.38	(23.53)
Purchase of property, plant and equipment including CWIP		(1,052.00)	(947.32)
Proceeds from sale of property, plant and equipment		90.65	7.76
Proceeds from / (withdrawal) of investments in Joint Venture		3.80	(3.65)
Interest received		584.48	410.71
<b>Net cash (used in) / generated from investing activities</b>	<b>[B]</b>	<b>(8,151.85)</b>	<b>2,929.31</b>
<b>C. Cash flow from financing activities</b>			
Proceeds from long term borrowings		9,625.92	3,676.21
Repayment of long term borrowings		(4,499.93)	(20,899.35)
Proceeds from issue of debentures		5,200.00	2,100.00
Repayment of debentures		(1,680.00)	-
Capital contribution in LLP by minority partners		879.54	2,859.10
Withdrawal from LLP by minority partners		(1,704.42)	(2,935.03)

# Consolidated Cash Flow Statement

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

Particulars	Notes	For the year 2022-2023	For the year 2021-2022
Payment of lease liabilities		(11.04)	
Finance costs paid		(463.93)	(1,450.57)
Proceeds from issue of share capital through warrants & ESOPs (including securities premium)		2,180.26	9,248.74
<b>Net cash generated from / (used in) financing activities</b>	<b>[C]</b>	<b>9,526.40</b>	<b>(7,400.90)</b>
<b>Net (decrease) / Increase in cash and cash equivalents</b>	<b>[A+B+C]</b>	<b>(8,729.72)</b>	<b>11,586.70</b>
Cash and cash equivalents at the beginning of the year		15,090.50	3,503.80
<b>Cash and cash equivalents at the end of the year</b>		<b>6,360.78</b>	<b>15,090.50</b>
<b>Components of cash and cash equivalents (Refer note - 7)</b>			
Balances with banks		3,913.68	1,589.99
Cash in hand		11.81	15.53
Fixed deposits having maturity of less than 3 months		2,430.89	13,484.98
		<b>6,360.78</b>	<b>15,090.50</b>
Summary of Significant Accounting Policies	2.3		

Notes to the Cash Flow Statement:

- The Cash Flow Statement has been prepared under the Indirect Method as set out in the Indian Accounting Standard 7 on Statement of Cash Flows issued by the Institute of Chartered Accountants of India.
- Changes in liabilities arising from financing activities :

Particulars	April 1, 2022	Cash flow	New Leases	Other	March 31, 2023
Non-current borrowings (Note 14)	3,016.82	8,645.99	-	2,838.03	14,500.84
Accrued interest (Note 16)		-	-	48.65	48.65
Lease Liability (Note 39)		(11.04)	82.14	8.21	79.31
<b>Total liabilities from financing activities</b>	<b>3,016.82</b>	<b>8,634.95</b>	<b>82.14</b>	<b>2,894.89</b>	<b>14,628.80</b>

Particulars	April 1, 2021	Cash flow	New Leases	Other	March 31, 2022
Non-current borrowings (Note 14)	18,922.87	(15,123.14)	-	(782.91)	3,016.82
<b>Total liabilities from financing activities</b>	<b>18,922.87</b>	<b>(15,123.14)</b>	<b>-</b>	<b>(782.91)</b>	<b>3,016.82</b>

**Note :** The 'other' column includes accrued interest, the effect of reclassification if any, of non-current portion of borrowings to current due to passage of time etc.

- Figures in brackets indicate outflow.

The accompanying notes are an integral part of these Consolidated financial statements.

As per our report of even date  
For S R B C & CO LLP  
Chartered accountants  
ICAI Firm Registration No. 324982E/E300003

**per Sukrut Mehta**  
Partner  
Membership No. : 101974  
Place : Ahmedabad  
Date : 19<sup>th</sup> May, 2023

For and on Behalf of Board of Directors of  
Arvind SmartSpaces Limited  
CIN : L45201GJ2008PLC055771

**Sanjay S. Lalbhai**  
Chairman  
DIN : 00008329

**Ankit Jain**  
Chief Financial Officer  
Place : Ahmedabad  
Date : 19<sup>th</sup> May, 2023

**Kamal Singal**  
MD & CEO  
DIN : 02524196

**Prakash Makwana**  
Company Secretary  
Place : Ahmedabad  
Date : 19<sup>th</sup> May, 2023

# Consolidated Statement of Changes in Equity

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

## A. Equity share capital (Refer Note 12)

### F.Y. 2022-23

Particulars	Balance at the 1 <sup>st</sup> April, 2022	Changes in Equity Share Capital due to prior period errors	Balance at the beginning of the current Year	Changes in equity share capital during the current year	Balance at the end of 31 <sup>st</sup> March, 2023
Equity Shares of Rs. 10 each Issued, Subscribed and fully paid up	4,246.20	-	4,246.20	285.00	4,531.20
	<b>4,246.20</b>	<b>-</b>	<b>4,246.20</b>	<b>285.00</b>	<b>4,531.20</b>

### F.Y. 2021-22

Particulars	Balance at the 1 <sup>st</sup> April, 2021	Changes in Equity Share Capital due to prior period errors	Balance at the beginning of the current Year	Changes in equity share capital during the current year	Balance at the end of 31 <sup>st</sup> March, 2022
Equity Shares of Rs. 10 each Issued, Subscribed and fully paid up	3,555.36	-	3555.36	690.84	4,246.20
	<b>3,555.36</b>	<b>-</b>	<b>690.84</b>	<b>3,555.36</b>	<b>4,246.20</b>

# Consolidated Statement of Changes in Equity

for the year ended on 31<sup>st</sup> March, 2023

## B. Other Equity

(Amount in Rs. Lacs, unless stated otherwise)

Particulars	Reserves and Surplus Attributable to equity holders of the Company (Refer note 13)				Total other equity				
	Securities Premium	Capital Reserve	Share based Payment Reserve	Retained Earnings		Other comprehensive income reserve	Equity Component of Compound Financial Instrument	Total controlling Interest	Non-controlling Interest
<b>As at 1<sup>st</sup> April, 2021</b>	17,405.29	38.36	6.42	8,759.13	(31.96)	1,402.72	27,579.95	3,867.73	31,447.68
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	2,505.83	-	-	2,505.83	(28.69)	2,477.14
Other comprehensive income for the year ( net of tax)	-	-	-	-	1.14	-	1.14	-	1.14
<b>Total comprehensive income for the year</b>	17,405.29	38.36	6.42	11,264.96	(30.82)	1,402.72	30,086.92	3,839.04	33,925.96
Equity Component of Compound Financial Instrument	-	-	-	-	-	1,015.71	1,015.71	-	1,015.71
Receipt against Issue of equity shares pursuant to exercise of preferential issue	7,831.15	-	-	-	-	-	7,831.15	-	7,831.15
Transferred on exercise of stock options	6.42	-	(6.42)	-	-	-	-	-	-
Compensation expense for options granted during the year	-	-	1.10	-	-	-	1.10	-	1.10
Withdrawal of capital by non controlling interests	-	-	-	-	-	-	-	(75.89)	(75.89)
<b>As at 31<sup>st</sup> March, 2022</b>	25,242.86	38.36	1.10	11,264.96	(30.82)	2,418.43	38,934.89	3,763.15	42,698.04
<b>As at 1<sup>st</sup> April, 2022</b>	25,242.86	38.36	1.10	11,264.96	(30.82)	2,418.43	38,934.89	3,763.15	42,698.04
Changes in accounting policy or prior period errors	-	-	-	-	-	-	-	-	-
Profit for the year	-	-	-	2,560.75	-	-	2,560.75	221.96	2,782.71
Other comprehensive income for the year ( net of tax)	-	-	-	-	(17.01)	-	(17.01)	-	(17.01)
<b>Total comprehensive income for the year</b>	25,242.86	38.36	1.10	13,825.71	(47.83)	2,418.43	41,478.63	3,985.11	45,463.74
Equity Component of Compound Financial Instrument	-	-	-	-	-	(2,418.43)	(2,418.43)	-	(2,418.43)
Receipt against Issue of equity shares pursuant to exercise of preferential issue	2,622.00	-	-	-	-	-	2,622.00	-	2,622.00
Compensation expense for options granted during the year	-	-	123.77	-	-	-	123.77	-	123.77
Acquisition of non controlling interest	-	-	-	304.00	-	-	304.00	-	304.00
Withdrawal of capital by non controlling interests	-	-	-	-	-	-	-	(1,086.15)	(1,086.15)
<b>As at 31<sup>st</sup> March, 2023</b>	27,864.86	38.36	124.87	14,129.71	(47.83)	-	42,109.97	2,898.96	45,008.93

### Summary of Significant Accounting Policies 2.3

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date  
For S R B & CO LLP  
Chartered accountants  
ICAI Firm Registration No. 324982E/E3000003

For and on Behalf of Board of Directors of  
Arvind SmartSpaces Limited  
CIN : L45201GJ2008PLC055771

**Sanjay S. Lalbhai**  
Chairman  
DIN : 00008329

**Kamal Singal**  
MD & CEO  
DIN : 02524196

**per Sukrut Mehta**  
Partner

Membership No. : 101974  
Place : Ahmedabad  
Date : 19<sup>th</sup> May, 2023

**Ankit Jain**  
Chief Financial Officer

Place : Ahmedabad  
Date : 19<sup>th</sup> May, 2023

**Prakash Makwana**  
Company Secretary

Place : Ahmedabad  
Date : 19<sup>th</sup> May, 2023

# Notes to Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

## 1. Corporate Information

The consolidated financial statements comprise financial statements of Arvind SmartSpaces Limited (“Holding Company” or “ASL”) and its subsidiaries (the Holding Company and its Subsidiaries together referred to as “the Group”) and its Joint Ventures for the year ended 31<sup>st</sup> March, 2023. The Company is a public company domiciled in India and is incorporated on 26<sup>th</sup> December, 2008 under the provisions of the Companies Act applicable in India. Its shares are listed on the National Stock Exchange of India Limited and Bombay Stock Exchange Limited. The registered office of the group is located at 24, Government Servant society, Nr Municipal Market, CG road, Navrangpura, Ahmedabad - 380009.

The Group is in the business of development of real estate comprising of residential, commercial and industrial projects.

The consolidated financial statements were authorized for issue in accordance with a resolution of the directors on May 19, 2023.

## 2. SIGNIFICANT ACCOUNTING POLICIES

### 2.1 Basis of preparation

The consolidated financial statements of the Group and its joint ventures have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended from time to time) and presentation requirements of Division II of Schedule III to the Companies Act, 2013, (Ind AS compliant Schedule III), as applicable to the CFS

The accounting policies adopted and methods of computation followed are consistent with those of the previous financial year except for items disclosed below.

The consolidated financial statements have been prepared on the historical cost basis, except for certain financial assets and liabilities measured at fair value at the end of each reporting period, as explained in the accounting policies below. The consolidated financial statements are presented in INR and all values are rounded to the nearest lacs (Rs. 00,000), except when otherwise indicated.

### 2.2 Basis of consolidation

The consolidated financial statements comprise the financial statements of the Holding Company and its subsidiaries (the Holding Company and its subsidiaries together referred to as “the Group”)

and its joint ventures as at 31<sup>st</sup> March, 2023. Subsidiaries are all entities over which the Group has control. The Group controls an entity when the Group is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group and are de-consolidated from the date that control ceases.

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

Consolidation procedure:

- a. Combine like items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognised in the consolidated financial statements at the acquisition date.
- b. Offset (eliminate) the carrying amount of the parent’s investment in each subsidiary and the parent’s portion of equity of each subsidiary. Business combinations policy explains how to account for any related goodwill.
- c. Eliminate in full intragroup assets and liabilities, equity, income, expenses and cash flows relating to transactions between entities of the group (profits or losses resulting from intragroup transactions that are recognised in assets, such as inventory and fixed assets, are eliminated in full). Intragroup losses may indicate an impairment that requires recognition in the consolidated financial statements. Ind AS 12 Income Taxes applies to temporary differences that arise from the elimination of profits and losses resulting from intragroup transactions.
- d. The financial statements of all subsidiaries used for the purpose of consolidation are drawn up to same reporting date as that of the parent company, i.e., year ended on March 31<sup>st</sup> and are prepared using uniform accounting



# Notes to Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March, 2023

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policies for like transactions and other events in similar circumstances.

- e. Non-controlling interests in the results and equity of subsidiaries are shown separately in the consolidated statement of profit and loss, consolidated balance sheet and consolidated statement of changes in equity, respectively.

## 2.3 Summary of Significant Accounting Policies

### a. Business combination

The Group acquires subsidiaries that own real estate. At the time of acquisition, the Group considers whether each acquisition represents the acquisition of a business or the acquisition of an asset. The Group accounts for an acquisition as a business combination where an integrated set of activities and assets, including property, is acquired. When the acquisition of subsidiaries does not represent a business combination, it is accounted for as an acquisition of a group of assets and liabilities. The cost of the acquisition is allocated to the assets and liabilities acquired based upon their relative fair values, and no goodwill or deferred tax is recognised.

### b. Investment in Joint ventures

A joint venture is a type of joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint venture. Joint control is the contractually agreed sharing of control of an

Arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The Group's investments in its joint ventures are accounted for using the equity method. Under the equity method, the investment in a joint venture is initially recognised at cost. The carrying amount of the investment is adjusted to recognise changes in the Group's share of net assets of the joint venture since the acquisition date.

Goodwill relating to the joint venture is included in the carrying amount of the investment and is not tested for impairment individually.

The consolidated statement of profit and loss reflects the Group's share of the results of operations of the joint ventures. Any change in OCI of those investees is presented as part of the Group's OCI. In addition, when there

has been a change recognised directly in the equity of the joint venture, the Group recognises its share of any changes, when applicable, in the statement of changes in equity. Unrealised gains and losses resulting from transactions between the Group and the joint venture is eliminated to the extent of the interest in the joint venture.

If an entity's share of losses of a joint venture equals or exceeds its interest in joint venture, the entity discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the joint venture. If the joint venture subsequently reports profits, the entity resumes recognising its share of those profits only after its share of the profits equals the share of losses not recognised.

The aggregate of the Group's share of profit or loss of a joint venture is shown on the face of the consolidated statement of profit and loss. The financial statements of the joint venture is prepared for the same reporting period as the Group. When necessary, adjustments are made to bring the accounting policies in line with those of the Group.

After application of the equity method, the Group determines whether it is necessary to recognise an impairment loss on its investment in its joint venture. At each reporting date, the Group determines whether there is objective evidence that the investment in the joint venture is impaired. If there is such evidence, the Group calculates the amount of impairment as the difference between the recoverable amount of the joint venture and its carrying value, and then recognises the loss as 'Share of profit of a joint venture' in the consolidated statement of profit or loss.

Upon loss of joint control over the joint venture, the Group measures and recognises any retained investment at its fair value. Any difference between the carrying amount of the joint venture upon loss of joint control and the fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

### c. Use of estimates

The preparation of financial statements in conformity with Ind AS requires the management to make judgments, estimates

# Notes to Consolidated Financial Statements

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and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities, at the end of the reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities. The effect of change in an accounting estimate is recognized prospectively.

#### d. Current versus non-current classification

The Group presents assets and liabilities in the consolidated balance sheet based on current/non-current classification.

An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realized 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.

The Group's normal operating cycle in respect of operations relating to the construction of real estate projects may vary from project to project depending upon the size of the project, type of development, project complexities and related approvals. Operating cycle for all completed projects is based on

12 months period. Assets and liabilities have been classified into current and non-current based on their respective operating cycle.

#### e. Property, Plant and Equipment

Property, plant and equipment, are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use and initial estimate of decommissioning, restoring and similar liabilities. Any trade discounts and rebates are deducted in arriving at the purchase price.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. This applies mainly to components for machinery. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognized in profit or loss as incurred.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the consolidated statement of profit and loss for the period during which such expenses are incurred.

Borrowing costs directly attributable to acquisition of property, plant and equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

# Notes to Consolidated Financial Statements

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An item of property, plant and equipment and any significant part initially recognized is de-recognized 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 included in the income statement when the Property, plant and equipment is de-recognized.

## **f. Depreciation on Property, Plant and Equipment**

Depreciation on property, plant and equipment are provided on straight line method over the useful lives of assets specified in Part C of Schedule II to the Companies Act 2013.

The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

## **g. Intangible Assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any.

Intangible assets comprising of computer software are amortized on a written down value basis over a period of three years, which is estimated by the management to be the useful life of the asset.

The residual values, useful lives and methods of amortization of intangible assets are reviewed at each financial year end and adjusted prospectively, if appropriate. Gains or losses arising from de-recognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the consolidated statement of profit and loss when asset is derecognized.

## **h. Borrowing Costs**

Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.

Borrowing costs directly attributable to the acquisition, construction or production of

an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized/inventorised as part of the cost of the respective asset. All other borrowing costs are charged to consolidated statement of profit and loss.

## **i. Inventories**

Direct expenditures relating to real estate activity are inventorised. Other expenditure (including borrowing costs) during construction period is inventorised to the extent the expenditure is directly attributable cost of bringing the asset to its working condition for its intended use. Other expenditure (including borrowing costs) incurred during the construction period which is not directly attributable for bringing the asset to its working condition for its intended use is charged to the consolidated statement of profit and loss. Direct and other expenditure is determined based on specific identification to the real estate activity. Cost incurred/ items purchased specifically for projects are taken as consumed as and when incurred/ received.

- i. Work-in-progress (including land inventory): Represents 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. Work-in-progress is valued at lower of cost and net realizable value.
- ii. Finished goods – unsold flats and plots: Valued at lower of cost and net realizable value.
- iii. Construction material: Valued at lower of cost and net realizable value. Cost is determined based on FIFO basis.

Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

## **j. Land**

Advances paid by the Group to the seller/ intermediary towards outright purchase of land is recognized as land advance under other assets during the course of obtaining clear and marketable title, free from all encumbrances and transfer of legal title to The group, whereupon it is transferred to land stock under inventories.

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(Amount in Rs. Lacs, unless stated otherwise)

Land/ development rights received under joint development arrangements ('JDA') is measured at the fair value of the estimated construction service rendered to the land owner and the same is accounted on launch of the project. The amount of non-refundable deposit paid by the Group under JDA is recognized as land advance under other assets and on the launch of the project, the non-refundable amount is transferred as land cost to work-in-progress. Further, the amount of refundable deposit paid by the group under JDA is recognized as deposits under loans.

## **k. Revenue from contracts with customers**

### **(i) Revenue recognition**

Revenue from contracts with customers is recognised when control of the goods or services are transferred to the customer at an amount that reflects the consideration to which the Group expects to be entitled in exchange for those goods or services. Revenue is measured based on the transaction price, which is the consideration and adjusted for discounts, if any, as specified in the contract with the customer. The Group presents revenue from contracts with customers net of indirect taxes in its statement of profit and loss.

The Group considers whether there are other promises in the contract that are separate performance obligations to which a portion of the transaction price needs to be allocated. In determining the transaction price, the Group considers the effects of variable consideration and the existence of significant financing components, if any.

Revenue from real estate development of residential or commercial unit is recognised at the point in time, when the control of the asset is transferred to the customer.

Revenue consists of sale of undivided share of land and constructed area to the customer, which have been identified by the Group as a single performance obligation, as they are highly interrelated/ interdependent.

The performance obligation in relation to real estate development is satisfied upon completion of project work and transfer of control of the asset to the customer.

For contracts involving sale of real estate unit, the Group receives the consideration in

accordance with the terms of the contract in proportion of the percentage of completion of such real estate project and represents payments made by customers to secure performance obligation of the Group under the contract enforceable by customers. Such consideration is received and utilised for specific real estate projects in accordance with the requirements of the Real Estate (Regulation and Development) Act, 2016. Consequently, the Group has concluded that such contracts with customers do not involve any financing element since the same arises for reasons explained above, which is other than for provision of finance to/from the customer.

### **(ii) Contract balances**

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. If the Group performs by transferring goods or services to a customer before the customer pays consideration or before payment is due, a contract asset is recognised for the earned consideration that is conditional.

Trade receivable represents the Group's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due).

Contract liability is the obligation to transfer goods or services to a customer for which the Group has received consideration (or an amount of consideration is due) from the customer. If a customer pays consideration before the Group transfers goods or services to the customer, a contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognised as revenue when the Group performs under the contract.

### **(iii) Cost to obtain a contract**

The Group recognises as an asset the incremental costs of obtaining a contract with a customer if the Group expects to recover those costs. The Group incurs costs such as sales commission when it enters into a new contract, which are directly related to winning the contract. The asset recognised is amortised on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the asset relates.

# Notes to Consolidated Financial Statements

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(Amount in Rs. Lacs, unless stated otherwise)

(iv) **Share in profit/ loss of Limited liability partnerships (“LLPs”) and partnership firm**

The Company’s share in profits from LLPs and partnership firm, where the Company is a partner, is recognised as income in the statement of profit and loss as and when the right to receive its profit/ loss share is established by the Company in accordance with the terms of contract between the Company and the partnership entity.

(v) **Interest income**

Interest income, including income arising from other financial instruments measured at amortised cost, is recognised using the effective interest rate method.

If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

**I. Retirement and other employee benefits**

Retirement benefits in the form of state governed Employee Provident Fund, Employee State Insurance is defined contribution schemes (collectively the ‘Schemes’). The Group has no obligation, other than the contribution payable to the schemes. The Group recognizes contribution payable to the schemes as expenditure, when an employee renders the related service. The contribution paid in excess of amount due is recognized as an asset and the contribution due in excess of amount paid is recognized as a liability.

Gratuity, which is a defined benefit plan, is accrued based on an independent actuarial valuation, which is done based on project unit credit method as at the balance sheet date. The Group recognizes the net obligation of a defined benefit plan in its consolidated balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/ (asset) are recognized in other comprehensive income. In accordance with Ind AS, re-measurement gains and losses on defined benefit plans recognized in OCI are not to be subsequently reclassified to consolidated statement of profit and loss. As required under Ind AS compliant Schedule III, the Group recognizes

re-measurement gains and losses on defined benefit plans (net of tax) to retained earnings.

Accumulated leave, which is expected to be utilized within the next twelve months, is treated as short-term employee benefit. The Group measures the expected cost of such absences as the additional amount that it expects to pay as a result of the unused entitlement that has accumulated at the reporting date.

The Group treats accumulated leave expected to be carried forward beyond twelve months, as long-term employee benefit for measurement purposes. Such long-term compensated absences are provided for based on the actuarial valuation using the projected unit credit method, made at the end of each financial year. Actuarial gains/losses are immediately taken to the consolidated statement of profit and loss. The Group presents the leave as a current liability in the consolidated balance sheet, to the extent it does not have an unconditional right to defer its settlement for 12 months after the reporting date. Where Group has the unconditional legal and contractual right to defer the settlement for a period beyond 12 months, the same is presented as non-current liability.

**m. Income taxes**

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognized in the consolidated statement of profit and loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity, respectively.

**I. Current income tax** - Current income tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for that period. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted by the balance sheet date.

**II. Deferred income tax** - Deferred income tax is recognized using the balance sheet approach, deferred tax is recognized on



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temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred income tax assets are recognized for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

The Group offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority.

### **n. Share based payment**

Employees (including senior executives) of the Group receives remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions).

The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model and the cost is recognised, together with a corresponding increase in share options outstanding account in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date

reflects the extent to which the vesting period has expired and The Group's best estimate of the number of equity instruments that will ultimately vest. The consolidated statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

### **o. Segment reporting**

The Group's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Group operate.

### **p. Leases**

The Group assesses whether a contract contains a lease, at the inception of the contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether (i) the contract involves the use of identified asset; (ii) the Group has substantially all of the economic benefits from the use of the asset through the period of lease and (iii) the Group has right to direct the use of the asset.

#### **Where the Group is the lessee**

The Group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received.

Certain lease arrangements include the option to extend or terminate the lease before the

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end of the lease term. The right-of-use assets and lease liabilities include these options when it is reasonably certain that the option will be exercised.

The right-of-use asset is subsequently depreciated using the straight-line method from the 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. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, and the Group's incremental borrowing rate. Generally, the Group uses its incremental borrowing rate as the discount rate.

The lease liability is measured at amortized cost using the effective interest method. It is re-measured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or if Group changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is re-measured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease payments have been classified as financing activities in Statement of Cash Flow.

The Group has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months with no purchase option and assets with low value leases. The Group recognises the lease payments associated with these leases as an expense in statement of profit and loss over the lease term. The related cash flows are classified as operating activities.

## q. Provisions and contingent liabilities

A provision is recognized when the Group has a present obligation (legal or constructive) as

a result of 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. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

A contingent liability is a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Group or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The Group does not recognize a contingent liability but discloses it in the financial statements, unless the possibility of an outflow of resources embodying economic benefits is remote.

If the Group has a contract that is onerous, the present obligation under the contract is recognised and measured as a provision. However, before a separate provision for an onerous contract is established, the Group recognises any impairment loss that has occurred on assets dedicated to that contract.

## r. Financial Instruments

Financial assets and liabilities are recognized when the Group becomes a party to the contractual provisions of the instrument. Financial assets and liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value measured on initial recognition of financial asset or financial liability.

i. Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive

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- income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.
- ii. Financial assets at fair value through profit or loss
- Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in consolidated statement of profit and loss.
- iii. Debt instruments at amortized cost
- A 'debt instrument' is measured at the amortized 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 amortized cost using the effective interest rate (EIR) method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables
- iv. Equity investment in subsidiaries and joint ventures
- Investment in subsidiaries and joint ventures are carried at cost. Impairment recognized, if any, is reduced from the carrying value.
- v. De-recognition of financial asset
- The Group derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for de-recognition under Ind AS 109.
- vi. Financial liabilities
- Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, or as payables, as appropriate. The Group's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts. The subsequent measurement of financial liabilities depends on their classification, which is described below.
- vii. Financial liabilities at fair value through profit or loss
- Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.
- viii. Financial liabilities at amortized cost
- Financial liabilities are subsequently carried at amortized cost using the effective interest ('EIR') method. Gains and losses are recognized in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the consolidated statement of profit and loss.
- Interest-bearing loans and borrowings are subsequently measured at amortized cost using EIR method. For trade and other payables maturing within one year

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from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

### ix. De-recognition of financial liability

A financial liability is derecognised 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 derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the consolidated statement of profit or loss.

### x. Fair value of financial instruments

In determining the fair value of its financial instruments, the Group uses following hierarchy and assumptions that are based on market conditions and risks existing at each reporting date.

Fair value hierarchy:

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable.

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by reassessing categorization (based on the lowest level

input that is significant to the fair value measurement as a whole) at the end of each reporting period.

## s. Impairment

### a. Financial assets

The Group assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Group recognizes lifetime expected losses for all contract assets and / or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12-month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

### b. Non-financial assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Group estimates the asset's recoverable amount. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. 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. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

### t. Earnings per Share

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period 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.

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(Amount in Rs. Lacs, unless stated otherwise)

## u. Cash and cash equivalents

The Group considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

## v. Dividend

The Group recognises a liability to pay dividend to equity holders of the parent when the distribution is authorised, and the distribution is no longer at the discretion of the Group. As per the corporate laws in India, a distribution is authorised when it is approved by the shareholders. A corresponding amount is recognised directly in equity.

## 2.3 Significant accounting judgements, estimates and assumptions

The preparation of consolidated financial statements in conformity with the recognition and measurement principles of Ind AS requires management to make judgements, estimates and assumptions that affect the reported balances of revenues, expenses, assets and liabilities and the accompanying disclosures, and the disclosure of contingent liabilities. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

### (a) Judgements

In the process of applying the Group's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognized in the financial statements:

Classification of property

Inventory comprises property that is held for sale in the ordinary course of business. Principally, this is residential and commercial property that the group develops and intends to sell before or during the course of construction or upon completion of construction.

### (b) Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty

at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Group based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the group. Such changes are reflected in the assumptions when they occur.

Inventory is stated at the lower of cost and net realizable value (NRV).

NRV for completed inventory property is assessed by reference to market conditions and prices existing at the reporting date and is determined by the Group, based on comparable transactions identified by the Group for properties in the same geographical market serving the same real estate segment.

NRV in respect of inventory property under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction and an estimate of the time value of money to the date of completion.

With respect to Land advance given, the net recoverable value is based on the present value of future cash flows, which depends on the estimate of, among other things, the likelihood that a project will be completed, the expected date of completion, the discount rate used and the estimation of sale prices and construction costs.

The Group applied the following judgements that significantly affect the determination of the amount and timing of revenue from contracts with customers:

### a) Identification of performance obligation

Revenue consists of sale of undivided share of land and constructed area to the customer, which have been identified by the Group as a single performance obligation, as they are highly interrelated/interdependent. In assessing whether performance obligations relating to sale of undivided share of land and constructed area are highly interrelated/



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for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

interdependent, the Group considers factors such as:

- Whether the customer could benefit from the undivided share of land or the constructed area on its own or together with other resources readily available to the customer.
- Whether the entity will be able to fulfil its promise under the contract to transfer the undivided share of land without transfer of constructed area or transfer the constructed area without transfer of undivided share of land.

## b) Timing of satisfaction of performance obligation

Revenue from sale of real estate units is recognised when (or as) control of such units is transferred to the customer. The entity assesses timing of transfer of control of such units to the customers as transferred over time if one of the following criteria are met:

- The customer simultaneously receives and consumes the benefits provided by the entity's performance as the entity performs.
- The entity's performance creates or enhances an asset that the customer controls as the asset is created or enhanced.
- The entity's performance does not create an asset with an alternative use to the entity and the entity has an enforceable right to payment for performance completed to date.

If control is not transferred over time as above, the entity considers the same as transferred at a point in time.

For contracts where control is transferred at a point in time, the Group considers the following indicators of the transfer of control of the asset to the customer:

- When the entity obtains a present right to payment for the asset.
- When the entity transfers legal title of the asset to the customer.
- When the entity transfers physical possession of the asset to the customer.

- When the entity transfers significant risks and rewards of ownership of the asset to the customer.
- When the customer has accepted the asset.

## c) Significant financing component

For contracts involving sale of real estate unit, the Group receives the consideration in accordance with the terms of the contract in proportion of the percentage of completion of such real estate project and represents payments made by customers to secure performance obligation of the Group under the contract enforceable by customers. Such consideration is received and utilised for specific real estate projects in accordance with the requirements of the Real Estate (Regulation and Development) Act, 2016. Consequently, the Group has concluded that such contracts with customers do not involve any financing element since the same arises for reasons explained above, which is other than for provision of finance to/from the customer.

## 2.4 New Standards, Interpretation and amendments adopted by the Group

### New and amended Standards:-

The Group applied for the first-time certain standards and amendments, which are effective for annual periods beginning on or after 1<sup>st</sup> April, 2022.

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standard) Amendment Rules 2022 dated 23<sup>rd</sup> March, 2022, to amend the following Ind AS which are effective from 1<sup>st</sup> April, 2022.

### (i) Onerous Contracts - Costs of Fulfilling a Contract - Amendments to Ind AS 37

An onerous contract is a contract under which the unavoidable of meeting the obligations under the contract costs (i.e., the costs that the Group cannot avoid because it has the contract) exceed the economic benefits expected to be received under it. These amendment had no impact on financial statement of the Group.

### (ii) Property, Plant and Equipment: Proceeds before Intended Use - Amendments to Ind AS 16

The amendments modified paragraph 17(e) of Ind AS 16 to clarify that excess of net sale proceeds of items produced over the cost of

# Notes to Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment. The amendments are effective for annual reporting periods beginning on or after 1<sup>st</sup> April, 2022. These amendments had no impact on the financial statements of the Group as there were no sales of such items produced by property, plant and equipment made available for use on or after the beginning of the earliest period presented.

### (iii) Ind AS 109 Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liabilities

The amendment clarifies the fees that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

These amendments had no impact on the financial statements of the group as there were no modifications of the Group's financial instruments during the period.

### Amendments not yet effective: -

The Ministry of Corporate Affairs has notified Companies (Indian Accounting Standards) Amendment Rules, 2023 dated 31<sup>st</sup> March, 2023 to amend the following Ind AS which are effective from 1<sup>st</sup> April, 2023.

### (i) Definition of Accounting Estimates - Amendments to Ind AS 8

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates.

The amendments are effective for annual reporting periods beginning on or after 1<sup>st</sup> April, 2023 and apply to changes in accounting policies and changes in accounting estimates that occur on or after the start of that period.

The group is currently assessing the impact of the amendments.

### (ii) Disclosure of Accounting Policies - Amendments to Ind AS 1

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures.

The amendments to Ind AS 1 are applicable for annual periods beginning on or after 1<sup>st</sup> April, 2023. Consequential amendments have been made in Ind AS 107.

The group is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

### (iii) Deferred Tax related to Assets and Liabilities arising from a Single Transaction - Amendments to Ind AS 12

The amendments narrow the scope of the initial recognition exception under Ind AS 12, so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101. The amendments to Ind AS 12 are applicable for annual periods beginning on or after 1<sup>st</sup> April, 2023.

The group is currently assessing the impact of the amendments.

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(Amount in Rs. Lacs, unless stated otherwise)

## 3.1 Property Plant and Equipment

Particulars	Buildings	Equipments	Furniture & Fixtures	Office Equipments	Computers	Vehicles	Land	Leasehold Improvements (Refer Note 41)	Total	Capital Work in progress *
<b>Cost (Refer note 1 below)</b>										
At 31 <sup>st</sup> March, 2021	504.02	272.18	164.12	12.84	74.53	315.51	-		1,343.20	1,204.07
Additions	2,707.07	318.98	192.76	28.05	23.67	134.02	158.34		3,562.89	
Disposals	-	13.25	12.49	0.81	3.81	12.66	-		43.02	
At 31 <sup>st</sup> March, 2022	3,211.09	577.91	344.39	40.08	94.39	436.87	158.34		4,863.07	1,204.07
Additions	50.05	159.30	48.37	21.11	52.87	170.75	3.59	82.15	588.21	368.04
Disposals	-	73.77	43.52	3.11	2.17	66.79	-		189.36	
At 31 <sup>st</sup> March, 2023	3,261.14	663.45	349.24	58.08	145.09	540.83	161.93	82.15	5,261.92	1,572.11
<b>Depreciation and impairment</b>										
At 31 <sup>st</sup> March, 2021	87.50	85.19	82.38	8.34	56.56	125.47	-	-	445.44	-
Depreciation for the year	28.09	32.06	20.49	3.00	11.17	45.34	-	-	140.16	-
On Disposals	-	3.30	3.36	0.29	3.30	7.50	-	-	17.75	-
At 31 <sup>st</sup> March, 2022	115.59	113.95	99.51	11.05	64.43	163.32	-	-	567.85	-
Depreciation for the year	61.13	58.49	38.04	8.21	17.31	60.77	-	4.32	248.26	-
On Disposals	-	19.76	25.34	1.16	2.05	32.89	-	-	81.20	-
At 31 <sup>st</sup> March, 2023	176.72	152.67	112.21	18.10	79.69	191.20	-	4.32	734.91	-
<b>Net book value</b>										
At 31 <sup>st</sup> March, 2023	3,084.42	510.77	237.03	39.98	65.40	349.63	161.93	77.83	4,527.01	1,572.11
At 31 <sup>st</sup> March, 2022	3,095.50	463.96	244.87	29.03	29.96	273.55	158.34	-	4,295.22	1,204.07

\*Capital work in progress mainly includes amount incurred towards development of club house at Arvind Beyond Five Club LLP

### Capital work in progress (CWIP) Ageing Schedule

As at 31<sup>st</sup> March, 2023

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	368.04	242.21	95.68	866.18	1572.11
<b>Total</b>	<b>368.04</b>	<b>242.21</b>	<b>95.68</b>	<b>866.18</b>	<b>1572.11</b>

As at 31<sup>st</sup> March, 2022

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress	242.21	95.68	32.37	833.81	1204.07
<b>Total</b>	<b>242.21</b>	<b>95.68</b>	<b>32.37</b>	<b>833.81</b>	<b>1204.07</b>

# Notes to Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

## 3.2 Right of use assets

Particulars	Building	Total
<b>Cost</b>		
At 1 <sup>st</sup> April, 2022	-	-
Additions	82.14	82.14
Disposals	-	-
<b>At 31<sup>st</sup> March, 2023</b>	<b>82.14</b>	<b>82.14</b>
<b>Accumulated Amortisation</b>		
At 1 <sup>st</sup> April, 2022	-	-
Amortisation charge for the year	8.21	8.21
<b>At 31<sup>st</sup> March, 2023</b>	<b>8.21</b>	<b>8.21</b>
<b>Net book value</b>		
At 31 <sup>st</sup> March, 2023	<b>73.92</b>	<b>73.92</b>
At 31 <sup>st</sup> March, 2022	-	-

## 3.3 Intangible assets

Particulars	Software	Total
<b>Cost (Refer note 1 below)</b>		
At 31 <sup>st</sup> March, 2021	<b>36.02</b>	<b>36.02</b>
Additions	19.50	19.50
Disposals	0.58	0.58
<b>At 31<sup>st</sup> March, 2022</b>	<b>54.94</b>	<b>54.94</b>
Additions	20.93	20.93
Disposals	-	-
<b>At 31<sup>st</sup> March, 2023</b>	<b>75.87</b>	<b>75.87</b>
<b>Amortisation and impairment</b>		
At 31 <sup>st</sup> March, 2021	<b>8.64</b>	<b>8.64</b>
Amortisation for the year	10.61	10.61
<b>At 31<sup>st</sup> March, 2022</b>	<b>19.25</b>	<b>19.25</b>
Amortisation for the year	14.43	14.43
<b>At 31<sup>st</sup> March, 2023</b>	<b>33.68</b>	<b>33.68</b>
<b>Net book value</b>		
At 31 <sup>st</sup> March, 2023	<b>42.19</b>	<b>42.19</b>
At 31 <sup>st</sup> March, 2022	<b>35.69</b>	<b>35.69</b>

Note 1 : For property plant & equipment and intangible assets existing as on 1<sup>st</sup> April, 2016 i.e. the date of transition to Ind AS, the group had elected to continue Indian GAAP carrying value as deemed cost as permitted by Ind AS 101 "First Time Adoption of Indian Accounting Standard". Accordingly, the net WDV as per Indian GAAP as on 1<sup>st</sup> April, 2016 was considered as Gross block under Ind AS and the accumulated depreciation was accordingly netted off as on 1<sup>st</sup> April, 2016.

### 3.3a Intangible Asset under Development Ageing Schedule

As at 31<sup>st</sup> March, 2023

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress (Refer Note 1 below)	74.85	69.35	-	-	144.20
<b>Total</b>	<b>74.85</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>144.20</b>

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for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

As at 31<sup>st</sup> March, 2022

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress (Refer Note 1 below)	69.39	-	-	0	69.39
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>0</b>	<b>69.39</b>

Note-1 : Intangible assets under development for FY22-23 consists of SAP software under development and patents & trademark related costs for FY21-22 consists of SAP software under development.

Intangible assets under development, whose completion is overdue , following is the completion schedule:

Particulars	Amount in CWIP for a period of				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
SAP Implementation	143.04	-	-	-	143.04
<b>Total</b>	<b>143.05</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>143.05</b>

Note-2 : Intangible assets under development relating to SAP implementation are overdue as per original plan finalised with original vendor. There has been a change in implementation partner and correspondingly the software implementation timelines have been revised. Other intangible assets are expected to complete as per plan .

## 4 Investment in joint ventures

Particulars	Non current portion		Current portion	
	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
<b>Unquoted (carried at cost)</b>				
<b>In capital of Limited Liability Partnership firms (joint ventures)</b>				
Arvind Bsafal Homes LLP	-	48.25	24.62	27.02
Less: Provision for impairment of Investment	-	(48.25)	-	-
Arvind Integrated Projects LLP	-	0.07	-	-
	<b>-</b>	<b>0.07</b>	<b>24.62</b>	<b>27.02</b>

Note : i) Aggregate value of unquoted investments.

ii) Aggregate value of impairment of Investment is NIL. (March 22- Rs. 48.25 lacs)

## 5 Other Investments

Particulars	Non current portion		Current portion	
	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
<b>In Mutual Funds (Quoted)</b>				
2,11,441.37 (31 <sup>st</sup> March 2022 : Nil) Units of Aditya Birla Sunlife Liquid Fund - Regular - Growth	-	-	760.76	-
9,079.78 (31 <sup>st</sup> March 2022 : Nil) Units of Kotak Liquid Fund - Regular - Growth	-	-	410.17	-
17,340.23 (31 <sup>st</sup> March 2022 : Nil) Units of HDFC Liquid Fund - Regular - Growth	-	-	760.19	-
28,621.05 (31 <sup>st</sup> March 2022 : Nil) Units of SBI Liquid Fund - Regular - Growth	-	-	1,000.62	-
7,339.70 (31 <sup>st</sup> March 2022 : Nil) Units of Nippon India Liquid Fund - Regular - Growth	-	-	400.25	-



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for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

Particulars	Non current portion		Current portion	
	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
27,284.52 (31 <sup>st</sup> March 2022 : Nil) Units of UTI Liquid Fund - Cash Plan - Regular - Growth	-	-	999.57	-
3,02,303.182(31 <sup>st</sup> March 2022 : Nil)Units of ICICI Prudential liquid fund - Regular - Growth	-	-	1,000.00	-
24,166.10 (31 <sup>st</sup> March 2022 : Nil) Units of Axis Liquid Fund - Regular - Growth	-	-	600.32	-
40,372.73 (31 <sup>st</sup> March 2022 : Nil) Units of Aditya Birla Sunlife Liquid Fund - Reg - Growth	-	-	145.26	-
5,845.46 (31 <sup>st</sup> March 2022 : Nil) Units of Axis Liquid Fund - Reg - Growth	-	-	145.21	-
1,74,154.57 (31 <sup>st</sup> March 2022 : Nil) Units of ICICI Pru Liquid Fund - Reg - Growth	-	-	575.85	-
19,390.41 (31 <sup>st</sup> March 2022 : Nil) Units of UTI Liquid Fund - Cash Plan - Reg - Growth	-	-	710.37	-
32,842.55 (31 <sup>st</sup> March 2022 : Nil) Units of Axis Liquid Fund - Reg - Growth	-	-	815.86	-
<b>Total investments</b>	-	-	<b>8,324.43</b>	-
<b>Aggregate value of Quoted investments</b>	-	-	<b>8,324.43</b>	-

Note : i) Aggregate and market value of Quoted investment is Rs. 8,324.43 Lacs. (March 22- NIL)

## 6 Trade receivables

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
<b>Trade receivables (refer note below)</b>	271.29	106.14
(Unsecured , Considered good, unless Otherwise stated)		
	<b>271.29</b>	<b>106.14</b>
Trade Receivables considered good	271.29	106.14
Trade Receivables - credit impaired	3.74	3.74
Less: Impairment allowance - credit impaired	(3.74)	(3.74)
	<b>271.29</b>	<b>106.14</b>

### Trade receivables Ageing Schedule (Refer Notes below)

As at 31<sup>st</sup> March, 2023

Particulars	Curent but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - considered good	-	257.12	-	-	-	14.17	271.29
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable - credit impaired	-	-	-	-	-	3.74	3.74
Disputed Trade receivables - considered good	-	-	-	-	-	-	-

# Notes to Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

Particulars	Curent but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>257.12</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>17.91</b>	<b>275.03</b>

## As at 31<sup>st</sup> March, 2022

Particulars	Curent but not due	Outstanding for following periods from due date of payment					Total
		Less than 6 Months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
Undisputed Trade Receivables - considered good	-	74.91	-	-	-	31.23	106.14
Undisputed Trade Receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Undisputed Trade receivable - credit impaired	-	-	-	-	-	3.74	3.74
Disputed Trade receivables - considered good	-	-	-	-	-	-	-
Disputed Trade receivables - which have significant increase in credit risk	-	-	-	-	-	-	-
Disputed Trade receivables - credit impaired	-	-	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>74.91</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>34.97</b>	<b>109.88</b>

### Note :

- (i) Since all the above trade receivables of the Group are unsecured and considered good except those which are disclosed as credit impaired, the further bifurcation of receivables in other categories as required by Schedule III of Companies Act, 2013 viz : (a) Secured and (b) Receivables which have significant increase in credit risk is not applicable.
- (ii) For amounts due and terms and conditions relating to related party receivables, refer Note 40
- (iii) For information about credit risk and market risk related to trade receivables, refer note 35
- (iv) No trade or other receivables are due from directors or other officers of the Group, either severally or jointly with any other person. Nor any trade or other receivables are due from firms or private companies respectively in which any director is a partner, director or a member.

\* Following is the table summarized change in impairment allowance using lifetime expected credit loss model:

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
At the beginning of the year	3.74	-
Provision during the year	-	3.74
Utilised/Reversed during the year	-	-
At the end of the year	-	-
	<b>3.74</b>	<b>3.74</b>

# Notes to Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

## 7 Cash and cash equivalents

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Balances with banks:		
- On current accounts	3,913.68	1,589.99
Cash in hand	11.81	15.53
Fixed deposits having maturity of less than 3 months	2,430.89	13,484.98
	<b>6,360.78</b>	<b>15,090.50</b>

## 8 Other bank balances

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
<b>Balances with banks</b>		
- Earmarked balances for unclaimed dividend	4.40	4.42
Fixed deposits having maturity of more than 3 months and less than 12 months	-	184.41
	<b>4.40</b>	<b>188.83</b>

## 9 Other financial assets

Particulars	Non current portion		Current portion	
	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
<b>(Unsecured, considered good)</b>				
Security deposits	316.99	145.30	-	-
Interest accrued - others	-	-	5.12	51.29
Advances given to partners (repayable on demand)	3,369.46	3,369.46	-	-
Advance for land, recoverable in cash	-	-	13,651.84	2,609.01
Bank deposits *	140.22	438.16	-	-
Others	3.53	42.43	64.41	217.83
	<b>3,830.20</b>	<b>3,995.34</b>	<b>13,721.37</b>	<b>2,878.13</b>

\* Non-current bank deposits consists of deposits which are lien as a stipulation of sanction for various loans.

## 10 Inventories (At lower of cost and net realisable value)

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Construction work-in-progress	93,629.31	72,463.68
Unsold developed plots of land and units	1,473.90	3,676.89
Construction materials	599.97	487.94
	<b>95,703.18</b>	<b>76,628.51</b>

# Notes to Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

## 11 Other assets

Particulars	Non current portion		Current portion	
	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
<b>(Unsecured, considered good)</b>				
Prepaid expenses	7.29	64.84	429.03	97.14
Advances to suppliers	272.07	680.23	1,125.43	1,345.99
Balance with government authorities	207.44	225.27	847.25	624.74
Advance for land (refer note below)	1,002.13	256.68	2,205.00	-
Advance to Land managing partners	-	-	4,819.69	2,344.91
Others advances	622.49	8.93	650.10	223.07
	<b>2,111.42</b>	<b>1,235.95</b>	<b>10,076.50</b>	<b>4,635.86</b>

Note :

- (i) Advance for land though unsecured, are considered good as the advances have been given based on arrangement/memorandum of understanding executed by the group and the group/seller/intermediary is in the course of obtaining clear and marketable title, free from all encumbrances, including for certain properties under litigation.
- (ii) Balance with government authorities includes amounts paid under protest Rs. 207.19 lacs (31<sup>st</sup> March, 2022 : Rs. 207.19 lacs)

## 12 Equity share capital

Particulars - Equity Share Capital	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
<b>(a) Authorised</b>		
5,00,00,000 (31 <sup>st</sup> March, 2022 : 5,00,00,000) equity shares of Rs. 10/- each (P.Y. Rs. 10/-)	5,000.00	5,000.00
<b>(b) Issued, subscribed and fully paid-up</b>		
4,53,11,979 (31 <sup>st</sup> March, 2022 : 4,24,61,979) equity shares of Rs. 10/- each (P.Y. Rs. 10/-)	4,531.20	4,246.20

### (c) Reconciliation of shares outstanding at the beginning and at the end of the reporting year

Particulars	31 <sup>st</sup> March, 2023		31 <sup>st</sup> March, 2022	
	No. of shares	Amount	No. of shares	Amount
<b>Outstanding at beginning of the year</b>	42,461,979	4,246.20	35,553,550	3,555.36
Add :				
Issued on exercise of share options under ESOS / ESOP	-	-	53,729	5.37
Shares issued pursuant to preferential issue	-	-	6,854,700	685.47
Shares issued pursuant to preferential share warrants	2,850,000.00	285.00	-	-
<b>Outstanding at end of the year</b>	<b>45,311,979</b>	<b>4,531.20</b>	<b>42,461,979</b>	<b>4,246.20</b>

- (d) During the year ended 31<sup>st</sup> March, 2023, the group has allotted equity shares of Rs. 10 each pursuant to conversion of warrants to 28,50,000 equity shares (31<sup>st</sup> March, 2022: Nil) to Kausalya Realserve LLP. During the year ended 31<sup>st</sup> March, 2022, the group had allotted equity shares of Rs. 10 each on preferential issue and private placement basis of 40,32,200 equity shares to HDFC Capital Affordable Real Estate Fund-1, 16,00,000 equity shares to Aura Business Ventures LLP and 12,22,500 equity shares to Aura Merchandise Private Limited in accordance with provisions of the Companies Act, 2013 read with rules made there under and other applicable laws for the time being in force.

# Notes to Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

**(e) Terms / rights attached to the equity shares**

The parent company has only one class of shares referred to as equity shares having a par value of ₹10/-. Each holder of equity shares is entitled to one vote per share. The parent Company declares and pays dividend in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General meeting.

In the event of liquidation of the parent company, the holders of the equity shares will be entitled to receive any of the remaining assets of the parent company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by shareholders.

**(f)** During the year ended 31<sup>st</sup> March, 2023 the group has allotted NIL (31<sup>st</sup> March, 2022 : 53,729) equity shares of Rs. 10/- each to the eligible employee's pursuant to the exercise of stock options granted to them under Employees Stock Option Scheme - 2013 (AIL ESOP 2013) for shares reserved for issue under ESOP scheme

**(g)** For details of shares reserved for issue under the share based payment plan of the group, please refer note 31.

**(h) Number of shares held by holding company and holding more than 5% shares in the parent**

Name of the shareholder	31 <sup>st</sup> March, 2023			31 <sup>st</sup> March, 2022		
	No. of shares	Rs. in Lacs	% Holding	No. of shares	Rs. in Lacs	% Holding
<b>Equity shares of Rs. 10 each fully paid</b>						
Aura Securities Private Limited	18,712,646	1,871.26	41.30%	18,712,646	1,871.26	44.07%
HDFC Capital Affordable Real Estate Fund - 1	4,032,200	403.22	8.90%	4,032,200	403.22	9.50%
Kausalya Realserve LLP	2,850,000	285.00	6.29%	-	-	-
Ketankumar Ratilal Patel	2,265,101	226.51	5.00%	2,265,101	226.51	5.33%

As per records of the parent company, including its register of shareholders / Members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

**(i) Details of shares held by promoters**

As at 31<sup>st</sup> March, 2023

Class of Shares	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares*	% change during the year
Equity shares of Rs. 10 each fully paid	Aura Securities Private Limited	18,712,646	-	18,712,646	41.30%	0%
	Sanjaybhai Shrenikbhai Lalbhai	200,155	-	200,155	0.44%	0%
	Jayshreeben Sanjaybhai Lalbhai	33	-	33	0.00%	0%
	Punit Sanjaybhai	371	-	371	0.00%	0%
<b>Total</b>		<b>18,913,205</b>	<b>-</b>	<b>18,913,205</b>	<b>41.74%</b>	



# Notes to Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

As at 31<sup>st</sup> March, 2022

Class of Shares	Promoter Name	No. of shares at the beginning of the year	Change during the year	No. of shares at the end of the year	% of Total Shares*	% change during the year
Equity shares of Rs. 10 each fully paid	Aura Securities Private Limited	18,712,646	-	18,712,646	44.07%	0%
	Sanjaybhai Shrenikbhai Lalbhai	200,155	-	200,155	0.47%	0%
	Jayshreeben Sanjaybhai Lalbhai	33	-	33	0.00%	0%
	Punit Sanjaybhai	371	-	371	0.00%	0%
<b>Total</b>		<b>18,913,205</b>	<b>-</b>	<b>18,913,205</b>	<b>44.54%</b>	

\* Disclosed as rounded to two decimals

## 13 Other equity

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
<b>(a) Securities Premium</b>		
Balance at the beginning of the year	25,242.86	17,405.29
Add : Receipt against Issue of equity shares pursuant to exercise of preferential issue / conversion of warrants	2,622.00	7,831.15
Add : Transferred to securities premium on exercise of stock options	-	6.42
<b>Balance at the end of the year</b>	<b>27,864.86</b>	<b>25,242.86</b>
<b>(b) Share Based Payment Reserve</b>		
Balance at the beginning of the year	1.10	6.42
Add : Compensation expense for options granted during the year	123.77	1.10
Less : Transferred to securities premium on exercise of stock options	-	(6.42)
<b>Balance at the end of the year</b>	<b>124.87</b>	<b>1.10</b>
<b>(c) Surplus in the consolidated statement of profit and loss</b>		
Balance at the beginning of the year	11,264.96	8,759.13
Add: Profit for the year	2,560.75	2,505.83
Add: Acquisition of non controlling interest	304.00	-
<b>Balance at the end of the year</b>	<b>14,129.71</b>	<b>11,264.96</b>
<b>(d) Other comprehensive income reserve</b>		
Balance at the beginning of the year	(30.82)	(31.96)
Add: Movement in OCI during the year (net)	(17.01)	1.14
<b>Balance at the end of the year</b>	<b>(47.83)</b>	<b>(30.82)</b>
<b>(e) Capital Reserve (arising on consolidation)</b>		
Balance at the beginning of the year	38.36	38.36
<b>Balance at the end of the year</b>	<b>38.36</b>	<b>38.36</b>
<b>(f) Equity Component of Compound Financial Instrument</b>		
Balance at the beginning of the year	2,418.43	1,402.72
Add: Movement in OCI (Net) during the year	(2,418.43)	1,015.71
<b>Balance at the end of the year</b>	<b>-</b>	<b>2,418.43</b>
	<b>42,109.97</b>	<b>38,934.89</b>

# Notes to Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

## Securities premium

Securities premium reserve is used to record the premium on issue of shares. The reserve can be utilised only for limited purposes such as issuance of bonus shares in accordance with the provisions of the Companies Act, 2013.

## Share based payment reserve

The share options based payment reserve is used to recognise the grant date fair value of options issued to employees under Employee stock option plan.

## Capital Reserve

Capital reserve on consolidation represents excess of fair value of net assets acquired over consideration paid.

## Proposed dividends on Equity shares

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Proposed dividend for the year ended on 31 <sup>st</sup> March, 2023: Rs. 3.30 per share (31 <sup>st</sup> March, 2022: Nil) (refer note below)	1495.30	-

### Note:

The Board of Directors recommended a final dividend of Rs.1.65/- per equity share and one- time special dividend of Rs.1.65/- per equity share, totalling to a dividend of Rs.3.3/- per equity share of face value of Rs 10 each , for the financial year ended March 31, 2023.

Proposed dividends on equity shares are subject to approval at the annual general meeting and are not recognised as a liability as at 31 March.

## 14 Borrowings (at amortised cost)

Particulars	Effective Rate of Interest	Maturity	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
<b>Non-current borrowings</b>				
Line of credit facility from NBFC (Secured)			-	23.17
Vehicle loans from banks (Secured)	7% - 9%	2022-2027	226.89	173.70
Term loans (Secured)	9.35% - 11%	2025-2027	5,034.60	-
Debentures (refer note 5 below)	3% / 9% Coupon	2030 -2036	9,239.36	2,819.95
<b>Total</b>			<b>14,500.84</b>	<b>3,016.82</b>
Less : Current maturities of long term borrowings clubbed under other financial liabilities (Refer note 1 & 4)			(230.09)	(50.05)
<b>Total</b>			<b>14,270.75</b>	<b>2,966.77</b>
<b>Current borrowings</b>				
Current maturities of long term borrowings			230.09	50.05
<b>Total</b>			<b>230.09</b>	<b>50.05</b>

### Nature of Securities on above Loans:

- Term loan taken and outstanding of Rs. 4,095.98 lacs (31<sup>st</sup> March, 2022 : Rs. NIL) and overdraft facility from ICICI Bank Limited is secured by first mortgage of unsold units of project "Arvind Aavishkaar" and "Arvind Oasis" together with hypothecation of receivables from the same projects.
- Term loan taken and outstanding of Rs. 1,000 lacs (31<sup>st</sup> March, 2022 : Rs. NIL) is secured by way of mortgage of NA land at project Uplands township situated at Nasmed village, Gandhinagar owned by Ahmedabad East Infrastructure LLP (Subsidiary Company).

# Notes to Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

3. The line of credit facility amounting to Rs. NIL (31<sup>st</sup> March, 2022 : Rs. 23.17 lacs) from HDFC Limited is secured by first mortgage of unsold units of project “Arvind Aavishkaar” together with hypothecation of receivables from the same project.
4. Vehicle loans amounting to Rs. 226.89 lacs (31<sup>st</sup> March, 2022 : Rs. 173.70 lacs) are secured by respective vehicles.
- 5 a. 3% redeemable unsecured optionally convertible debentures - 5000 (31<sup>st</sup> March, 2022 : 5000) having face value of Rs. 76,062 (31<sup>st</sup> March, 2022 : Rs. 1,00,000) - Rs. 3803.1 lacs (31<sup>st</sup> March, 2022 : Rs. 5000 lacs) having maturity period of 15 years.
- 5 b. 9% redeemable optionally convertible debentures - 4200 (31<sup>st</sup> March, 2022 : NIL) having face value of Rs. 1,00,000 (31<sup>st</sup> March, 2022 : NIL) - Rs. 4200 lacs (31<sup>st</sup> March, 2022 : NIL) .These debentures are secured against land property, Inventory and receivables having maturity period of 8 years extendable to 10 years.
- 5 c. 3% redeemable optionally convertible debentures - 1000 (31<sup>st</sup> March, 2022 : NIL) having face value of Rs. 1,00,000 (31<sup>st</sup> March, 2022 : NIL) - Rs. 1000 lacs (31<sup>st</sup> March, 2022 : NIL) .These debentures are secured against land property, Inventory and receivables having maturity period of 8 years extendable to 10 years

## Terms of Repayment of Loans

### Secured Loan

#### Line of Credit Facility

HDFC Limited Line of credit facility of Rs. NIL (31<sup>st</sup> March, 2022 : Rs. 23.17 Lacs) repaid fully by the end of May 2022.

#### Overdraft Facility

ICICI Bank Limited During the year 31<sup>st</sup> March, 2023, Group has borrowed Rs. 1,500 lacs overdraft facility with a tenure of 32 months (including moratorium of 8 months ending on May 2023).

#### Vehicle Loan

HDFC Bank Limited and ICICI Bank Limited Loan is repayable in monthly instalments on varied dates as mentioned above.

#### Term Loan

ICICI Bank Limited During the year 31<sup>st</sup> March, 2023, Group has borrowed Rs. 8,500 lacs with a tenure of 32 months (including moratorium of 8 months ending on May 2023). Outstanding loan of Rs. 4,095.98 lacs (31<sup>st</sup> March, 2022 : Rs. NIL) to be repaid in 24 monthly installments commencing from 15 May 2023.

TATA capital financial services limited Loan of Rs. 1,000 lacs (31<sup>st</sup> March, 2022 : Rs. NIL) with a tenure of 48 months (including moratorium of 15 months)

## 15 Trade payables

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Total outstanding dues of micro and small enterprise	99.43	156.09
Total outstanding dues of creditors other than micro and small enterprise		
For goods and services	4,326.74	4,656.80
For land	1,567.24	915.52
	<b>5,993.41</b>	<b>5,728.41</b>
Trade payables	5,893.69	5,649.62
Trade payables to related parties (Refer Note 39)	99.72	78.79
	<b>5,993.41</b>	<b>5,728.41</b>

# Notes to Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

## Note 1 : Trade payables Ageing Schedule

As at 31<sup>st</sup> March, 2023

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Total outstanding dues of micro enterprises and small enterprises (MSME)	99.43	-	-	-	99.43
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises (Others)	4,010.05	619.66	223.03	1,041.24	5,893.98
(iii) Disputed dues of micro enterprises and small enterprises (MSME)	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises (Others)	-	-	-	-	-
	<b>4,109.48</b>	<b>619.66</b>	<b>223.03</b>	<b>1,041.24</b>	<b>5,993.41</b>

As at 31<sup>st</sup> March, 2022

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
(i) Total outstanding dues of micro enterprises and small enterprises (MSME)	156.09	-	-	-	156.09
(ii) Total outstanding dues of creditors other than micro enterprises and small enterprises (Others)	3,822.71	357.19	766.38	626.04	5,572.32
(iii) Disputed dues of micro enterprises and small enterprises (MSME)	-	-	-	-	-
(iv) Disputed dues of creditors other than micro enterprises and small enterprises (Others)	-	-	-	-	-
	<b>3,978.80</b>	<b>357.19</b>	<b>766.38</b>	<b>626.04</b>	<b>5,728.41</b>

# Notes to Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

## Note 2: Detail of transactions with Struck off companies

Name of the party	Nature of Transactions	Transactions during the year ended 31 <sup>st</sup> March, 2023	Balance Outstanding as at 31 <sup>st</sup> March, 2023	Relationship with the struck off company
KRISHNA MARKETING	Payable	4.24	2.14	-
LINTAS INDIA PVT. LTD.	Payable	(4.72)	-	-
OMICRON MARKETING	Payable	*	*	-
PATEL TRADERS	Payable	*	*	-
SETU INFRASTRUCTURE	Payable	*	*	-
SHYAM TRADERS	Payable	-	-	-
R J ASSOCIATES	Payable	*	*	-
SM CONSTRUCTION	Payable	*	*	-
Sagar Fabrication	Payable	-	*	-
RUDRA ENTERPRISE	Payable	-	*	-
PRATHAM AGENCIES	Payable	-	-	-
MURLIDHAR ENGINEERING	Payable	*	*	-
KHODIYAR CONSTRUCTION	Payable	-	-	-
J K ASSOCIATES	Payable	(1.41)	-	-

Nature of Struck off Company	Nature of Transactions	Transactions during the year ended 31 <sup>st</sup> March, 2022	Balance Outstanding as at 31 <sup>st</sup> March, 2022	Relationship with the struck off company
KRISHNA MARKETING	Payable	6.38	6.38	-
LINTAS INDIA PVT. LTD.	Payable	4.32	4.72	-
OMICRON MARKETING	Payable	*	*	-
PATEL TRADERS	Payable	*	*	-
SETU INFRASTRUCTURE	Payable	*	*	-
SHYAM TRADERS	Payable	-	*	-
R J ASSOCIATES	Payable	*	*	-
SM CONSTRUCTION	Payable	*	*	-
Sagar Fabrication	Payable	-	*	-
RUDRA ENTERPRISE	Payable	-	*	-
PRATHAM AGENCIES	Payable	-	*	-
MURLIDHAR ENGINEERING	Payable	*	*	-
KHODIYAR CONSTRUCTION	Payable	-	*	-
J K ASSOCIATES	Payable	*	1.41	-

\* Amount less than Rs. 1 lacs



# Notes to Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

**Note 3:** Trade payables for goods and services are non-interest bearing and are normally settled on 30 to 90 days terms

**Note 4:** Based on information and records available with Group, details of suppliers who are registered as micro, small or medium enterprise under "The Micro, Small and Medium Enterprise Development Act, 2006" (Act) till 31<sup>st</sup> March, 2023 is as mentioned below. This has been relied upon by the auditors.

Particulars	As at 31 <sup>st</sup> March, 2023	As at 31 <sup>st</sup> March, 2022
Principal amount remaining unpaid to any supplier as at the year end	99.43	156.09
Interest due thereon	-	-
Amount of interest paid in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-
Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under the MSMED.	-	-
Amount of interest accrued and remaining unpaid at the end of the accounting year.	-	-
Amount of further interest remaining due and payable even in succeeding years.	-	-

**Note 5:** Refer Note 35 for group's credit risk management process.

## 16 Other current financial liabilities

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Interest accrued but not due on borrowings	343.12	-
Unclaimed dividend	4.40	4.42
Employee benefits expense payable	311.71	346.63
Advances against capital contribution	919.65	774.67
	<b>1,578.88</b>	<b>1,125.72</b>

## 17 Provisions

Particulars	Non current portion		Current portion	
	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
<b>Provision for employee benefits</b>				
Provision for gratuity (Refer Note 30)	174.60	142.67	43.01	33.99
Provision for leave encashment	96.40	89.93	26.97	25.65
	<b>271.00</b>	<b>232.60</b>	<b>69.98</b>	<b>59.64</b>

## 18 Other current liabilities

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Advances from customers (Refer Note 40 - contract liabilities)	77,789.16	53,018.03
Statutory dues	989.84	1,140.63
Other payables	41.72	1.90
	<b>78,820.72</b>	<b>54,160.56</b>

# Notes to Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

## 19 Revenue from operations

Particulars	For the year 2022-23	For the year 2021-22
<b>Revenue from contracts with customers (Refer note 40)</b>		
Commercial and residential units	24,576.14	24,433.84
<b>Other operating revenue</b>		
Plot cancellation and transfer fees	49.33	63.93
Project consultancy income	733.27	969.33
Maintenance Income	142.36	141.98
Others	90.58	75.33
	<b>25,591.68</b>	<b>25,684.41</b>

## 20 Other income

Particulars	For the year 2022-23	For the year 2021-22
Interest income from loans	455.71	402.88
Interest on bank deposits	82.60	191.42
Income from Investment in mutual funds	123.38	-
Others	71.67	163.51
	<b>733.36</b>	<b>757.81</b>

## 21 Cost of construction materials and components consumed

Particulars	For the year 2022-23	For the year 2021-22
<b>Inventory at the beginning of the year</b>	487.94	264.57
Add : Purchases	1,813.60	2,453.13
Less : Inventory at the end of the year	(599.97)	(487.94)
<b>Cost of construction materials and components consumed</b>	<b>1,701.57</b>	<b>2,229.76</b>

## 22 Changes in inventories

Particulars	For the year 2022-23	For the year 2021-22
<b>Closing Stock</b>		
Unsold developed plots of land and units	1,473.90	3,676.89
Construction work-in-progress	93,629.31	72,463.70
	<b>95,103.21</b>	<b>76,140.59</b>
<b>Opening Stock</b>		
Unsold developed plots of land and units	3,676.89	6,989.48
Construction work-in-progress	72,463.70	62,177.39
	<b>76,140.59</b>	<b>69,166.87</b>
Less : Transfer to Property, Plant and Equipment	-	(158.33)
<b>Decrease/(Increase) in inventories</b>	<b>(18,962.62)</b>	<b>(7,132.05)</b>

## 23 Employee benefit expenses

Particulars	For the year 2022-23	For the year 2021-22
Salaries, allowances and bonus	3,295.66	2,545.35
Contribution to provident and other funds (Refer Note 30)	137.66	100.30
Employee stock option expenses/ charge (Refer note 31)	123.77	1.10
Gratuity (Refer Note 30)	37.80	32.70
Staff welfare expenses	87.02	44.25
	<b>3,681.91</b>	<b>2,723.69</b>

# Notes to Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

## 24 Finance costs\*

Particulars	For the year 2022-23	For the year 2021-22
<b>Interest on</b>		
Term loan from NBFC	0.30	734.93
Line of credit facility from NBFC	416.49	355.49
Vehicle loans from banks	16.99	11.37
Unwinding Interest Cost on Compound Financial Instrument	584.84	232.84
Others	220.44	81.39
Borrowing processing cost	160.41	267.39
	<b>1,399.47</b>	<b>1,683.41</b>

\*Net of interest amounting to Rs. 584.84 lacs (P.Y.Rs 519.73 lacs) inventorised to qualifying construction work-in-progress.

## 25 Other expenses

Particulars	For the year 2022-23	For the year 2021-22
Repairs and maintenance		
Buildings	5.39	3.69
Others	34.95	24.10
Rates and taxes	282.57	864.09
Travelling expenses	120.08	64.55
Power and fuel	219.77	133.62
Advertisement	742.25	569.40
Brokerage and commission charges	443.45	328.07
Legal and professional charges	1,280.15	1,029.26
Secretarial expenses	50.88	65.84
Information Technology expenses	88.87	79.94
Auditors' remuneration (Refer note a)	30.12	27.81
Insurance charges	74.34	57.07
CSR expenses (Refer note b)	60.00	68.31
Loss on sale of property, plant and equipment	17.51	18.08
Rent (Refer note 41)	16.22	23.04
Donation	400.00	1.56
Impairment of investments	-	48.25
Partners' Remuneration	5.00	1,691.53
Printing & Stationary & Postage	21.94	-
Miscellaneous expenses	553.39	419.69
	<b>4,446.88</b>	<b>5,517.88</b>
<b>a. Payment to Auditors</b>		
Statutory audit fees	22.16	20.70
Limited review fees	6.27	5.70
Certification Fees	1.00	1.25
Out of pocket expenses	0.69	0.16
	<b>30.12</b>	<b>27.81</b>

# Notes to Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

## b(i) Details of CSR expenditure

Particulars	For the year 2022-23			For the year 2021-22		
	In cash	Yet to be paid in cash	Total	In cash	Yet to be paid in cash	Total
Gross amount required to be spent during the year	-	-	59.84	-	-	68.26
Amount spent as approved by the board during the year						
Construction/acquisition of any asset	-	-	-	-	-	-
On purposes other than above	60.00	-	60.00	68.31	-	68.31
<b>Total</b>	<b>60.00</b>	<b>-</b>	<b>60.00</b>	<b>68.31</b>	<b>-</b>	<b>68.31</b>

## b (ii). Details related to spent / unspent obligations:

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
a) Contribution to Charitable Trust, Spent by that trust	36.45	36.45
b) Direct Expenditure	23.55	31.86
c) Amount unspent	-	-
	<b>60.00</b>	<b>68.31</b>

Note 1: Nature of CSR activities undertaken by group includes Rural development projects, COVID Relief Operations , Digital literacy program for rural government school students, Strengthening the dairy practices, Strengthening the farming practices, The Scholarship to youth for higher education.

Note 2: For details of related party transactions , refer Note 39.

## 26 Income Tax

### (a) Tax expenses

The major components of income tax expenses for the years ended 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022 are :

Particulars	For the year 2022-23	For the year 2021-22
<b>Profit or loss section :</b>		
<b>Current income tax</b>		
Current tax charge	1,802.73	2,607.23
Adjustment of tax pertaining to earlier years	(104.06)	7.72
<b>Deferred tax charge</b>		
Relating to origination and reversal of temporary differences	(523.67)	(1,330.07)
<b>Income tax expense reported in the statement of profit or loss</b>	<b>1,175.00</b>	<b>1,284.88</b>
<b>OCI section :</b>		
<b>Deferred tax related to items recognised in OCI during in the year:</b>		
Net loss/(gain) on remeasurements of defined benefit plans	5.72	(0.39)
<b>Income tax effect recognised in OCI</b>	<b>5.72</b>	<b>(0.39)</b>

# Notes to Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

**(b) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022:**

Particulars	For the year 2022-23	For the year 2021-22
Accounting profit before income tax	3,957.71	3,762.02
Tax on accounting profit at statutory income tax rate 25.17% (31 <sup>st</sup> March, 2022: 25.17%)	996.16	946.90
On account of different tax rate in subsidiaries	296.52	197.54
Income/ Expenses disallowed	23.76	113.98
Adjustment of tax pertaining to earlier years	(104.06)	7.72
Others	(37.38)	18.74
<b>Tax expense at an effective tax rate of 25.17% (31<sup>st</sup> March, 2022: 25.17%)</b>	<b>1,175.00</b>	<b>1,284.88</b>

**(c) Deferred tax**

Particulars	Consolidated balance sheet		Other comprehensive income		Consolidated statement of profit and loss	
	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
<b>a) Deferred Tax Liabilities</b>						
Impact of difference between tax depreciation and depreciation charged for the financial reporting	49.17	31.89			(17.28)	0.41
<b>Gross deferred tax liabilities</b>	<b>49.17</b>	<b>31.89</b>			<b>(17.28)</b>	<b>0.41</b>
<b>b) Deferred Tax Assets</b>						
Impact of expenditure charged to the statement of profit and loss in the current year but allowed for tax purposes on payment basis	85.82	73.55	5.72	(0.39)	(6.55)	(2.98)
Income offered for tax but not recognized in the books	3,005.26	2,470.86			(534.39)	(1,326.68)
<b>Gross deferred tax assets</b>	<b>3,091.08</b>	<b>2,544.41</b>			<b>(540.94)</b>	<b>(1,329.66)</b>
<b>Deferred tax expense/(income)</b>			<b>5.72</b>	<b>(0.39)</b>	<b>(523.67)</b>	<b>(1,330.07)</b>
<b>Deferred tax assets/(liabilities)</b>	<b>3,041.91</b>	<b>2,512.52</b>				

**Reconciliation of deferred tax (liabilities)/assets (net):**

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Opening balance as at 1 <sup>st</sup> April	2,512.52	1,182.84
Deferred tax credit/(charge) during the year recognised in profit or loss	523.67	1,330.07
Deferred tax credit/(charge) during the year recognised in OCI	5.72	(0.39)
<b>Closing balance as at 31<sup>st</sup> March</b>	<b>3,041.91</b>	<b>2,512.52</b>



# Notes to Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

## 27 Earnings per share

Basic Earnings per share (EPS) amounts are calculated by dividing the profit for the year attributable to equity holders of the Holding Company by the weighted average number of equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit attributable to equity holders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	For the year 2022-23	For the year 2021-22
<b>Earnings per share (Basic and Diluted)</b>		
Profit after tax attributable to equity holders of the parent	2,560.75	2,505.83
<b>Total number of equity shares at the end of the year</b>	<b>45,311,979</b>	<b>42,461,979</b>
<b>Weighted average number of equity shares</b>		
For basic EPS	43,950,441	38,721,654
For diluted EPS	45,483,390	39,745,849
Nominal value of equity shares	10.00	10.00
Basic earnings per share	5.83	6.47
Diluted earnings per share	5.63	6.30
<b>Weighted average number of equity shares for basic EPS</b>	<b>43,950,441</b>	<b>38,721,654</b>
Effect of dilution: stock options granted under ESOP	197,955	26,802
Effect of dilution: share warrants	1,334,995	997,393
<b>Weighted average number of equity shares adjusted for the effect of dilution</b>	<b>45,483,390</b>	<b>39,745,849</b>

## 28 Commitments and Contingencies

### a. Commitments

As at 31<sup>st</sup> March, 2023 the group has given net advance of Rs. 16,858.97 lacs/- (31<sup>st</sup> March, 2022: Rs. 2,865.69 lacs) for purchase of land, under the agreements executed with the land owners. The Group is required to make further payments based on the agreed terms. As at 31<sup>st</sup> March, 2023, one of the subsidiary has Rs. 3,369.46 lacs (31<sup>st</sup> March, 2022 : Rs. 3,369.46 lacs) outstanding as interest free loan given to its Land Managing Partners.

### b. Contingent liabilities

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
<b>Disputed demands in respect of -</b>		
Income Tax (Refer note a)	576.07	528.80
Indirect Tax (TDR) (Refer note b)	207.44	207.44
Indirect Tax (VAT) (Refer note b)	42.22	42.22
Excise (Refer note c)	4.90	4.90
Service Tax (Refer note c)	6.80	6.80
Others	0.72	0.72

Notes:

- The Group has not recognized and acknowledged the claims as liability in the books of account amounting to Rs. 576.07 Lacs (31<sup>st</sup> March, 2022: Rs. 528.80 Lacs) which have been made against the Group by Department of Income Tax since such claims have been disputed and pending before the appropriate authorities for final adjudication and accordingly sub-judice. The Group has been

# Notes to Consolidated Financial Statements

## for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

advised by its tax counsel that it is only possible, but not probable, that the action will succeed. Accordingly, no provision for any liability has been made in these financial statements.

- b. The Group has not recognized and acknowledged the claims as liability in the books of account amounting to Rs. 249.66 Lacs (31<sup>st</sup> March, 2022: Rs. 249.66 Lacs) which have been made against the group by Department of Goods and service tax & Karnataka VAT, since such claims have been disputed and pending before the appropriate authorities for final adjudication and accordingly sub-judice. The claim of TDR of Rs. 207.44 lacs is paid under protest while Rs. 42.22 lacs have been paid in cash and by furnishing Bank guarantee. The Group has been advised by its legal counsel that it is only possible, but not probable, that the action will succeed. Accordingly, no provision for any liability has been made in these financial statements.
- c. The Group has not recognized and acknowledged the claims as liability in the books of account amounting to Rs. 11.70 lacs (31<sup>st</sup> March, 2022: Rs. 11.70 lacs) which have been made against the Group by Department of Central Board of Excise and Customs since such claims have been disputed and pending before the appropriate authorities for final adjudication and accordingly sub-judice. The final outcome of such lawsuits filed against the Group is not presently ascertained and accordingly no provision in respect thereof has been made in the books of account of the Group.

### 29 Segment Reporting

The Group is primarily engaged in the development of real estate comprising of residential, commercial and industrial projects. Group's performance for operation as defined in Ind AS 108 are evaluated as a whole by chief operating decision maker ('CODM') of the Group based on which development of real estate activities are considered as a single operating segment. The Group reports geographical segment which is based on the areas in which major operating divisions of the Group operate and the entire operations are based only in India and hence no further disclosures are made in this regards. During the year 2021-22 and 2022-23, no single external customer has generated revenue of 10% or more of the Group's total revenue.

### 30 Disclosure pursuant to employee benefits

#### A. Defined contribution plans : Provident fund and employee state insurance

The group makes contribution towards employees' provident fund and employees' state insurance plan scheme. Under the rules of these schemes, the group is required to contribute a specified percentage of payroll costs. The group during the year recognized Rs. 137.66 lacs (31<sup>st</sup> March, 2022 : Rs. 100.30 lacs) as expense towards contributions to these plans. The group does not have any further obligation in this regards.

#### B. Defined benefit plans

##### (a) Gratuity

The Group provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of 5 years are eligible for gratuity. The amount of gratuity payable on retirement / termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied for the number of years of service. The gratuity plan is a non funded plan.

# Notes to Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

## 31<sup>st</sup> March, 2023 : Changes in defined benefit obligation

Particulars	1 <sup>st</sup> April, 2022		Gratuity cost charged to statement of profit and loss		Benefit paid	Remeasurement (gains)/losses in other comprehensive income			Contributions by employer	31 <sup>st</sup> March, 2023
	Service cost	Net interest expense	Sub-total included in statement of profit and loss	Return on plan assets (excluding amounts included in net interest expense)		Actuarial changes arising from demographic assumptions	Actuarial changes arising from financial assumptions	Experience adjustments		
<b>Gratuity</b>										
Defined benefit obligation	176.66	26.47	11.32	37.80	(19.58)	-	(9.19)	31.92	22.73	- 217.60
<b>Benefit liability</b>	<b>176.66</b>	<b>26.47</b>	<b>11.32</b>	<b>37.80</b>	<b>(19.58)</b>	<b>-</b>	<b>(9.19)</b>	<b>31.92</b>	<b>22.73</b>	<b>- 217.60</b>

## 31<sup>st</sup> March, 2022 : Changes in defined benefit obligation

Particulars	1 <sup>st</sup> April, 2021		Gratuity cost charged to statement of profit and loss		Benefit paid	Remeasurement (gains)/losses in other comprehensive income			Contributions by employer	31 <sup>st</sup> March, 2022
	Service cost	Net interest expense	Sub-total included in statement of profit and loss	Return on plan assets (excluding amounts included in net interest expense)		Actuarial changes arising from demographic assumptions	Actuarial changes arising from financial assumptions	Experience adjustments		
<b>Gratuity</b>										
Defined benefit obligation	158.97	23.07	9.63	32.70	(13.48)	-	(2.67)	1.13	(1.53)	- 176.66
<b>Benefit liability</b>	<b>158.97</b>	<b>23.07</b>	<b>9.63</b>	<b>32.70</b>	<b>(13.48)</b>	<b>-</b>	<b>(2.67)</b>	<b>1.13</b>	<b>(1.53)</b>	<b>- 176.66</b>

# Notes to Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

The principal assumptions used in determining above defined benefit obligations for the Group's plans are shown below:

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Discount rate	7.39%	6.41%
Future salary increase	7.00%	7.00%
Attrition rate	15%	15%
Mortality rate during employment	Indian Assured Lives Mortality 2012-14 (Urban)	Indian Assured Lives Mortality (2012-14)

A quantitative sensitivity analysis for significant assumption is as shown below:

## Gratuity

Particulars	Sensitivity level	Increase / (Decrease) in defined benefit obligation (Impact)	
		31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
<b>Gratuity</b>			
Discount rate	1% increase	(8.58)	(7.18)
	1% decrease	9.38	7.88
Salary increase	1% increase	9.33	7.76
	1% decrease	(8.69)	(7.20)
Attrition rate	1% increase	(0.81)	(0.91)
	1% decrease	0.82	0.94

The following are the expected future benefit payments for the defined benefit plan :

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
<b>Gratuity</b>		
Within the next 12 months (next annual reporting period)	43.01	33.99
2 to 5 years	97.84	80.62
5 to 10 years	113.57	80.86
Beyond 10 years	60.88	49.21
<b>Total expected payments</b>	<b>315.30</b>	<b>244.69</b>

## Weighted average duration of defined plan obligation (based on discounted cash flows)

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Gratuity	5	6

## 31 Share-based payments

The Group provides share-based payment schemes to its employees. During the year ended 31<sup>st</sup> March, 2023, an employee stock option plan (ESOP) was in existence. The relevant details of the scheme and the grant are as below:

### Employee Stock Option (ESOP) Scheme (2016)

The parent company instituted an Employees Stock Option Scheme ('ESOP 2016') pursuant to the approval of the shareholders of the parent company at their Annual General Meeting held on 23<sup>rd</sup> September, 2016.

- In earlier years, the parent company granted 4,50,000 options comprising equal number of equity shares in one or more tranches to the eligible employees of the company. The options under this grant

# Notes to Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

would vest to the employees with 40% i.e. 1,80,000 ESOPs within 2 years and rest within 3 years, with an exercise period of maximum five years from the date of respective vesting. As per the plan, holders of vested options are entitled to purchase one equity shares for every option at an exercise price of Rs. 194.05.

- b) In earlier years, the parent company granted 3,70,000 options under ESOP 2016 scheme, comprising equal number of equity shares in one or more tranches to the eligible employees of the group. As per the plan, holders of vested options are entitled to purchase one equity shares for every option at an exercise price of Rs. 158.30.

The aggregated options under ESOP 2016 scheme as on 31<sup>st</sup> March, 2023 is 8,20,000 that would vest to the employees over a minimum period of 1 year and maximum 5 years based on continued service and certain performance parameters, with an exercise period of maximum five years from the date of respective vesting.

## Employee Stock Option (ESOP) Scheme (2013)

The parent company instituted an Employees Stock Option Scheme ('ESOP 2013') pursuant to the approval of the shareholders of the parent company at their Extraordinary General Meeting held on March 8, 2013. As per ESOP 2013, the parent company granted 10,32,972 options comprising equal number of equity shares in one or more tranches to the eligible employees of the parent company. The options under this grant would vest to the employees over a minimum period of 1 year and maximum 5 years based on continued service and certain performance parameters, with an exercise period of maximum five years from the date of respective vesting. As per the plan, holders of vested options are entitled to purchase one equity shares for every option at an exercise price of Rs. 41.25. There were no grants made during the year. All the remaining grant ESOPs have been exercised during the year, 31<sup>st</sup> March, 2022 and no ESOPs are outstanding under ESOP 2013 scheme as on 31<sup>st</sup> March, 2023.

Expense recognised for employee services received during the year is shown in the following table:

Particulars	For the year 2022-23	For the year 2021-22
Expense arising from equity-settled share-based payment transactions	123.77	1.10
<b>Total</b>	<b>123.77</b>	<b>1.10</b>

\* There were no cancellations or modifications to the plan during the year ended 31<sup>st</sup> March, 2023 or 31<sup>st</sup> March, 2022.

## Movement during the year:

The following table illustrates the number and weighted average exercise price of share options during the year:

Particulars	For the year 2022-23		For the year 2021-22		
	ESOP Scheme 2016 (Tranch-1)	ESOP Scheme 2016 (Tranch-2)	ESOP Scheme 2013	ESOP Scheme 2016 (Tranch-1)	ESOP Scheme 2016 (Tranch-2)
<b>Options</b>					
Outstanding at the beginning of the year	370,000	450,000	53,729	370,000	-
Granted during the year	-	-	-	-	450,000
Exercised during the year	-	-	53,729	-	-
Outstanding at the end of the year	370,000	450,000	-	370,000	450,000
Exercisable at the end of the year	185,000	-	-	185,000	-
weighted average share price at the exercise date	-	-	195.69	-	-
weighted average remaining contractual life (In years)	4.39	7.99	-	5.39	8.99

The fair value of the share options is estimated at the grant date using Binomial Model taking into account the terms and conditions upon which the share options are granted and there are no cash settled alternatives for employees.

# Notes to Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

## 32 Fair value disclosures for financial assets and financial liabilities

Below is a comparison, by class, of the carrying amounts and fair value of the Group's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

Particulars	Carrying amount		Fair value	
	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
<b>Financial assets measured at amortised cost</b>				
Investments (Refer Note 4 and 5)	8,349.05	27.09	8,349.05	27.09
Trade Receivables (Refer Note 6)	271.29	106.14	271.29	106.14
Other financial assets (Refer Note 9)	17,551.58	6,873.47	17,551.58	6,873.47
Cash and cash equivalents (Refer Note 7)	6,360.78	15,090.50	6,360.78	15,090.50
Other bank balances (Refer Note 8)	4.40	188.83	4.40	188.83
<b>Total</b>	<b>32,537.10</b>	<b>22,286.03</b>	<b>32,537.10</b>	<b>22,286.03</b>
<b>Financial liabilities measured at amortised cost</b>				
Borrowings (Refer Note 14)	14,500.84	3,016.82	14,500.84	3,016.82
Trade payables (Refer Note 15)	5,993.41	5,728.41	5,993.41	5,728.41
Other financial liabilities (Refer Note 16)	1,578.88	1,125.72	1,578.88	1,125.72
<b>Total</b>	<b>22,073.13</b>	<b>9,870.95</b>	<b>22,073.13</b>	<b>9,870.95</b>

The management assessed that the fair values of financial assets and financial liabilities approximate their carrying amounts due to the short-term maturities.

## 33 Fair value measurement hierarchy

The details of fair value measurement hierarchy of Group's financial assets/liabilities are as below:

Particulars	Level	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
<b>Assets disclosed at fair value</b>			
Investments (Refer Note 4 and 5)	Level - 2	8,349.05	27.09
Trade Receivables (Refer Note 6)	Level - 2	271.29	106.14
Other financial assets (Refer Note 9)	Level - 2	17,551.58	6,873.47
Cash and cash equivalents (Refer Note 7)	Level - 2	6,360.78	15,090.50
Other bank balances (Refer Note 8)	Level - 2	4.40	188.83
<b>Liabilities disclosed at fair value</b>			
Borrowings (Refer Note 14)	Level - 2	14,500.84	3,016.82
Trade payables (Refer Note 15)	Level - 2	5,993.41	5,728.41
Other financial liabilities (Refer Note 16)	Level - 2	1,578.88	1,125.72

There have been no transfers between Level 1 and Level 2 during the period.

## 34 Capital management

The Group's policy is to maintain a strong capital base so as to maintain investor, creditor and market confidence and to sustain future development of the business. The Board of Directors of the Group seek to maintain a balance between the higher returns that might be possible with higher level of borrowings and advantages of a sound capital position.

The Group monitors capital using a net debt to equity ratio, which is as follows:

1. Equity includes equity share capital and all other equity components attributable to the equity holders.



# Notes to Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

2. Net debt includes borrowings (non-current and current) less cash and cash equivalents

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Borrowings	14,500.84	3,016.82
Less: Cash and cash equivalents	6,360.78	15,090.50
<b>Net Debt (A)</b>	<b>8,140.07</b>	<b>(12,073.67)</b>
Equity share capital	4,531.20	4,246.20
Other equity	42,109.97	38,934.89
Money received against share warrants	-	726.75
<b>Total Equity (B)</b>	<b>46,641.17</b>	<b>43,907.84</b>
<b>Gearing Ratio (C=A/B)</b>	<b>0.17</b>	<b>NA</b>

No changes were made in the objectives, policies or processes for managing capital during the current and previous years.

## 35 Financial risk management objectives and policies

The Group's principal financial liabilities, comprise borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Group's operations. The Group's principal financial assets include loans, Investments, trade and other receivables and cash and cash equivalents that are derived directly from its operations.

The Group is exposed to market risk, credit risk and liquidity risk. The Group's management oversees the management of these risks and ensures that the Group's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Group's policies and risk objectives.

### 1. Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and other price risk, such as commodity/ real-estate risk.

The sensitivity analysis in the following sections relate to the position as at 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022. The sensitivity analysis has been prepared on the basis that the amount of net debt and the ratio of fixed to floating interest rates of the debt. The analysis excludes the impact of movements in market variables on the carrying values of gratuity and other post retirement obligations/provisions.

The below assumption has been made in calculating the sensitivity analysis:

The sensitivity of the relevant profit or loss item is the effect of the assumed changes in respective market risks. This is based on the financial assets and financial liabilities held at 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022.

Interest rate risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in Interest rate. The Group's exposure to the risk of changes in Interest rates relates primarily to the Group's operating activities (when receivables or payables are subject to different interest rates) and the Group's net receivables or payables.

The Group is affected by the price volatility of certain commodities/ real estate. Its operating activities require the ongoing development of real estate. The Group's management has developed and enacted a risk management strategy regarding commodity/ real estate price risk and its mitigation. The Group is subject to the price risk variables, which are expected to vary in line with the prevailing market conditions.

#### Interest rate sensitivity

The following tables demonstrate the sensitivity to a reasonably possible change in interest rates, with all other variables held constant for variable rate instruments. This calculation also assumes that the change occurs at the balance sheet date and has been calculated based on risk exposures outstanding

# Notes to Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

as at that date. The year end balances are not necessarily representative of the average debt outstanding during the year.

Particulars	Changes in interest rate	Effect of profit before tax
<b>31<sup>st</sup> March, 2023</b>	+1%	(52.61)
	-1%	52.61
<b>31<sup>st</sup> March, 2022</b>	+1%	(1.97)
	-1%	1.97

## 2. Credit Risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The carrying amount of following financial assets represents the maximum credit exposure.

### Trade receivables

**Receivables resulting from sale of properties:** Customer credit risk is managed by requiring customers to pay advances before transfer of ownership. therefore, substantially eliminating the group's credit risk in this respect.

The ageing of trade receivables (net) is as follows:

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
More than 6 months	14.17	31.23
Others	257.12	74.91
<b>Total receivables</b>	<b>271.29</b>	<b>106.14</b>

### Financial Instrument and cash deposits

Credit risk from balances with banks and financial institutions is managed by the Group's treasury department in accordance with the Group's policy. Investments of surplus funds are made only with approved counterparties and within credit limits assigned to each counterparty. Counterparty credit limits are reviewed by the Group's Board of Directors on an annual basis. The limits are set to minimise the concentration of risks and therefore mitigate financial loss through a counterparty's potential failure to make payments. The Group's maximum exposure to credit risk for the components of the statement of financial position at 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022 is the carrying amounts.

## 3. Liquidity Risk

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group's reputation.

The table below summarises the remaining contractual maturities of the Group's financial liabilities at the reporting date.

### Year ended 31<sup>st</sup> March, 2023

Class of Shares	On demand	Less than 3 months	3 months to 1 year	1 year to 5 years	Total
Borrowings*	-	13.64	216.44	14,270.76	14,500.84
Trade payables	-	5,993.41	-	-	5,993.41
Other financial liabilities	924.05	311.71	-	-	1,235.76
	<b>924.05</b>	<b>6318.76</b>	<b>216.44</b>	<b>14270.76</b>	<b>21730.01</b>

# Notes to Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

## Year ended 31<sup>st</sup> March, 2022

Class of Shares	On demand	Less than 3 months	3 months to 1 year	1 year to 5 years	Total
Borrowings*	-	13.09	36.95	2,966.78	3,016.82
Trade payables	-	5,728.41	-	-	5,728.41
Other financial liabilities	779.09	346.63	-	-	1,125.72
	<b>779.09</b>	<b>6,088.13</b>	<b>36.95</b>	<b>2,966.78</b>	<b>9,870.95</b>

\*Includes current maturities of non-current borrowings and interest accrued but not due on borrowings

## 36 Disclosure in respect interest in joint ventures and subsidiaries

### A List of subsidiaries

Sr No.	Name of subsidiary	Country of incorporation	Percentage of holding	
			31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
<b>(i) Companies</b>				
1	Arvind Hebbal Homes Pvt. Ltd.	India	100.00%	100.00%
2	Arvind Homes Pvt. Ltd.	India	100.00%	100.00%
3	Arvind SmartHomes Pvt. Ltd.	India	100.00%	0.00%
<b>(ii) LLPs</b>				
1	ASL Facilities Management LLP	India	100%	100%
2	Uplands facilities management LLP (Formerly known as Arvind Altura LLP)	India	100%	100%
3	Changodar Industrial Infrastructure (One) LLP	India	100%	100%
4	Ahmedabad Industrial Infrastructure (One) LLP	India	100%	100%
5	Ahmedabad East Infrastructure LLP (Refer Note)	India	55.24%	51.43%
6	Arvind Five Homes LLP (Refer Note)	India	52%	52%
7	Arvind Infracon LLP	India	100%	100%
8	Arvind Beyond Five Club LLP	India	100%	100%
9	Yogita Shelters LLP	India	100.00%	99.79%
10	Arvind Smart City LLP	India	94.17%	96%
11	Arvind Infrabuild LLP	India	100.00%	0.00%
12	Thol Highlands LLP	India	100.00%	0.00%
13	Chirping woods Homes LLP	India	100.00%	0.00%

Note:

In case of LLPs, percentage of holding in the above table denotes the share of capital contribution in the LLP which is the same as the share of profit, except for following:

- Investment in Ahmedabad East Infrastructure LLP where share of profit of company is 98% during 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022
- Investment in Arvind Five Homes LLP where share of profit of company is 41% during 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022

Summarised financial information of subsidiaries having material non-controlling interests:

Management has determined that Ahmedabad East Infrastructure LLP (AEILLP) has material non controlling interests. The summarised financial information of AEILLP is provided below. This information is based on amounts before inter-company eliminations.

# Notes to Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

**a. Summarised balance sheet information:**

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Current assets	13,936.78	12,259.21
Non - current assets	9,307.48	8,989.63
Current liabilities	21,916.73	12,523.12
Non - current liabilities	54.21	-
<b>Total equity</b>	<b>1,273.32</b>	<b>8,725.72</b>
<b>Attributable to:</b>		
Equity holders of the parent	936.06	5,810.16
Non controlling interests	337.26	2,915.56

**b. Summarised statement of profit and loss information:**

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Revenue	1,441.50	5,348.60
Project development expenses	1,598.34	1,552.95
Depreciation and amortization expense	119.42	41.05
Other expense (including finance cost)	(3.14)	2,595.00
<b>Profit before tax</b>	<b>(273.13)</b>	<b>1,159.60</b>
Tax expenses	(93.81)	433.32
<b>Total comprehensive income</b>	<b>(179.32)</b>	<b>726.28</b>
<b>Attributable to:</b>		
Equity holders of the parent	(134.66)	682.70
Non controlling interests	(44.66)	43.58

**c. Summarised cash flow information:**

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Operating activities	7,374.46	1,945.25
Investing activities	(185.86)	(391.35)
Financing activities	(7,351.55)	(1,660.03)
<b>Net increase in cash and cash equivalents</b>	<b>(162.95)</b>	<b>(106.13)</b>

## B Investment in joint ventures

**List of joint ventures**

Sr No.	Name of subsidiary	Country of incorporation	Percentage of holding	
			31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
<b>LLPs</b>				
1	Arvind Bsafal Homes LLP*	India	50%	50%
2	Arvind Integrated Projects LLP	India	50%	50%

\*Profit sharing of Arvind SmartSpaces Limited in Arvind Bsafal Homes LLP is 41% during 31<sup>st</sup> March, 2023 and 31<sup>st</sup> March, 2022.

Management has determined its investments in joint ventures are individually immaterial. Aggregate information of the above joint ventures are as follows:

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Group's share in:		
Net profit/(loss)	1.33	(71.97)
Total comprehensive income	1.33	(71.97)
Aggregate carrying value of the investments (Refer Note 4)	24.62	27.09

# Notes to Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

## 37 Disclosures as per Schedule III of Companies Act, 2013

Name of the enterprise	2022-23							
	Net assets i.e. total assets minus total liabilities		Share in profit/(loss)		Share in other comprehensive income		Share in total comprehensive income	
	As % of consolidated net assets	Amount	As % of consolidated share in profit and loss	Amount	As % of consolidated share in other comprehensive income	Amount	As % of consolidated share in total comprehensive income	
<b>Parent company</b>								
Arvind SmartSpaces Limited	113%	52,885.55	149%	3,827.30	100%	(17.01)	150%	3,810.29
<b>Subsidiaries</b>								
Arvind Hebbal Homes Pvt. Ltd.	-3%	(1,205.65)	-31%	(784.34)	0%	-	-31%	(784.34)
Ahmedabad East Infrastructure LLP	3%	1,273.32	-7%	(179.32)	0%	-	-7%	(179.32)
Ahmedabad Industrial Infrastructure (One) LLP	3%	1,381.61	0%	7.94	0%	-	0%	7.94
ASL Facilities Management LLP	0%	7.20	0%	1.52	0%	-	0%	1.52
Uplands facility Management LLP	0%	16.12	0%	6.06	0%	-	0%	6.06
Arvind Beyond Five Club LLP	1%	410.75	0%	(0.94)	0%	-	0%	(0.94)
Arvind Five Homes LLP	4%	1,813.27	18%	452.17	0%	-	18%	452.17
Arvind Infracon LLP	4%	1,678.90	67%	1,711.62	0%	-	67%	1,711.62
Changodar Industrial Infrastructure (One) LLP	0%	(1.45)	0%	(10.25)	0%	-	0%	(10.25)
Yogita Shelters LLP	3%	1,503.21	-2%	(54.62)	0%	-	-2%	(54.62)
Arvind Homes Private Limited	0%	167.66	-38%	(982.91)	0%	-	-39%	(982.91)
Arvind Smart City LLP	11%	5,238.71	0%	(2.73)	0%	-	0%	(2.73)
Chirping Woods Homes LLP	-6%	(2,786.56)	-1%	(30.39)	0%	-	-1%	(30.39)
Thol Highlands LLP	0%	(0.23)	0%	(0.23)	0%	-	0%	(0.23)
Arvind Infrabuild LLP	1%	639.08	-3%	(71.92)	0%	-	-3%	(71.92)
Arvind SmartHomes Pvt. Ltd.	3%	1,612.28	-19%	(488.72)	0%	-	-19%	(488.72)
<b>Joint Ventures (investment accounted for using equity method)</b>								
Arvind Bsafal Homes LLP	0%	1.40	0%	1.40	0%	-	0%	1.40
Arvind Integrated Projects LLP	0%	(0.07)	0%	(0.07)	0%	-	0%	(0.07)
<b>Non controlling interests</b>								
Ahmedabad East Infrastructure LLP	-1%	(337.26)	2%	44.66	0%	-	2%	44.66
Yogita Shelters LLP	0%	-	0%	-	0%	-	0%	-
Arvind Five Homes LLP	-5%	(2,561.86)	-10%	(266.78)	0%	-	-10%	(266.78)
Arvind Smart City LLP	0%	0.16	0%	0.16	0%	-	0%	0.16
Intercompany elimination	-32%	(15,094.15)	-24%	(618.87)	0%	-	-24%	(618.87)
<b>Total</b>	<b>100%</b>	<b>46641.15</b>	<b>100%</b>	<b>2,560.75</b>	<b>100%</b>	<b>(17.01)</b>	<b>100%</b>	<b>2,543.74</b>

# Notes to Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

## 37 Disclosures as per Schedule III of Companies Act, 2013

Name of the enterprise	2021-22					
	Net Assets i.e. Total Assets minus Total Liabilities		Share in Profit/(loss)		Share in other comprehensive income	
	As % of Consolidated Net Assets	Amount	As % of Consolidated share in profit and loss	Amount	As % of Consolidated share in other comprehensive income	Amount
<b>Parent</b>						
Arvind SmartSpaces Limited	107%	46,771.24	156%	3,904.48	100%	1.14
<b>Subsidiaries</b>						
Arvind Hebbal Homes Pvt. Ltd.	-1%	(421.31)	-11%	(280.48)	0%	-
Ahmedabad East Infrastructure LLP	20%	8,725.72	29%	726.28	0%	-
Ahmedabad Industrial Infrastructure (One) LLP	3%	1,436.67	1%	16.29	0%	-
ASL Facilities Management LLP	0%	5.69	-1%	(12.98)	0%	-
Uplands facility Management LLP (Formerly known as Arvind Altura LLP)	0%	10.06	0%	5.42	0%	-
Arvind Beyond Five Club LLP	1%	258.70	0%	(0.93)	0%	-
Arvind Five Homes LLP	9%	4,160.53	-5%	(119.41)	0%	-
Arvind Infracon LLP	10%	4,197.40	29%	721.69	0%	-
Changodar Industrial Infrastructure (One) LLP	0%	3.80	0%	(6.34)	0%	-
Yogita Shelters LLP	4%	1,697.82	-1%	(21.88)	0%	-
Arvind Homes Private Limited	8%	3,568.97	-1%	(27.97)	0%	-
Arvind Smart City LLP	0%	0.26	0%	(5.87)	0%	-
Chirping Woods Homes LLP	-2%	(1,053.67)	-1%	(25.34)	0%	-
<b>Joint Venture (investment accounted for using equity method)</b>						
Arvind Bsaal Homes LLP	0%	(71.84)	-3%	(71.84)	0%	-
Arvind Integrated Projects LLP	0%	(0.13)	0%	(0.13)	0%	-
<b>Non controlling interests</b>						
Ahmedabad East Infrastructure LLP	-7%	(2,915.56)	-2%	(43.58)	0%	-
Yogita Shelters	0%	(2.86)	0%	-	0%	-
Arvind Five Homes LLP	-4%	(1,669.90)	3%	70.45	0%	-
Arvind Smart City LLP	2%	825.18	0%	-	0%	-
Intercompany elimination	-49%	(21,618.92)	-93%	(2,322.03)	0%	-
<b>Total</b>	<b>100%</b>	<b>43,907.85</b>	<b>100%</b>	<b>2,505.83</b>	<b>100%</b>	<b>1.14</b>
						<b>156%</b>
						<b>3,905.62</b>
						<b>11%</b>
						<b>(280.48)</b>
						<b>29%</b>
						<b>726.28</b>
						<b>1%</b>
						<b>16.29</b>
						<b>-1%</b>
						<b>(12.98)</b>
						<b>0%</b>
						<b>5.42</b>
						<b>0%</b>
						<b>(0.93)</b>
						<b>-5%</b>
						<b>(119.41)</b>
						<b>29%</b>
						<b>721.69</b>
						<b>0%</b>
						<b>(6.34)</b>
						<b>-1%</b>
						<b>(21.88)</b>
						<b>-1%</b>
						<b>(27.97)</b>
						<b>0%</b>
						<b>(5.87)</b>
						<b>-1%</b>
						<b>(25.34)</b>
						<b>-3%</b>
						<b>(71.84)</b>
						<b>0%</b>
						<b>(0.13)</b>
						<b>-2%</b>
						<b>(43.58)</b>
						<b>0%</b>
						<b>(2.86)</b>
						<b>3%</b>
						<b>70.45</b>
						<b>0%</b>
						<b>-93%</b>
						<b>(2,322.03)</b>
						<b>100%</b>
						<b>2,506.97</b>



# Notes to Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

## 38 Ratio Analysis and its elements

Ratio	Numerator	Denominator	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022	% change	Reason for variance
Current ratio	Current Assets	Current Liabilities	1.55	1.59	-2.50%	-
Debt- Equity Ratio	Total Debt	Shareholder's Equity	0.29	0.06	362.53%	New funds borrowed during the year
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	0.89	0.21	332.14%	Repayment of loans/ borrowing along with prepayments based on project cash flows. During previous year, the group made voluntary prepayments from internal accruals.
Return on Equity ratio	Net Profits after taxes - Preference Dividend	Average Shareholder's Equity	5.73%	5.99%	-4.42%	-
Inventory Turnover ratio	Cost of goods sold	Average Inventory	0.15	0.18	-16.83%	-
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	130.23	146.52	-11.12%	-
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	2.12	2.11	0.10%	-
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets - Current liabilities	0.52	0.66	-22.15%	-
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	11.25%	10.14%	10.95%	-
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax Liability	8.39%	10.77%	-22.07%	-
Return on Investment	Interest (Finance Income)	Investment	-	-	-	-

# Notes to Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

## 39 Related party transactions

As per the Indian Accounting Standard on “Related Party Disclosures” (Ind AS 24), the related parties of the Group are as follows :

### A. Name of related parties and nature of relationship :

Entity name	Relationship
Mr. Sanjay S. Lalbhai	Chairman & Non-Executive Director
Mr. Kamal Singal	Managing Director and Chief Executive Officer- Key Managerial Personnel
Mr. Kulin Lalbhai	Non-Executive Director
Mr. Prem Prakash Pangotra	Non-Executive Director
Mr. Pratul Shroff	Non-Executive Director
Ms. Pallavi Vyas	Non-Executive Director
Mr. Nirav Kalyanbhai Shah	Non-Executive Director
Mr. Ankit Jain	Chief Financial Officer - Key Managerial Personnel
Mr. Prakash Makwana	Company Secretary - Key Managerial Personnel
Ms. Garima Jain	Relative of Key Managerial Personnel
Mr. Mahaveer Jain	Relative of Key Managerial Personnel
Ms. Usha Jain	Relative of Key Managerial Personnel
Mr. Dinesh Jasraj Jain	Land Managing Partner
Mr. Sharad Govindbhai Patel	Land Managing Partner
Mrs. Kavita Dinesh Jain	Relative of Land Managing Partner
Mr. Neel Dinesh Jain	Relative of Land Managing Partner
Mrs. Rashmi Sharadbhai Patel	Relative of Land Managing Partner
Mr. Jignesh Govindbhai Patel	Relative of Land Managing Partner
Aura Securities Private limited	Holding Compnay (Upto 13 <sup>th</sup> Oct, 2021) Enterprise having significant influence by Key Management Personnel(W.e.f.14 <sup>th</sup> Oct ,2021)
Aura Merchandise Private Limited	Enterprise having significant influence by Key Management Personnel(W.e.f.14 <sup>th</sup> Oct ,2021)
Aura Business Ventures LLP	Enterprise having significant influence by Key Management Personnel(W.e.f.14 <sup>th</sup> Oct ,2021)
Kausalya Realserve LLP	Enterprise having significant influence by Key Management Personnel(W.e.f.27 <sup>th</sup> Apr ,2021)
Arvind Lifestyle Brands Ltd	Enterprise having significant influence by Key Management Personnel
Arvind Infrabuild LLP	Company under common control of Key Managerial Personnel
Arvind and Smartvalue Homes LLP	Enterprise having significant influence by Key Management Personnel
Safal Homes LLP	Co-venturer in Joint venture
Arvind Limited	Enterprise having significant influence by Key Management Personnel
Arvind Bsafal Homes LLP	Joint Venture
Arvind Integrated Projects LLP	Joint Venture

### B. Disclosure in respect of total amount of transactions that have been entered into with related parties:

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
<b>Remuneration</b>		
Mr. Kamal Singal	418.23	395.64
Mr. Ankit Jain	135.99	100.88

# Notes to Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Mr. Prakash Makwana	40.87	35.40
Mr. Dinesh Jasraj Jain	106.18	880.07
Mr. Sharad Govindbhai Patel	106.18	880.07
<b>Director's Sitting Fees &amp; Commission</b>		
Mr. Prem Prakash Pangotra	6.50	6.60
Mr. Pratul Shroff	6.00	5.80
Ms. Pallavi Vyas	4.80	4.90
Mr. Nirav Kalyanbhai Shah	6.30	6.20
<b>Revenue from operations</b>		
Mr. Dinesh Jasraj Jain	-	82.02
<b>Project Management Consultancy Income</b>		
Arvind Limited	733.27	969.26
<b>Expenses incurred</b>		
Arvind Lifestyle Brands Ltd	8.40	3.75
<b>Partner's contribution received</b>		
Mr. Dinesh Jasraj Jain	106.18	1,843.16
Mr. Sharad Govindbhai Patel	106.18	880.07
<b>Partner's contribution paid</b>		
Mr. Dinesh Jasraj Jain	1,272.00	1,138.19
Mr. Sharad Govindbhai Patel	1,170.00	859.50
Mr. Kamal Singal	575.00	
<b>Share of profit</b>		
Mr. Dinesh Jasraj Jain	(22.33)	7.26
Mr. Sharad Govindbhai Patel	(22.33)	7.26
<b>Share of Profit/(Loss) from investments in LLP</b>		
Arvind Bsafal Homes LLP	1.40	(71.84)
Arvind Integrated Projects LLP	(0.07)	(0.13)
<b>Rent and Professional charges paid</b>		
Arvind Limited	33.81	21.57
<b>Land purchased</b>		
Mr. Jignesh Govindbhai Patel	-	26.37
<b>Purchase of Asset</b>		
Arvind Limited	3.87	-
<b>Reimbursement of expenses received (net)</b>		
Arvind Limited	59.47	75.39
<b>Receipts from customers</b>		
Mr. Kamal Singal	20.86	-
Mr. Ankit Jain	18.34	-
Mr. Prakash Makwana	3.21	-
Ms. Garima Jain	46.53	-
Mr. Mahaveer Jain	3.00	-
Ms. Usha Jain	5.96	-
Arvind Bsafal Homes LLP	4.02	3.33
<b>Preferential allotment of equity shares</b>		
Aura Merchandise Private Limited	-	122.25
Aura Business Ventures LLP	-	160.00
<b>Money received against share warrants</b>		
Kausalya Realserve LLP	2,180.25	726.75
<b>Exercise of share warrants</b>		
Mr. Kamal Singal	-	5.37

# Notes to Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

## C. Disclosure in respect of outstanding balance:

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
<b>Advance for Land</b>		
Others - Relatives of Land Managing Partners	45.71	45.21
<b>Advance From Customer</b>		
Mr. Kamal Singal	20.86	-
Mr. Ankit Jain	18.34	-
Ms. Garima Jain	46.53	-
Mr. Mahaveer Jain	3.00	-
Ms. Usha Jain	5.96	-
Mr. Prakash Makwana	3.21	-
<b>Loans Given</b>		
Mr. Dinesh Jasraj Jain	1,316.98	1,316.98
Mr. Sharad Govindbhai Patel	2,052.49	2,052.49
<b>Trade Receivable</b>		
Arvind Limited	164.64	72.42
Trade payables		
Arvind Limited	80.72	58.31
Mr. Prem Prakash Pangotra	5.00	5.00
Mr. Pratul Shroff	5.00	5.00
Ms. Pallavi Vyas	4.00	5.48
Mr. Nirav Kalyanbhai Shah	5.00	5.00
Mr. Kamal Singal	20.29	79.42
Mr. Ankit Jain	4.64	4.92
Mr. Prakash Makwana	5.29	2.40
<b>Advance to suppliers</b>		
Arvind Limited	13.77	21.85
<b>Capital Contributions (Initial and Additional)</b>		
Arvind Bsafal Homes LLP	24.62	27.02
Arvind Integrated Projects LLP	-	0.07

## D. Terms and conditions of transactions with related parties :

- 1) Transaction entered into with related party are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. The Group has not recorded any provision/ write-off of receivables relating to amounts owed by related parties.
- 2) In respect of the transactions with the related parties, the Group has complied with the provisions of Section 177 and 188 of the Companies Act, 2013 where applicable, and the details have been disclosed above, as required by the applicable accounting standards.
- 3) Refer note 31 for ESOPs granted as per ESOP schemes

## E. Commitments with related parties :

The Group has not provided any commitment to the related party as at 31<sup>st</sup> March, 2023 (31<sup>st</sup> March, 2022: Rs..Nil)

# Notes to Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

## F. Transactions with key management personnel :

Compensation of key management personnel of the Group:

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Short-term employee benefits	595.08	531.92
<b>Total compensation paid to key management personnel</b>	<b>595.08</b>	<b>531.92</b>

The Group creates provision for post-employment gratuity benefits based on actuarial valuation of such liability. Such an actuarial valuation is carried out on a group -level and not an individual level. Hence, expenses incurred on key management personnel during the year to this extent is not identifiable and has thus not been disclosed.

## 40 Disclosures for Ind AS 115

### Revenue from contracts with customers:

The Group has adopted Ind AS 115 using the modified retrospective method and accordingly has provided the disclosures required by Ind AS 115 for the year ended 31<sup>st</sup> March, 2023 and the comparative information has not been disclosed. Also refer note 19.

### 1 Disaggregation of revenue

Below is the disaggregation of the group's revenue from contracts with customers, which is in agreement with the contracted price and is recognised in accordance with revenue recognition policy. (Refer Note -2.3 (k))

Particulars	Note	Year Ended 31 <sup>st</sup> March, 2023	Year Ended 31 <sup>st</sup> March, 2022
<b>Revenue from contracts with customers</b>			
Commercial and residential units	19	24,576.14	24,433.84
		<b>24,576.14</b>	<b>24,433.84</b>
<b>Other operating revenue</b>			
Plot cancellation and transfer fees	19	49.33	63.93
Project consultancy income	19	733.27	969.33
Miscellaneous	19	90.58	75.33
		<b>873.18</b>	<b>1,108.59</b>
		<b>25,449.32</b>	<b>25,542.43</b>
<b>Timing of revenue recognition</b>			
Revenue transferred at a point in time		25,449.32	25,542.43
Revenue transferred over time		-	-
		<b>25,449.32</b>	<b>25,542.43</b>

### 2 Contract balances

Particulars	Note	As on 31 <sup>st</sup> March, 2023	As on 31 <sup>st</sup> March, 2022
Trade and other receivables	6	271.29	106.14
Contract liabilities	17	77,789.16	53,018.03

Contract liabilities include advances received from customers as well as deferred revenue representing transaction price allocated to unsatisfied performance obligations. The increase in contract liabilities majorly pertains to revenue to be recognised pertaining to Uplands, Highgrove and Oasis projects.

# Notes to Consolidated Financial Statements

for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Revenue recognised during the year that was included in the contract liability balance at the beginning of the year.	20,461.09	20,480.94

### 3 Performance obligations

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied as of the end of the current year **		
Revenue to be recognised at a point in time	71,442.68	78,185.19

\*\* The group expects to satisfy the performance obligations when (or as) the underlying real estate projects to which such performance obligations relate are completed. Such real estate projects are in various stages of development and are expected to be completed in the coming periods of upto four years.

## 41 Leases

The group has operating lease for labour sheds for 11 months which is renewable on periodic basis as per mutually agreed terms and is cancellable by giving one month notice by either parties. The group has availed the exemption of short term lease for the same. Amount charged to profit and loss account in this regards amounts to Rs. 16.22 lacs (31<sup>st</sup> March, 2022: Rs. 23.04 Lacs)

### Group as a lessee

The lease liability is initially measured at amortized cost at the present value of the future lease payments on the date of initial application. Right to use assets are initially recognized that is equal to lease liabilities on the initial application date.

The Group has lease contract for office building used for its operations with lease term of 3 years and option of further extension for additional 7 years at the option of lessee . Accordingly, a right-of-use asset of Rs. 82.14 Lakhs and a corresponding lease liability of Rs. 82.14 Lakhs has been recognized. The principal portion of the lease payments have been disclosed under cash flow from financing activities. The Group's obligations under its leases are secured by the lessor's title to the leased assets. The lease contract includes extension and termination options and variable lease payments, which are further discussed below.

Below are the carrying amounts of right-of-use assets recognised and the movements during the year:

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
<b>As at 1<sup>st</sup> April</b>	-	-
Additions (Refer Note 3.2)	82.14	-
Depreciation Expense (Refer Note 3.2)	8.21	-
<b>As at 31<sup>st</sup> March</b>	<b>73.92</b>	-

Below are the carrying amounts of lease liabilities and the movements during the year:

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
<b>As at 1<sup>st</sup> April</b>	-	-
Additions	82.14	-
Accretion of interest	8.21	-
Payments	(11.04)	-
<b>As at 31<sup>st</sup> March</b>	<b>79.31</b>	-
Current	3.66	-
Non-current	75.65	-



# Notes to Consolidated Financial Statements

## for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

The maturity analysis of lease liabilities is as below:

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
<b>Maturity analysis of contractual undiscounted cashflows</b>		
Less than one year	3.66	-
One to five years	25.41	-
More than 5 years	50.24	-
<b>Total</b>	<b>79.31</b>	<b>-</b>

The weighted average incremental borrowing rate of 10% has been applied to lease liabilities recognised in the balance sheet at the date of initial application.

The following are the amounts recognised in profit or loss:

Particulars	31 <sup>st</sup> March, 2023	31 <sup>st</sup> March, 2022
Depreciation expense of right-of-use assets (Refer Note 3.2)	8.21	-
Interest expense on lease liabilities (Refer Note 24)	8.21	-
Expense relating to short-term leases (included in other expenses)	-	11.04
<b>Total amount recognised in profit or loss</b>	<b>16.43</b>	<b>11.04</b>

The Group had total cash outflows for leases of Rs. 11.04 in 31<sup>st</sup> March, 2023 (Rs. NIL in 31<sup>st</sup> March, 2022). The Group also had non-cash additions to right-of-use assets and lease liabilities of Rs. 82.14 lacs in 31<sup>st</sup> March, 2023 (Rs. NIL in 31<sup>st</sup> March, 2022).

The Group has incurred leasehold improvement cost of Rs. 82.15 lacs which will be amortised over the tenure of lease. (Refer Note 3.1).

### 42 Events after the reporting period:

The board of directors have proposed dividend after the balance sheet date which are subject to approval by the shareholders at the annual general meeting. Refer Note 13 for details.

### 43 Other statutory Information:

- The group has availed loans from banks on the basis of security of current assets. The group files statement of current assets with the bank on periodical basis. There are no material discrepancies between the statements filed by the group and the books of accounts of the group.
- The group has not been declared a wilful Defaulter by any bank or financial institution or consortium thereof in accordance with the guidelines on wilful defaulters issued by the RBI.
- There are no proceedings initiated or pending against the group for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- The group has not traded or invested in Crypto currency or Virtual Currency during the reporting periods.
- The group has neither advanced, loaned or invested funds nor received any fund to/from any person or entity for lending or investing or providing guarantee to/on behalf of the ultimate beneficiary during the reporting periods.
- There is no immovable property whose title deed is not held in the name of the group.
- There is no charge or satisfaction of charge which is yet to be registered with ROC beyond the statutory period.
- The group has complied with the number of layers prescribed under clause (87) of section 2 of the Act read with the Companies (Restriction on number of Layers) Rules, 2017.

# Notes to Consolidated Financial Statements

## for the year ended on 31<sup>st</sup> March, 2023

(Amount in Rs. Lacs, unless stated otherwise)

- i The group has not entered into any scheme of arrangement in terms of sections 230 to 237 of the Companies Act, 2013.
  - j The group does not have any transaction not recorded in the books of accounts that has been surrendered or not disclosed as income during the year in the tax assessments under the Income Tax Act, 1961.
- 44** The figures for the previous year have been regrouped/reclassified wherever necessary to confirm with the current year's classification.

The accompanying notes are an integral part of these consolidated financial statements.

As per our report of even date  
For S R B C & CO LLP  
Chartered accountants  
ICAI Firm Registration No. 324982E/E300003

**per Sukrut Mehta**  
Partner  
Membership No. : 101974  
Place : Ahmedabad  
Date : 19<sup>th</sup> May, 2023

For and on Behalf of Board of Directors of  
Arvind SmartSpaces Limited  
CIN : L45201GJ2008PLC055771

**Sanjay S. Lalbhai**  
Chairman  
DIN : 00008329

**Ankit Jain**  
Chief Financial Officer

Place : Ahmedabad  
Date : 19<sup>th</sup> May, 2023

**Kamal Singal**  
MD & CEO  
DIN : 02524196

**Prakash Makwana**  
Company Secretary

Place : Ahmedabad  
Date : 19<sup>th</sup> May, 2023

## FORM AOC-1

[Pursuant to first proviso to Sub - Section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]  
**Statement Containing Salient Features of the Financial Statement of Subsidiaries or Associate Companies or Joint Ventures**  
**Part "A": Subsidiaries**

Sr. No	Name of Subsidiary	Reporting Period	Exchange Rate	Share Capital/ Capital	Reserves and Surplus	Total Assets	Total Liabilities	Details of Investment (Excluding investment in subsidiaries)	Turnover	Profit/ (Loss) before Taxation	Provision for Taxation / (Credit)	Profit/ (Loss) after Taxation	Proposed Dividend	% of shareholding / capital contribution
1	Arvind Hebbal Homes Private Limited	31-03-2023	INR	1.00	(1,206.65)	17,946.19	19,151.84	-	3,157.20	(1,049.00)	(264.66)	(784.34)	Nil	100.00
2	Arvind Homes Private Limited	31-03-2023	INR	1.25	(1,083.36)	17,211.26	17,043.62	-	49.50	(1,310.92)	(328.01)	(982.91)	Nil	100.00
3	Arvind SmartHomes Private Limited	31-03-2023	INR	2.10	(488.72)	24,557.46	22,945.18	-	-	(653.12)	(164.39)	(488.73)	Nil	100.00
4	Arvind Infracon LLP	31-03-2023	INR	1.00	1.43	7,850.23	7,847.80	-	12,697.72	2,629.99	918.37	1,711.62	Nil	100.00
5	Arvind Five Homes LLP	31-03-2023	INR	1.00	(581.84)	11,240.97	11,821.81	-	1,158.80	695.04	242.88	452.17	Nil	52.00
6	Changodar Industrial Infrastructure (one) LLP	31-03-2023	INR	1.00	(28.00)	43.80	70.79	-	-	(10)	-	(10.25)	Nil	100.00
7	Arvind Beyond Five Club LLP	31-03-2023	INR	1.00	(7.75)	1,733.08	1,739.83	-	-	(0.94)	-	(0.94)	Nil	100.00
8	Uplands Facility Management LLP (Formerly Known as Arvind Altura LLP)	31-03-2023	INR	1.00	13.73	193.84	179.12	-	142.36	7.36	1.30	6.06	Nil	100.00
9	ASL Facilities Management LLP (formerly Arvind Alcove LLP)	31-03-2023	INR	1.00	(25.33)	7.62	31.95	-	6.66	1.67	0.15	-	Nil	100.00
10	Ahmedabad Industrial Infrastructure (one) LLP	31-03-2023	INR	1.00	133.68	1,389.78	1,255.11	-	70.00	24.99	8.70	16.29	Nil	100.00

Sr. No	Name of Subsidiary	Reporting Period	Exchange Rate	Share Capital/ Capital	Reserves and Surplus	Total Assets	Total Liabilities	Details of Investment (Excluding investment in subsidiaries)	Turnover	Profit/ (Loss) before Taxation	Provision for Taxation / (Credit)	Profit/ (Loss) after Taxation	Proposed Dividend	% of shareholding / capital contribution
11	Ahmedabad East Infrastructure LLP	31-03-2023	INR	1.05	-	23,239.24	23,238.19	-	1,437.24	(273.13)	(93.81)	(179.32)	Nil	55.24
12	Yogita Shelters LLP	31-03-2023	INR	1,404.10	(327.88)	5,000.51	3,924.28	-	-	(82.21)	(27.59)	(179.32)	Nil	99.79
13	Chirping Woods Homes LLP	31-03-2023	INR	1.00	(55.74)	4,208.99	4,263.72	-	-	(46.72)	(16.32)	(30.39)	Nil	100.00
14	Arvind Smart City LLP	31-03-2023	INR	1.03	(8.60)	1,422.17	1,429.74	-	-	(2.73)	-	(2.73)	Nil	94.18
15	Arvind Infrabuild LLP	31-03-2023	INR	1.00	(71.92)	641.13	712.05	-	-	(71.92)	-	(71.92)	Nil	100.00

**Notes: The following information shall be furnished at the end of the statement:**

1. Name of subsidiaries which are yet to commence the operations - Thol Highlands LLP
2. Names of subsidiaries which have been liquidated or sold during the year: NIL

## FORM AOC-1

[Pursuant to first proviso to Sub - Section (3) of Section 129 read with Rule 5 of Companies (Accounts) Rules, 2014]

### Statement Containing Salient Features of the Financial Statement of Subsidiaries or Associate Companies or Joint Ventures

#### Part "B" : Joint Venture

Sr. No	Particulars	Arvind Bsafal Homes LLP	Arvind Integrated Projects LLP
1.	Latest Audited Balance Sheet Date	31.03.2023	31.03.2023
2.	Shares of Joint Ventures Held by the Company on the year end		
	i) Number	Not Applicable	Not Applicable
	ii) Amount of Investment in joint Ventures	0.50	0.50
	iii) Extend of Holding %	Capital Contribution Ratio : 50% Profit Sharing Ratio : 41%	Capital Contribution Ratio : 50% Profit Sharing Ratio : 50%
3.	Description of how there is significant influence	LLP Agreement allows the Company to exercise significant influence in the operating and financial decision making	LLP Agreement allows the Company to exercise significant influence in the operating and financial decision making
4.	Reason why the joint venture is not consolidated	Not Applicable as accounts are consolidated	Not Applicable as accounts are consolidated
5.	Net worth attributable to shareholding as per latest Audited Balance sheet	37.25	0.10
6.	Profit/(Loss) for the year		
	i) Considered in Consolidation	1.40	(0.22)
	ii) Not Considered in Consolidation	2.02	(0.22)

For and on behalf of Board

Sanjay S. Lalbhai  
Director

Date: May 19,2023  
Place: Ahmedabad

Kamal Singal  
MD & CEO

Ankit Jain  
Chief Financial Officer

Prakash Makwana  
Company Secretary

# Notice

NOTICE is hereby given that the 15<sup>th</sup> (Fifteenth) Annual General Meeting of the members of the Company will be held on Wednesday, August 2, 2023 at 10:00 am through Video Conference (“VC”) / Other Audio Visual Means (“OAVM”) (“hereinafter referred to as “electronic mode”) to transact the following Business:

## Ordinary business:

1. To receive, consider and adopt the audited financial statements (including consolidated financial statements) of the Company for the financial year ended on March 31, 2023 and the Reports of the Directors and Auditors thereon.
2. To declare dividend on Equity Shares for the financial year ended on March 31, 2023.
3. To appoint a Director in place of Mr. Kulin S. Lalbhai (DIN: 05206878), who retires by rotation in terms of Article 187 of the Articles of Association of the Company and being eligible, offers himself for reappointment.

## Special business

4. **To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration of Rs. 1,00,000/- (Rupees One Lac Only) plus applicable taxes and re-imbursalment of out-of-pocket expenses incurred in connection with the audit, payable to M/s Kiran J. Mehta & Co., Cost Accountants, Ahmedabad having Firm Registration No. 000025 appointed by the Board of Directors of the Company as Cost Auditors to conduct the audit of the cost records maintained by the Company for the financial year ending on March 31, 2024 be and is hereby ratified and confirmed.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and take all such steps as may be

necessary, proper or expedient to give effect to this Resolution.”

5. **To consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 197, 198 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) read with Schedule V thereto and the Rules made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including any amendment(s), statutory modification(s) or re-enactment(s) thereof for the time being in force and in supersession of the Special Resolution No. 4 passed in the Annual General Meeting held on September 22, 2021, consent of the members of the Company be and is hereby accorded for the payment of commission to the Director(s) of the Company who is / are neither in the whole time employment nor a managing director(s), in accordance with and up to the limits not exceeding 1% as laid down under the provisions of Section 197 of the Act, for a period of 3 years from April 01, 2023 to March 31, 2026.

RESOLVED FURTHER THAT in the event of the Company having no profits or inadequate profits in any financial year, during the above mentioned period, the consent of the members of the Company be and is hereby accorded for the payment of Remuneration / Commission to the Director(s) of the Company who is / are neither in the whole time employment nor a managing director(s) in accordance with the limits specified in Part II of Section II (A) of Schedule V to the Act as applicable to the Company but not exceeding Rs. 1,00,00,000/- (Rupees One Crore Only) in such manner and up to such amount as the Board and/or Committee of the Board may, from time to time, determine.

RESOLVED FURTHER THAT Board of Directors or Management Committee of the Company be and is hereby authorised to do all acts, deeds and things as may be necessary to give effect to the foregoing resolution.”

## Registered Office:

24, Government Servant Society,  
Nr. Municipal Market, Off C G Road,  
Navrangpura, Ahmedabad-380009

**Date: May 19, 2023**

**Place: Ahmedabad**

**By Order of the Board**

**Prakash Makwana**  
**Company Secretary**



## Notes:

1. Pursuant to the Circular No. 14/2020 dated April 08, 2020, Circular No. 17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 05, 2020, Circular No. 02/2021 dated January 13, 2021, Circular No. 02/2022 dated May 05, 2022 and Circular No.10/2022 dated December 28, 2022 issued by the Ministry of Corporate Affairs and all other relevant circulars issued from time to time, general meeting can be held through video conferencing (VC) or other audio visual means (OAVM) without physical attendance of the Members at the venue of Annual General Meeting (AGM). Hence, Members can attend and participate in the ensuing AGM through VC/OAVM. The deemed venue for AGM shall be the Registered Office of the Company. The detailed procedure for participating in the meeting through VC/OAVM is explained at Note No. 19 below.
2. The Notice of the AGM along with the Annual Report for the financial year 2022-23 is being sent only by electronic mode to those Members whose email addresses are registered with the Company/ Depositories, in accordance with the aforesaid MCA Circulars & SEB Circular. Members may note that the Notice of AGM and Annual Report for the FY22-23 will also be available on the Company's website [www.arvindsmartspaces.com](http://www.arvindsmartspaces.com); websites of the Stock Exchanges i.e. National Stock Exchange of India Limited and BSE Limited at [www.nseindia.com](http://www.nseindia.com) and [www.bseindia.com](http://www.bseindia.com) respectively.
3. Pursuant to the provisions of the Companies Act, 2013, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM is being held pursuant to the MCA Circulars through VC/OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence the Proxy Form, Attendance Slip and route map are not annexed to the Notice.
4. Members attending the meeting through VC/OAVM shall be counted for the purposes of reckoning the quorum under Section 103 of the Companies Act, 2013.
5. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
6. The Members can join the AGM through VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. Members may note that the facility of participation at AGM through VC/OAVM will be made available for 1,000 Members on a first come first serve basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the EGM/AGM without restriction on account of first come first serve basis.
7. The relative Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 setting out material facts concerning the businesses under Item No. 3 and 4 of the Notice, is annexed hereto. The relevant details as required under Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, of the person seeking appointment/ re-appointment as Director under Item No. 3 of the Notice is also annexed to the notice.
8. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, July 22, 2023 till Wednesday, August 02, 2023 (both days inclusive).
9. The dividend on equity shares for the year ended on March 31, 2023, if declared at the meeting, will be paid / dispatched subject to deduction of tax at source on due date (i) to all Beneficial Owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited ("NSDL") and the Central Depository Services (India) Limited ("CDSL"), as of the close of business hours on Friday, July 21, 2023 and (ii) To all Members in respect of shares held in physical form after giving effect to valid transfer, transmission or transposition requests lodged with the Company as of the close of business hours on Friday, July 21, 2023.
10. Pursuant to the changes introduced by the Finance Act 2020, w.e.f. April 01, 2020, the Company would be required to deduct tax at source (TDS) at the prescribed rates on the

dividend paid to its shareholders. The TDS rate would vary depending on the residential status of the shareholder and the documents submitted by them and accepted by the Company. Accordingly, the above referred Final and Special Dividend will be paid after deducting the TDS. The Company will be sending out individual communication to the shareholders who have registered their email IDs with us. For the detailed process, the information is available at Company's website at <https://www.arvindsmartspaces.com/investors/updates/>

11. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/ mobile numbers, PAN, mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc., to their DPs in case the shares are held by them in electronic form and to the Company's Registrars and Transfer Agents, Link Intime India Pvt. Ltd. in case the shares are held by them in physical form.
12. SEBI vide its notification dated January 24, 2022 has mandated that all requests for transfer of securities including transmission and transposition requests shall be processed only in dematerialized form. In view of the same and to eliminate all risks associated with physical shares and avail various benefits of dematerialisation, Members are advised to dematerialise the shares held by them in physical form. Members can contact the Company or RTA - Link Intime India Private Limited, for assistance in this regard.
13. Members holding shares in physical form, in identical order of names, in more than one folio are requested to send to the Company or Link Intime India Pvt. Ltd., the details of such folios together with the share certificates along with the requisite KYC Documents for consolidating their holdings in one folio. Requests for consolidation of share certificates shall be processed in dematerialized form.
- 14. Nomination facility:** As per the provisions of Section 72 of the Companies Act, 2013, the facility for making nomination is available to the Members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. If a Member desires to opt-out or cancel the earlier nomination and record a fresh nomination, the Member may submit the same in Form ISR-3 or Form SH-14, as the case may be.

The said forms can be downloaded from the Company's website at <https://www.arvindsmartspaces.com/investors/downloads/>. Members are requested to submit the said form to their DPs in case the shares are held in electronic

form and to the RTA at [ahmedabad@linkintime.co.in](mailto:ahmedabad@linkintime.co.in) in case the shares are held in physical form, quoting their folio no(s).

15. Members intending to require information about Accounts in the Meeting are requested to inform the Company at least 7 days in advance of the AGM.
16. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members are requested to approach the Company or its RTA to claim their dividends, within the stipulated timeline. Unclaimed and unpaid dividends for the FY18-19 will be transferred to this fund on due date. Kindly note that once unclaimed and unpaid dividends and shares are transferred to the IEPF, members will have to approach to IEPF Authority for such dividends and shares.
17. All documents referred to in the accompanying Notice of the AGM and explanatory statement shall be open for inspection without any fee at the registered office of the Company during normal business hours on any working day upto and including the date of the AGM of the Company.
18. A person who is not a Member as on the cut-off date should treat this Notice for information purposes only.

#### **19. Instructions for voting through electronic means (e-Voting):**

- I. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 and MCA Circulars, the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has appointed National Securities Depository Limited ("NSDL") as the authorized agency, for facilitating voting through electronic means i.e. remote e-Voting and e-Voting during the AGM.
- II. Mr. Hitesh Buch, Practicing Company Secretary (Membership No. FCS 3145, COP 8195) has been appointed as the Scrutinizer to scrutinize the e-Voting during the AGM and remote e-Voting in a fair and transparent manner.
- III. The Results of voting will be declared within two working days from the conclusion of the AGM. The declared Results, along with the

Scrutinizer's Report will be submitted to the Stock Exchanges where the Company's equity shares are listed (BSE Limited & National Stock Exchange of India Limited) and shall also be displayed on the Company's website [www.arvindsmartspaces.com](http://www.arvindsmartspaces.com) and NSDL's website [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

- IV. Voting rights of the Members for voting through remote e-Voting and voting during the AGM shall be in proportion to shares of the paid-up equity share capital of the Company as on the cut-off date i.e. Wednesday, July 26, 2023. A person, whose name is recorded in the Register of Members or in the Register of Beneficial owners (as at the end of the business hours) maintained by the depositories as on the cut-off date shall only be entitled to avail the facility of remote e-Voting and voting during the AGM.
- V. The remote e-Voting facility will be available during the following period:
- Commencement of remote e-Voting: 09:00 A.M. (IST) on Sunday, July 30, 2023.
  - End of remote e-Voting: 05:00 P.M. (IST) on Tuesday, August 01, 2023.
  - The remote e-Voting will not be allowed beyond the aforesaid date and time and the remote e-Voting module shall be disabled by NSDL upon expiry of aforesaid period.

VI. Those Members, who will be present in the AGM through VC/OAVM facility and have not cast their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system during the AGM.

VII. The Members who have cast their vote by remote e-Voting prior to the AGM may also attend/ participate in the AGM through VC/OAVM but shall not be entitled to cast their vote again.

VIII. Any person, who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holds shares as of the cut-off date, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning their demat account number/ folio number, PAN, name and registered address. However, if he/ she is already registered with NSDL for remote e-Voting then he/ she can use his/ her existing User ID and password for casting the vote.

#### IX. Process and manner for Remote e-Voting:

Members are requested to follow the below instructions to cast their vote through e-Voting:

#### How do I vote electronically using NSDL e-Voting system?

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

### Step 1: Access to NSDL e-Voting system

#### (A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

In terms of SEBI circular dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	<ol style="list-style-type: none"> <li>Existing <b>IDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the "<b>Beneficial Owner</b>" icon under "<b>Login</b>" which is available under '<b>IDeAS</b>' section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "<b>Access to e-Voting</b>" under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select "<b>Register Online for IDeAS Portal</b>" or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> </ol>

Type of shareholders	Login Method
	<p>3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p> <p>4. Shareholders/Members can also download NSDL Mobile App "<b>NSDL Speede</b>" facility by scanning the QR code mentioned below for seamless voting experience.</p> <div data-bbox="491 629 970 913" style="border: 1px solid black; padding: 5px; text-align: center;"> <p><b>NSDL Mobile App is available on</b></p> <p>  <b>App Store</b>  <b>Google Play</b> </p> <div style="display: flex; justify-content: space-around;">   </div> </div>
<p>Individual Shareholders holding securities in demat mode with CDSL</p>	<ol style="list-style-type: none"> <li>1. Users who have opted for CDSL Easi / Easiest facility, can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The users to login Easi /Easiest are requested to visit CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login icon &amp; New System Myeasi Tab and then use your existing my easi username and password.</li> <li>2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the e-voting is in progress as per the information provided by company. On clicking the e-voting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers, so that the user can visit the e-Voting service providers' website directly.</li> <li>3. If the user is not registered for Easi/Easiest, option to register is available at CDSL website <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on login &amp; New System Myeasi Tab and then click on registration option.</li> <li>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be able to see the e-Voting option where the e-voting is in progress and also able to directly access the system of all e-Voting Service Providers.</li> <li>5. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.</li> </ol>
<p>Individual Shareholders (holding securities in demat mode) login through their depository participants</p>	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 022-4886 7000 and 022- 24997000
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022- 1800 22 55 33

**(B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

**How to Log-into NSDL e-Voting website?**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL e-services i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL e-services after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

**4. Your User ID details are given below:**

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***.

**5. Password details for shareholders other than Individual shareholders are given below:**

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered**



6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:
  - a) Click on “[Forgot User Details/Password?](#)”(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) “[Physical User Reset Password?](#)” (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.
8. Now, you will have to click on “Login” button.
9. After you click on the “Login” button, Home page of e-Voting will open.

**Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

**How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select “EVEN” of company which is “Arvind SmartSpaces Limited” for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on “VC/OAVM” link placed under “Join Meeting”.
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
5. Upon confirmation, the message “Vote cast successfully” will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/ JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [pcs.buchassociates@gmail.com](mailto:pcs.buchassociates@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on “**Upload Board Resolution / Authority Letter**” displayed under “**e-Voting**” tab in their login.

2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/ Password?](#)” or “[Physical User Reset Password?](#)” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-Voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 022-488607000 and 022-2499 7000 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).



**Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [investor@arvindinfra.com](mailto:investor@arvindinfra.com).
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [investor@arvindinfra.com](mailto:investor@arvindinfra.com). If you are an Individual shareholder holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular dated December 09, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**Instructions for members for e-Voting on the day of the AGM are as under:**

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-Voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-Voting.

*In case you have not registered your e-mail address with the Company/ Depository, please follow below instructions for registration of e-mail address for obtaining Annual Report and / or login details for e-voting:*

<b>Physical Holding</b>	Visit the link: <a href="https://linkintime.co.in/EmailReg/email_register.html">https://linkintime.co.in/EmailReg/email_register.html</a> and follow the registration process as guided therein. The members are requested to provide details such as Name, Folio Number, Certificate number, PAN, mobile number and e-mail address.
<b>Demat Holding</b>	Please contact your Depository Participant (DP) and register your e-mail address in your demat account as per the process advised by your DP.

**20. Instructions for Members for attending the AGM through VC/OAVM:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "Join meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.

5. Members who would like to express their views or ask questions during the AGM may register themselves as a speaker by sending their request from their registered e-mail address mentioning their name, DP ID and Client ID/Folio Number, PAN and mobile number at [investor@arvindinfra.com](mailto:investor@arvindinfra.com) on or before Wednesday, July 26, 2023.
6. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.

**Registered Office:**

24, Government Servant Society,  
Nr. Municipal Market, Off C G Road,  
Navrangpura, Ahmedabad-380009

**Date: May 19, 2023**

**Place: Ahmedabad**

**By Order of the Board**

**Prakash Makwana**  
**Company Secretary**

## Explanatory statement under section 102(1) of the Companies Act, 2013:

### Item No. 4

The Board of Directors, on the recommendation of the Audit Committee, has approved the appointment and remuneration of M/s. Kiran J. Mehta & Co., Cost Accountants, Ahmedabad as the Cost Auditors to conduct the audit of the cost records of the Company for the financial year ending on March 31, 2024 Rs. 1,00,000/- (Rupees One Lac only) plus applicable taxes and re-imbursalment of out of pocket expenses to be incurred in connection with the audit for the financial year ending March 31, 2024.

In accordance with the provisions of Section 148(3) of the Act read with The Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the members of the Company. Accordingly, consent of the members is sought for passing an Ordinary Resolution as set out at Item No. 4 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ending on March 31, 2024.

The Board of Directors recommends the above resolution for your approval.

None of the Directors or any key managerial personnel or any relative of any of the Directors of the Company or the relatives of any key managerial personnel is, in anyway, concerned or interested (financially or otherwise) in the above resolution.

### Item No. 5

Currently, the Non-Executive Directors (other than the Managing Director, Wholetime Directors) are paid commission not exceeding 1% of the net profits of the Company per annum, computed in accordance with Section 198 of the Act and in the event of the Company having no profits or inadequate profits in any financial year, not exceeding Rs. 50.00 Lacs (Rupees Fifty Lacs only), in terms of the resolution passed by the Members at the 13<sup>th</sup> Annual General Meeting held on September 22, 2021.

In view of efforts, expertise and the responsibility shouldered by Non-Executive Directors and the contributions being made by them, the Board recognizes the need to suitably remunerate them, irrespective of the profits of the Company.

Accordingly, it is proposed to pay commission to the Non-Executive Directors (other than the Managing Director, Wholetime Directors), not exceeding 1% of the net profits of the Company as laid down under the provisions of Section 197 and Section 198 of the Act and in the event of the Company, having no profits or inadequate profits in any financial year, in accordance with the limits specified in Part II of Section II (A) of Schedule V to the Act as applicable to the Company but not exceeding Rs. 1,00,00,000/- (Rupees One Crore Only) for a period of 3 years from April 01, 2023 to March 31, 2026, and the same be apportioned amongst them in such manner and up to such amount as the Board and/or Committee of the Board may, from time to time, determine.

The payment of remuneration by way of commission to Non-Executive Directors (other than the Managing Director, Wholetime Directors) will be in addition to the sitting fees payable to them for attending each meeting of the Board/ Committee.

### Statement of Information for the members pursuant to Section II of Part II of Schedule V to the Companies Act:

#### I. GENERAL INFORMATION:

Sr. No.	Information	Description														
1	Nature of industry	Real Estate development														
2	Date or expected date of commencement of commercial production	The Company was incorporated on December 26, 2008 and commenced business thereafter.														
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Not Applicable.														
4	Financial performance based on given indicators (As per audited financial statements for the year ended 31.03.2023)	<table border="1"> <thead> <tr> <th rowspan="2">Particulars</th> <th colspan="2">Rs. in Lac</th> </tr> <tr> <th>Standalone</th> <th>Consolidated</th> </tr> </thead> <tbody> <tr> <td>Revenue from operations</td> <td>11,727.81</td> <td>25,591.68</td> </tr> <tr> <td>EBIDTA</td> <td>1,673.81</td> <td>4,893.39</td> </tr> <tr> <td>Net Profit</td> <td>3,827.31</td> <td>2,560.75</td> </tr> </tbody> </table>	Particulars	Rs. in Lac		Standalone	Consolidated	Revenue from operations	11,727.81	25,591.68	EBIDTA	1,673.81	4,893.39	Net Profit	3,827.31	2,560.75
Particulars	Rs. in Lac															
	Standalone	Consolidated														
Revenue from operations	11,727.81	25,591.68														
EBIDTA	1,673.81	4,893.39														
Net Profit	3,827.31	2,560.75														
5	Foreign investments or collaborations, if any	Not Applicable														

## II. INFORMATION ABOUT THE APPOINTEE:

**1. Past remuneration:**

Currently, the Non-Executive Directors (other than the Managing Director, Wholetime Directors) are paid commission not exceeding 1% of the net profits of the Company per annum, computed as per Section 198 of the Act of the net profits of the Company and in the event of the Company having no profits or inadequate profits in any financial year, not exceeding Rs. 50.00 Lacs (Rupees Fifty Lacs only), in terms of the resolution passed by the Members at the 13<sup>th</sup> Annual General Meeting held on September 22, 2021.

**2. Recognition or awards:**

Not Applicable

**3. Job profile and his suitability:**

Not Applicable

**4. Remuneration proposed:**

The details of the proposed remuneration have already been explained hereinabove.

**5. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):**

Not Applicable

**6. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:**

The non-executive directors do not have any pecuniary relationship with the Company except the remuneration and the sitting fees being paid to them. They do not have any pecuniary relationship with managerial personnel of the company.

## III. OTHER INFORMATION:

Sr. No.	Information	Description
1	Reasons of loss or inadequate profits	Not Applicable
2	Steps taken or proposed to be taken for improvement	Not Applicable
3	Expected increase in productivity and profits in measurable terms	Not Applicable

Non-Executive Directors may be deemed to be concerned or interested in this resolution to the extent of the remuneration/commission that may be received by them. Save and except the above, none of the other directors, key managerial personnel or their respective relatives, are in any way, concerned or interested (financially or otherwise), in the resolution set out at Item No. 5 of the Notice.

The Board recommends the Resolution set out at Item No. 5 of the accompanying Notice as Special Resolution for the approval of the Members.

**Registered Office:**

24, Government Servant Society,  
Nr. Municipal Market, Off C G Road,  
Navrangpura, Ahmedabad-380009

**By Order of the Board**

**Prakash Makwana**  
Company Secretary

**Date: May 19, 2023**

**Place: Ahmedabad**

## Annexure to Item No. 3 of the Notice:

### Details of Director seeking appointment and re-appointment at the forthcoming Annual General Meeting:

(Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Revised Secretarial Standard on General Meeting issued by the Institute of Company Secretaries of India):

<b>Name of the Director</b>	Mr. Kulin S. Lalbhai		
<b>Director Identification No.</b>	05206878		
<b>Date of Birth</b>	August 13, 1985		
<b>Age</b>	38 Years		
<b>Nationality</b>	Indian		
<b>Date of Appointment or reappointment on the Board</b>	March 29, 2013		
<b>Qualifications</b>	B.Sc. (Electrical Engineering), Stanford University, USA,; MBA - Harvard Business School, USA.		
<b>Brief Resume</b>	<p>Mr. Kulin Lalbhai is the Executive Director of Arvind Limited. He is driving the consumer and digital businesses at Arvind which includes Arvind fashions, real estate and telecom. He has been closely involved in the group's foray into real estate.</p> <p>He drives the corporate affairs function at Arvind. He holds a leadership position in several industry bodies. He is the current chair of the textiles committee of Confederation of Indian Industry (CII) and also heads the CII subcommittee on the India-EU FTA negotiations. He is the vice chairman of RAI, the leading industry body for Indian retail. Besides sitting on the boards of group companies he is also an independent director on the board of Zydus Wellness.</p> <p>He holds an MBA from the Harvard Business School, and a BSc in Electrical Engineering from the Stanford University. He has also been a management consultant at Mckinsey &amp; Co.</p>		
<b>Expertise in specific functional area</b>	Refer report on Corporate Governance		
<b>Number of shares held in the Company as on 31-03-2023</b>	Nil		
<b>Number of Board Meetings attended during the year.</b>	4 out of 5 meetings		
<b>Last drawn remuneration</b>	Nil		
<b>List of the directorships held in other companies</b>	Arvind Limited Arvind Fashions Limited Zydus Wellness Limited Arvind Suit Manufacturing Private Limited Retailers Association of India PVH Arvind Fashion Private Limited		
<b>Chairman/Member in the Committees of the other companies in which he is Director</b>	<b>Name of the Company</b>	<b>Name of the Committee</b>	<b>Chairman/Member</b>
	Arvind Fashions Limited	Stakeholders' Relationship Committee	Chairman
		Corporate Social Responsibility Committee	Chairman
	Zydus Wellness Limited	Audit Committee	Member
		Nomination and remuneration committee	Chairman
		Risk Management Committee	Member
<b>Listed entities from which Mr. Kulin S. Lalbhai has resigned in the past three years</b>	Nil		
<b>Relationships between Directors inter-se.</b>	Mr. Kulin S. Lalbhai is a son of Mr. Sanjay S. Lalbhai, Chairman and Non-Executive Director of the Company.		

#### Registered Office:

24, Government Servant's Society,  
Near Municipal Market, Off C.G. Road,  
Navrangpura, Ahmedabad - 380009

Date: May 19, 2022

By Order of the Board

**Prakash Makwana**  
Company Secretary







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