Deloitte Haskins & Sells LLP

Chartered Accountants
One International Center
Tower 3, 27th-32nd Floor
Senapati Bapat Marg
Elphinstone Road (West)
Mumbai-400 013
Maharashtra, India

Tel: +91 22 6185 4000
Fax: +91 22 6185 4101

FORM 5

ANNUAL REPORT ON STATEMENT OF ACCOUNTS

Date: 29-09-2022

To
Mahindra Happinest Developers Limited,
5th Floor, Mahindra Tower,
Dr. G.M. Bhosale Marg,
Worli, Mumbai 400 018

SUBJECT: Report on Statement of Accounts on project fund deposit, utilization and withdrawal (the "Statement") by Mahindra Happinest Developers Limited (the "Promoter") for the period from **April 01, 2021** to **March 31, 2022** with respect to Project Happinest Kalyan Project-A (the "Project") having MahaRERA Regn. Number **P51700022981.**

1. This report is issued in accordance with the provisions of the Real Estate (Regulation and Development) Act, 2016 ("RERA") read along with the Maharashtra Real Estate (Regulation and Development) (Registration of Real Estate Projects, Registration of Real Estate Agents, Rates of Interest and Disclosures on Website) Rules, 2017.
2. We have obtained all necessary information and explanation from the Promoter, during the course of our audit, which in our opinion are necessary for the purpose of this report.
3. We hereby confirm that we have examined the books and documents, and the relevant records of the promoter for the period from April 1, 2021 to March 31, 2022 and hereby report that:

A. Deposits as per the Statement:

Sr No.	Particulars	For the period from April 01, 2021 to March 31, 2022	Total for this project till March 31, 2022
1.	Total amount collected from allottees RERA Collection Account No. 57500000427387 (Refer Note I)	46,90,05,265	1,27,54,70,999
2.	% of amount to be deposited as per RERA	70%	70%
3.	Amount to be deposited as per Act (1*2)	32,83,03,685	89,28,29,699
4.	Total amount deposited in the Designated Bank Account No. 57500000426905	34,25,03,049	89,33,71,016
5.	% of amount deposited in Designated Bank Account [(4)/(1)*100]	73%	70%

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6.	Shortfall / (Excess) deposit (3-4)	(1,41,99,364)	(5,41,317)

Note

I) Milestone demands raised by Promoter on customers from time to time as per agreed payment plan contains agreement value as well as GST and other passthrough charges like maintenance etc. Customer makes combined payment against demand letter through single cheque/online transfer and no separate cheque/online transfer done for GST and other passthrough charges. Considering these combined receipts from customers, to ensure compliance of RERA escrow requirement, Promoter deposit 70% of entire collection (GST and other passthrough charges) into designated RERA account. Hence it is not possible to bifurcate GST and other passthrough charges from collection from customers and same is reported on gross basis in this certificate.

Has the required proportion of money collected from allottees of the project units, as specified in the act, deposited in the Designated RERA Bank Account? (Yes / ~~No~~).

B. **Withdrawals as per the Statement:**

Sr No.	Particulars	For the period from April 01, 2021 to March 31, 2022	Total for this project till March 31, 2022
1.	Opening balance of Designated Bank Account No 57500000426905	-	-
2.	Total Deposits	34,25,03,049	89,33,71,016
3.	Total amount withdrawn	30,90,92,114	85,99,60,081
4.	Fixed Deposit (Net)	3,15,68,000	3,15,68,000
5.	Closing Balance of Account No 57500000426905 Sr.No(1+2-3) (Refer Note II)	3,34,10,935	3,34,10,935

Note

II) Closing balance includes short term time deposits made with bank amounting to Rs. 3,15,68,000.

As specified in the Act, all the amounts withdrawn during the year from Designated Bank Account were within the withdrawal limit as reported under the relevant Form 1, Form 2 and Form 3 issued during the reporting period? (Yes/~~NO~~)

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C. Utilisation:

We report that, Mahindra Happinest Developers Limited has utilized* the amounts withdrawn from designated bank account towards project cost only, as specified in the act. Additionally, amounts have been withdrawn and utilized towards Indirect Taxes and pass through charges in respect of the projects.

* The Promoter incurs cost towards construction and development of project and on the basis of limit available in Form 3, quarterly certificate of the chartered accountant, transfers the amounts available in the 'RERA designated account' to 'Current/payment account'. All payments related to all the projects are then made from this 'Current/Payment' account. Hence, individual project wise correlation of the payments made is not possible. However, on an aggregate basis money collected has been utilised for the projects on the basis of certified collection and utilisation statement provided by the management and relied on by the auditors for their report purpose.

D. Observations:

1.	None, except as referred to above in para A Note I.

4. This report is to be read along with the notes given below.

Yours Faithfully,

For **DELOITTE HASKINS & SELLS LLP**
Chartered Accountants
(Firm's Registration No. 117366W/W-100018)

Ketan Vora
(Partner)
(Membership No. 100459)
(UDIN: 22100459AWLVNY9887)
Place: Mumbai
Date: September 29, 2022

Agreed and accepted by:
For **Mahindra Happinest Developers Limited**

MAHINDRA HAPPINEST DEVELOPERS LTD. MUMBAI

KR Sudharshan

(Chief Projects Officer)

September 29,2022

Notes forming an integral part of the Report

1. This report is issued in accordance with the terms of our engagement letter dated October 1, 2021.

Management's Responsibility

2. The preparation of the accompanying Statement dated September 29, 2022 and compliance with related MahaRERA rules pertaining to project fund deposit, utilization and withdrawal is the responsibility of the Management of the Company including the preparation and maintenance of all accounting and other relevant supporting records and documents. This responsibility includes design, implementation and maintenance of internal control relevant to the preparation and presentation of the Statement and applying an appropriate basis of preparation; and making estimates that are reasonable in the circumstances.

Auditor's Responsibility

3. We have examined the books of account and other relevant records and documents maintained by the Company in the normal course of its business for the purpose of providing reasonable assurance on the particulars mentioned in the report.

4. This report is based on our examination of the Statement dated September 29, 2022 attached to this report and other relevant records and information considered necessary for the purposes of issuing this report and the information and explanations given to us by the Company.

5. We conducted our examination of the Statement in accordance with the Guidance Note on Audit Reports and Certificates for Special Purposes issued by the Institute of Chartered Accountants of India (ICAI) and the Standards on Auditing specified under Section 143(10) of the Companies Act 2013, which includes the concepts of test checks and materiality. This Guidance Note requires that we comply with the ethical requirements of the Code of Ethics issued by the ICAI.

6. We have complied with the relevant applicable requirements of the Standard on Quality Control (SQC) 1, Quality Control for Firms that Perform Audits and Reviews of Historical Financial Information, and Other Assurance and Related Services Engagements.

Restriction on Use

7. This report has been issued at the request of the Company in accordance with the provisions of the RERA read along with the Maharashtra Real Estate (Regulation and Development) (Registration of Real Estate Projects, Registration of Real Estate Agents, Rates of Interest and Disclosures on Website) Rules, 2017 for further submission to Maha RERA Authority or uploading on their website or submitting to concerned agencies or Banker as required under RERA act or rules from time to time. Apart from these, this report should not be used for any other purpose without our prior written consent or to be distributed to any other parties. Accordingly, we do not accept or assume any liability or any duty of care or for any other purpose or to any

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other party to whom it is shown or into whose hands it may come without our prior consent in writing.

For **DELOITTE HASKINS & SELLS LLP**

Chartered Accountants

(Firm's Registration No. 117366W/W-100018)

Ketan Vora

(Partner)

(Membership No. 100459)

(UDIN: 22100459AWLVNY9887)

Place: Mumbai
Date: September 29, 2022

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Mahindra Happinest Developers Limited

Statement of Accounts on project fund deposit, utilization and withdrawal for the Project Happinest Kalyan Project-A, Maha RERA no. P51700022981 for the period April 01, 2021 to March 31, 2022.

A. Deposits

Sr. No.	Particulars	For the period April 01, 2021 to March 31, 2022	Actual Amount till Date (From start of bank account to till 31st Mar 22)
1	Total amount collected from allottees in RERA Collection Account No. 57500000427387	46,90,05,265	1,27,54,70,999
2	% of amount to be deposited as per act	70%	70%
3	Amount to be deposited as per act (1 * 2)	32,83,03,685	89,28,29,699
4	Total amount deposited in the Designated Bank Account No 57500000426905 (Refer Note I II & III)	34,25,03,049	89,33,72,016
5	% of Amount deposited in Designated Bank Account (4)/(1)*100%	73%	70%
6	Shortfall / (Excess) deposit (3-4)(Refer Note I II & III)	(1,41,99,364)	(5,41,317)

Note: Excess amount deposited in Designated bank account pertains to the following:

I) Interest on fixed deposits and other charges for the April 01, 2021 to March 31, 2022 amounts to Rs. 3,44,604.

II) Interest on fixed deposits and other charges till March 31, 2022 amounts to Rs. 5,41,317.

III) Amount collected from allottees in month of March 2021 and deposited in Designated Bank Account in the month of April 2021 amounting to Rs. 1,38,54,759.

B. Withdrawals

Sr. No.	Particulars	Bank Name: HDFC Bank Ltd Bank Account No: 57500000426905 Bank Account Name: MAHINDRA HAPPINEST KALYAN PROJECT A 70% RERA A/c	Bank Name: HDFC Bank Ltd Bank Account No: 57500000426905 Bank Account Name: MAHINDRA HAPPINEST KALYAN PROJECT A 70% RERA A/c
		For the period April 01, 2021 to March 31, 2022	Actual Amount till Date (From start of bank account to till 31st Mar 22)
1	Opening Balance of Designated Bank Account No. 57500000426905	-	-
2	Deposit	34,25,03,049	89,33,71,016
3	Withdrawals	30,90,92,114	85,99,60,081
4	Fixed Deposit (Net)	3,15,68,000	3,15,68,000
5	Closing Balance Designated Bank Account No. 57500000426905 Sr.No(1+2-3) (Refer Note IV)	3,34,10,935	3,34,10,935

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Note:
IV) Closing balance includes short term time deposits made with bank amounting to Rs.3,15,68,000.

C. Utilisation
We have utilized the amounts withdrawn from designated bank account towards project cost only (and Indirect Taxes and pass through charges thereon), as specified in the act.

Notes:

1. The Percentage of Completion as on March 31, 2022 is 66.17% for the above mentioned Project.
2. An amount of Rs.90,44,365 pertaining to other projects has been inadvertently deposited in RERA collection account no. 57500000427387. The company identifies such erroneous transfers from time to time and deposits it in the correct RERA Collection account. However, withdrawals made out of the amount deposited in this project pertaining to other projects is within the overall withdrawal limits of those projects.
3. An amount of Rs. 25,24,160 pertaining to this project was deposited in other project's RERA collection accounts. The company identifies such erroneous transfers from time to time and deposits it in the correct RERA Collection account. However, the amount deposited in other projects along with the amount withdrawn is within the overall withdrawal limit of this project.
4. The Company has also collected the funds received from the customers in Bank Account No. 57500000149961. Customer collections pertaining to 7 projects viz. RERA Projects having registration no. P99000015481, P99000016671, P99000017770, P99000015852, P99000026225, P51700023209 and P51700022981 are collected in this account. The collection amount is in the nature of token money received for booking of the flats. In case of non-allotment of flat unit, the amount is transferred back to the customer. Company identifies the amounts deposited by the customers project wise in this account where flat units have been allotted and subsequently transfers the same to the individual RERA collection Account maintained for each of the project. Account Balance outstanding as on March 31, 2022 in Bank Account No. 57500000149961 is Rs. 15,98,564 has been subsequently deposited in the individual RERA collection Account of the respective project or refunded back to the customer in case of non-allotment of flat unit.
5. The company incurs cost towards construction and development of project and on the basis of limit available in Form 3, quarterly certificate of the chartered accountant, transfers the amounts available in the 'RERA designated account' to 'Current/payment account'. All payments related to the project are then made from this 'Current/Payment' account. Hence, individual project wise correlation of the payments made is not possible. However, on an aggregate basis money collected has been utilised for the projects on the basis of certified collection and utilisation statement provided by the management and relied on by the auditors for their report purpose.
6. For the purpose of amount collected, deposited and withdrawn, the Company has considered value date i.e. when funds are posted to an account and available for immediate use, instead of transaction date i.e. the date a transaction appears in the bank statement.
7. Milestone demands raised by Promoter on customers from time to time as per agreed payment plan contains agreement value as well as GST and other passthrough charges like maintenance etc. Customer makes combined payment against demand letter through single cheque/online transfer and no separate cheque/online transfer done for GST and other passthrough charges. Considering these combined receipts from customers, to ensure compliance of RERA escrow requirement, Promoter deposit 70% of entire collection (GST and other passthrough charges) into designated RERA account. Hence it is not possible to bifurcate GST and other passthrough charges from collection from customers and same is reported on gross basis in this certificate.

Agreed and Accepted by:
For Mahindra Happinest Developers Limited

KR Sudharshan
(Chief Projects Officer)
Place: Mumbai
Date: Septmeber 29, 2022

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Mumbai

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