**INDEPENDENT AUDITOR’S REPORT**

**TO THE MEMBERS OF \_\_\_\_\_\_\_\_\_PRIVATE LIMITED**

**Report on the Financial Statements**

**Opinion**

We have audited the accompanying financial statements of **\_\_\_\_\_\_\_\_\_Private Limited,** Mumbai(“the **Company**”) which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss and the Cash Flow Statement for the period then ended, and a summary of the significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

1. in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2019;
2. in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
3. in the case of the cash flow statement, of the cash flows for the year ended on that date.

**Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

**Emphasis of Matter**

1. The balances provided herein below have not been directly confirmed to us. Absence of balance confirmations constitute departure from SA-505 External Confirmations. We have however, relied upon the representation made by the management in this regard.

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| **Particulars** | **FY 2018-19 Amount in Rs.** |
| **Trade Payables**  |   |
| Due to others |  \_\_\_\_\_\_\_\_  |
| **Short term loans and advances** |   |
| Advance to Vendors |  \_\_\_\_\_\_\_\_\_ |

1. Attention is drawn to note 24 (B) (ii) to the financial statements regarding appointment of Whole Time Company Secretary. In accordance with the provisions of section 203 of the Companies Act, 2013, read with Rule-8A of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the companies having a paid-up share capital of Rs.5 Crores or more are required to appoint a whole-time company secretary. The Company has appointed a whole-time Company Secretary on June 10, 2019.

Our opinion is not qualified in respect of above matters.

**Key Audit Matters**

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the standalone financial statements of the current year. 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. We have determined that there are no key audit matters to be communicated in this report.

**Other Information**

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the accompanying 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 accompanying financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the accompanying financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a no material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

**Managements’ Responsibility for the Financial Statements**

The Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (“the Act”) with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company’s ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company’s financial reporting process.

**Auditor’s Responsibility**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Standards on Auditing, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

1. Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
2. 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
3. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
4. 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.
5. Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor’s Report) Order, 2016 (“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 A”, a statement on the matters specified in the paragraph 3 and 4 of the order.
2. As required by Section 143 (3) of the Act, we report that:
3. 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.
4. 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.
5. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
6. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
7. On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
8. With regard to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer our separate Report in “Annexure B” to this report.
9. With respect to the other matters to be included in the Auditor’s Report in accordance with Rule 11 of the Company (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
10. The Company does not have any pending litigations which would impact its financial statements.
11. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
12. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

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| Partner |  | Date: |  |
| Membership Number: \_\_\_\_\_\_\_\_\_\_\_\_\_ |  | Place: | Bangalore |

**Annexure ‘A’ to Audit Report**

*The Annexure referred to in our report to the Members of the Company on the Financial Statement for the period ended March 31, 2019*

We report that:

1. In respect of Fixed Assets:
2. The Company has generally maintained proper records showing full particulars, including quantitative details.
3. As stated by the management, the Company has devised a regular schedule of physical verification of Fixed Assets, which, in our opinion is reasonable having regard to the size of the company and nature of its assets. No material discrepancies have been noticed on such verification.
4. According to the information and explanations given to us and based on our examination of the records of the Company, the Company does not own any immovable properties.
5. In respect of Inventories:

The Company is engaged in the business of real estate and related services. For the year under audit, the Company has signed a joint development agreement to commence a project termed as “The ACE”. There has been no progress on the project and there has been no inventory procurement during the year. Hence, this clause is not applicable.

1. Loans and advances:

The Company has granted an unsecured loan to a company covered in the register maintained u/s 189 of the Act. According to the information and explanations give to us and based on our examination of the records of the Company,

1. The terms and conditions of the grant of the said loan are not prejudicial to the interests of the company.
2. The repayment of principal and payment of interest are regular.
3. There is no amount overdue for a period exceeding ninety days.
4. According to the information and explanations give to us and based on our examination of the records of the Company, the company has given loan to a person in whom Director is interested, however it is not in pursuant to sections 185 and 186 of the Act as the company has given the loan in the ordinary course of its business and the interest is charged at a rate not less than the bank rate declared by the Reserve bank of India. Accordingly, paragraph 3(iv) of the Order is not applicable.
5. The Company has not accepted any deposit from the public pursuant to sections 73 to 76 or any other relevant provisions of the Act and rules framed there under.
6. The Central Government of India has not prescribed maintenance of cost records u/s 148(1) of the Act for the activities carried out by the Company. Hence, this clause on maintenance of cost records and accounts is not applicable.
7. In respect of statutory dues:
	1. According to the information and explanations given to us, there are no undisputed statutory dues in respect of Excise Duty, Provident fund, Employees State Insurance, Income Tax, Sales Tax and other statutory dues with the appropriate authorities during the year for a period of more than six months from the date they became payable.
	2. According to the information and explanations given to us, there are no material dues of Sales Tax, Income Tax, Wealth Tax, Service Tax, Excise Duty and Cess which have not been deposited with the appropriate authorities on account of any disputes.
8. The Company has borrowings from financial institutions and banks. In our opinion and based on the information and explanation given to us and in so far as it appears from the books, the company has not defaulted in repayment of such term loans and borrowings.
9. The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
10. According to the information and explanations given to us and to the best of our knowledge and belief no fraud on or by the Company has been noticed or reported during the year.
11. The Company being a private limited Company, the provisions of section 197 of the Act is not applicable. Accordingly, paragraph 3(xi) of the Act is not applicable.
12. In our opinion and according to information provided to us, the Company is not Nidhi Company. Accordingly, paragraph 3 (xii) of the Order is not applicable.
13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
14. According to the information and explanations provided to us, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
15. According to the information and explanation given to us, the Company has not entered into non – cash transactions with directors or persons connected with them. Accordingly, paragraph 3 (xv) of the Order is not applicable.
16. The Company is not required to be registered under section 45 – IA of the Reserve Bank of India Act, 1934.

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| Partner |  | Date: |  |
| Membership Number: \_\_\_\_\_\_\_\_\_\_\_\_\_ |  | Place: | Bangalore |

**Annexure ‘B’ to Audit Report**

*The Annexure referred to in our report to the Members of the Company on the Financial Statement for the period ended March 31, 2019 on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 (“the Act”)*

We have audited the internal financial controls over financial reporting of \_\_\_\_\_\_\_\_\_Private Limited (‘the Company’) as of March 31, 2019 in conjunction with our audit of the financial statements of the Company for the period ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls
based on the internal control over financial reporting criteria established by the Company considering
the essential components of internal control stated in the Guidance Note on Audit of Internal Financial
Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (‘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 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 based on our audit conducted in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, to the extent applicable to an audit of internal financial controls, both issued by the Institute of Chartered Accountants of India. Those standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established if such controls operated effectively in all material respects.

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

Because of the matter described in Disclaimer of Opinion paragraph below, we were not able to obtain sufficient appropriate audit evidence to provide a basis for an audit opinion on internal financial controls system over financial reporting of the Company.

**Meaning of Internal Financial Controls over Financial Reporting**

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

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 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 financial statements.

**Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

**Disclaimer of Opinion**

*According to the information and explanation given to us, the Company has not established its internal financial control over financial reporting on criteria based on or 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. Because of this reason, we are unable to obtain sufficient appropriate audit evidence to provide a basis for our opinion whether the Company had adequate internal financial controls over financial reporting and whether such internal financial controls were operating effectively as at March 31, 2019.*

We have considered the disclaimer reported above in determining the nature, timing, and extent of audit tests applied in our audit of the standalone financial statements of the Company, and the disclaimer does not affect our opinion on the standalone financial statements of the Company.

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| **\_\_\_\_\_\_\_\_\_\_** |  |  |  |
| Partner |  | Date: |  |
| Membership Number: \_\_\_\_\_\_\_\_\_\_\_\_\_ |  | Place: | Bangalore |