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Independent Auditors Report

To,
The Members of
Suraj Estate Developers Limited

Report on the Audit of the Standalone Ind AS Financial Statements

Opinion

We have audited the accompanying Standalone Ind AS Financial Statements of **Suraj Estate Developers Limited** ('the Company') which comprise the Standalone Balance Sheet as at 31st March 2024, the Standalone Statement of Profit and Loss (including Other Comprehensive Income/(Loss)), the Standalone Statement of Cash Flows and the Standalone Statement of Changes in Equity for the year then ended and notes to the Standalone Ind AS Financial Statements, including a summary of material accounting policies and other explanatory information (hereinafter referred to as "Standalone Ind AS Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Indian Accounting Standards ("Ind AS") prescribed under section 133 of the Act, of the state of affairs of the Company as at 31st March 2024, and its profit (including other comprehensive income/(loss)), the changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the Standalone Ind AS 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 Ind AS 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 Standalone Ind AS Financial Statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone Ind AS 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 Ind AS Financial Statements for the year ended 31st March 2024. These matters were addressed in the context of our audit of the Standalone Ind AS 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 Ind AS 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 Ind AS 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 Ind AS Financial Statements:

Key Audit Matter	How our audit addressed the Key Audit Matter
Revenue recognition for real estate projects	(as described in note 3.10 and 31 of the Standalone Ind AS Financial Statements)





Independent Auditors Report (Contd.)

Key Audit Matter	How our audit addressed the Key Audit Matter
<p>In accordance with the requirements of Ind AS 115 'Revenue from contract with customers', revenue from sale of residential units is recognised at a point in time or over a period of time based on the contract entered with the customers.</p> <p>Significant judgement is required in identifying the performance obligations and determining when 'control' of the residential units/ commercial units is transferred to the customer.</p> <p>Further, the Company assesses various conditions included in the contract with customer to identify whether the Company has unconditional right to payment for performance to date or not. Based on this revenue is recognised at point in time or over time.</p> <p>Considering the above-mentioned factors, revenue recognition has been considered as a key audit matter.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none">• Read the Company's revenue recognition accounting policies and assessed compliance with Ind AS 115 'Revenue from contract with customers'.• Understood and evaluated the design and implementation and tested the operating effectiveness of the Company's internal financial controls over revenue recognition.• Read the legal opinion obtained by the Company to determine the point in time at which the control is transferred and satisfaction of performance obligation in accordance with the underlying agreements;• Tested, revenue related transactions with the underlying customer contracts, sale deed and handover documents, evidencing the transfer of control of the asset to the customer based on which revenue is recognized;• Assessed the revenue related disclosures included in Note 31 to the Standalone Ind AS Financial Statements in accordance with the requirements of Ind AS 115.
Claims, litigations and contingencies (as described in note 40.2 and 40.3 to the Standalone Ind AS Financial Statements)	
<p>The Company is having various ongoing litigations, court and other legal proceedings before tax authorities and courts, which could have significant financial impact, if the potential exposure were to materialize.</p> <p>Management estimates the possible outflow of economic resources based on legal counsel opinion and available information on the legal status of the proceedings.</p> <p>Considering the determination by the management of whether, and how much, to provide and/ or disclose for such contingencies involves significant judgement and estimation, the same has been considered as key audit matter.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none">• Understood management's process relating to the identification and impact analysis of claims, litigations and contingencies;• Obtained legal status from legal team of the Company and analysed their responses; Read the minutes of meetings of the Board of Directors of the Company related to noting of status of material litigations;• Assessed management's assumptions and estimates related to disclosures of contingent liabilities in the Standalone Ind AS Financial Statements.
Assessing the carrying value of Inventory of construction work in progress, land, development rights and advances given for acquisition of projects (as described in note 10 and 17 to the Standalone Ind AS Financial Statements)	
<ul style="list-style-type: none">• The Company's inventory comprises construction work in progress of ongoing projects, land and development rights in the	<p>Our audit procedures in relation to management's assessment of valuation of inventories at lower of cost and NRV includes following:</p>

