



## INDEPENDENT AUDITORS' REPORT

### TO THE MEMBERS OF SRIVATSA ENCIVIL PRIVATE LIMITED

#### 1. Opinion

We have audited the accompanying separate financial statements of **SRIVATSA ENCIVIL PRIVATE LIMITED** which comprises the Balance Sheet as at March 31, 2023, the Statement of Profit and Loss ((including Other Comprehensive Income), Statement of Changes in Equity and Cash Flows for the year then ended, and notes to the separate financial statements, including a summary of 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 separate 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, of the state of affairs of the company as at March 31, 2023, and Loss and its cash flows for the year ended on that date.

#### 2. 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 Separate 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 separate 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.

#### 3. Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone separate financial statements of the current period. These matters were addressed in the context of our audit of the separate financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters

In addition to the matters described in the Basis for Qualified Opinion section, we have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matter	How our audit addressed the key audit matter
<u>Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances in respect of "Revenue from contracts with Customers" under Ind AS 115 (Revenue Accounting Standard)</u>  The application of this accounting standard involves certain key judgments relating to identification of distinct performance obligations, determination of transaction price of identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period, and disclosures including presentations of balances in the separate financial statements.  An estimated effort is a critical estimate to determine revenue, as it requires consideration of progress of	<u>Principal Audit Procedures</u>  Our audit approach consisted testing of the design and operating effectiveness of internal controls and procedures as follows:  Evaluated the effectiveness of control over the preparation of information that are designed to ensure the completeness and accuracy.  <ul style="list-style-type: none"><li>Selected a sample of existing continuing contracts and new contracts, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price.</li></ul>



<p>the contract. Efforts incurred till date; efforts required to complete the remaining performance obligation.</p> <p>Refer Note No. 29 to the standalone separate financial statements</p>	<ul style="list-style-type: none"><li>• Tested the relevant information, accounting systems and change relating to contracts and related information used in recording and disclosing revenue in accordance with the Ind AS 115.</li><li>• Reviewed some samples of contracts to identify possible delays in achieving milestones which require change in estimated efforts to complete the remaining performance obligation.</li><li>• Performed analytical procedures and test of details for reasonableness and other related material items.</li></ul>
<p><u>Assessment and recoverability of trade receivables</u></p> <p>The company has net trade receivables outstanding of Rs. 217 Lakh at the end of 31st March 2022.</p> <p>These balances are related to revenue recognized in line with Ind AS for ongoing contracts and completed contracts. The assessment of its recoverability is a key audit matter in the audit due to its size and high level of management judgment.</p> <p>Refer Note No. 11 to the standalone separate financial statements.</p>	<p><u>Principal Audit Procedures</u></p> <p>We assessed the company's internal process to recognize the revenue and review mechanism of trade receivables. Our audit approach consisted testing of the design and operating effectiveness of internal controls and procedures as follows:</p> <ul style="list-style-type: none"><li>• Evaluated the process of invoicing, verification and reconciliation with customer.</li><li>• Reviewed the guidelines and policies of the company for impairment of trade receivables.</li><li>• Tested the accuracy of ageing of trade receivables at the yearend on sampling basis.</li><li>• Performed analytical procedures and test of data, their reasonableness and recoverability and other material items.</li></ul>

#### 4. Information Other than the Separate financial statements and Auditor's Report

Thereon The company's management is responsible for the preparation of the other information. The other information comprises the information included in director's report and annexure but does not include the standalone separate financial statements and our auditor's report thereon. The director's report and annexure is expected to be made available to us after the date of this auditor's report.

Our opinion on the standalone separate 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 separate financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider whether the other



information is materially inconsistent with the standalone separate financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the 'Other information', if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance and take appropriate actions, if required.

## **5. Responsibility of Management and Those Charged with Governance for the Separate financial statements**

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these separate 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 Indian Accounting Standards (IND AS) 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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error

## **6. Auditor's Responsibility**

Our objectives are to obtain reasonable assurance about whether the separate 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 separate financial statements.

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

- A. Identify and assess the risks of material misstatement of the standalone separate 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.
- B. 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 standalone separate financial statements in place and the operating effectiveness of such controls.
- C. Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management and Board of Directors.
- D. Conclude on the appropriateness of management's and Board of Directors' use of the going concern basis of accounting in preparation of standalone separate financial statements 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 auditors' report to the related disclosures in the standalone separate 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 auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.



- E. Evaluate the overall presentation, structure and content of the standalone separate financial statements, including the disclosures, and whether the standalone separate 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.

## **7. 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 Companies Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraph 3 & 4 of the order, to the extent applicable
2. As required by the section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanation which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b) In our opinion proper books of account as required by law have been kept by the company so far as it appears from our examination of those books;
  - c) The Balance sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - d) In our opinion, the aforesaid separate financial statements comply with the Indian Accounting Standards (IND AS) specified under section 133 of the Act, read with the Companies (Indian Accounts Standards) Rule, 2015.
  - e) On the basis of written representations received from the directors as on March 31, 2023, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls – Not Applicable vide notification dated 13th June, 2017 issued by Ministry of Corporate Affairs and,
  - g) With respect to the other matters to be included in the Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rule, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - I. The company does not have any pending litigation which impacts its financial position in the separate financial statements.
    - II. The Company did not have any long-term contracts including derivative contracts as such the question of commenting on any material foreseeable losses thereon does not arise.
    - III. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.



## **NATU & PATHAK**

**CHARTERED ACCOUNTANTS**

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**IV.**

- i. The Management has represented that, to the best of its knowledge and belief, other than as disclosed in note 43 to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- ii. The Management has represented that, to the best of its knowledge and belief, as disclosed in note 43 to the accounts, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Funding Parties or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- iii. Based on the 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 (i) and (ii) of Rule 11(e) contain any material misstatement.

- V. The final dividend declared / paid by the Company during the current year is in accordance with section 123 of the Companies Act 2013.

**CA. RANJIT NATU**

Partner

(Membership No. 104882)

For and on behalf of

**NATU & PATHAK**

Chartered Accountants.

(ICAI Firm Regn. No. 112219W)

Pune,

30<sup>th</sup> May, 2023

UDIN:- 23104882BGWAP2657



## ANNEXURE A TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 5(2) under 'Report on other legal and regulatory requirements' section of our report of even date on the separate financial statements of SRIVATSA ENCIVIL PRIVATE LIMITED)

1.
  - a)
    - i. The company has not maintained proper records showing full particulars, including quantitative details and situation of its property, plant, and equipment, because no property, plant, and equipment is held by the company
    - ii. The company has not maintained proper records showing full particulars, including quantitative details and situation of its intangible assets, because no intangible asset is held by the company.
  - b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, As explained to us, Property, Plant and Equipment have not been physically verified by the management because no property, plant, and equipment is held by the company at any time during the year; and as such question of material discrepancies does not arise.
  - c) The Company does not own any immovable property (other than properties where the Company is the lessee, and the lease agreements are duly executed in favor of the lessee) and as such question of title deeds of immovable properties held in the name of the company does not arise.
  - d) The Company has not revalued its property, plant, and equipment (including right of use assets) or intangible assets or both during the year.
  - e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder
2.
  - a) The inventory has not been physically verified at the year-end by the management since no inventories were held by the company at any time during the year and as such we are not commenting on the procedures of physical inventories by the management.
  - b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been sanctioned working capital limits from banks or financial institutions on the basis of the security of current assets at any point of time during the year.
3. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties, other than an investment in Suyog Development Corporation Unit 12 LLP. Details of this investment is as follows.

Sr. No.	Name	Nature of Relationship	Investment made during the year (Net)	Return on Investment	Balance as on 31 March 2023	Type
1	Suyog Development Corporation Unit 12 LLP	After investment became Subsidiary	Rs. 95,58,45,392/-	Rs. 6,65,34,041/-	Rs. 96,03,52,877/-	As Partner's Capital in LLP





4. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has neither made any investments, nor has it given loans or provided guarantee or security as specified under Section 185 of the Companies Act, 2013 ("the Act") and the Company has not provided any security as specified under Section 186 of the Act.
5. The Company has not accepted any deposits from the public and as such the provisions of clause 3(v) of the Companies (Auditor's report) Order, 2020 is not applicable to company.
6. According to the information and explanations given to us, the company is not required to maintain cost records as prescribed by the central government under sub-section (1) of Section 148 of the Companies Act, 2013. Therefore, the provisions of clause 3(vi) of the Companies (Auditor's report) Order, 2020 is not applicable to company.
7.
  - a) According to the information and explanation given to us, the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund (PF), labour welfare fund, employees' state insurance (ESIC), income tax, custom duty, goods & service tax (GST), cess and other material statutory dues applicable to it.

According to the information and explanation given to us, no undisputed amount payable in respect of provident fund (PF), labour welfare fund, employees' state insurance (ESIC), income tax, custom duty, excise duty, goods & service tax (GST), cess were in arrears as at 31<sup>st</sup> March, 2023 for a period of more than six months from the date they become payable.
  - b) According to the information and explanations given to us, there are no dues of provident fund (PF), labour welfare fund, employees' state insurance (ESIC), income tax, custom duty, excise duty, goods & service tax (GST), cess which have not been deposited on account of any dispute.
8. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
9.
  - a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not availed any loans or borrowings from banks or government or government authority. In case of borrowings including debt securities from financial institutions the company has not defaulted in repayment of loan or in payment of interest thereon to lender of such debt.
  - b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a willful defaulter by any bank or financial institution. Accordingly, Clause (ix) (b) of Para 3 of the Companies (Auditor's report) Order, 2020 is not applicable.
  - c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not availed any term loans. Accordingly, Clause (ix) (c) of Para 3 of the Companies (Auditor's report) Order, 2020 is not applicable.
  - d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not raised any funds on short term basis. Accordingly, Clause (ix) (d) of Para 3 of the Companies (Auditor's report) Order, 2020 is not applicable.
  - e) According to the information and explanations given to us and on the basis of our examination of the records 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, associate or joint venture as defined in the Act. The



Company does not have any investment in any subsidiaries, associate, or joint venture (as defined in the Act) during the year ended 31 March 2023. Accordingly, Clause (ix) (e) of Para 3 of the Companies (Auditor's report) Order, 2020 is not applicable.

- f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not raised loans during the year on the pledge of securities held in its subsidiaries, associate, or joint venture (as defined under the Act). Accordingly, Clause (ix) (f) of Para 3 of the Companies (Auditor's report) Order, 2020 is not applicable.

10.

- a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, clause 3(x)(a) of the Companies (Auditor's report) Order, 2020 is not applicable.
- b) The Company has made private placement of 1,000 secured, redeemable, non-convertible debentures of face value of Rs. 10,00,000/- each at par to Edelweiss India Real Estate Fund during the year.

11.

- a) To the best of our knowledge and according to the information and explanation given to us, no fraud by the company and no fraud on the company by officers or employees has been noticed or reported during the year. Accordingly, clause 3(xi) (a) of the Companies (Auditor's report) Order, 2020 is not applicable.
- b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by us in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, clause 3(xi) (b) of the Companies (Auditor's report) Order, 2020 is not applicable.
- c) The company has not received any whistle-blower complaint during the year. Accordingly, clause 3(xi) (c) of the Companies (Auditor's report) Order, 2020 is not applicable.

12. In our opinion and according to the information and explanations given to us, the company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Companies (Auditor's report) Order, 2020 is not applicable.

13. In our opinion and according to the information and explanations given to us and of the records of the company, transactions with the related parties are in compliance with Section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the separate financial statements as required by the applicable Indian Accounting Standards (IND AS).

14. In our opinion and based on our examination of the records of the Company, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of Companies Act 2013. Accordingly, paragraph 3(xiv)(a) & (b) of the Companies (Auditor's report) Order, 2020 is not applicable.

15. According to information and explanations given to us and based in our examinations of the records of the Company, the company has not entered into any non-cash transactions with directors or persons connected to its directors, and hence provisions of Section 192 of Companies Act, 2013 are not applicable to the Company.





- 16.
- a) The company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clauses 3(xvi)(a) and 3(xvi)(b) of the Order are not applicable.
  - b) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
  - c) According to the information and explanations provided to us during the course of audit, the Group does not have any CICs.

17. The company has incurred cash losses during the financial year and the immediately preceding financial year, details of which are as follows.

Financial Year	Amount of Loss (in Rs.)
2021 - 2022	15,13,149/-
2022 – 2023	7,77,27,956/-

18. There has not been any instance of resignation of Statutory Auditors. Accordingly, Clause (xviii) of Para 3 of the Order, 2020 is not applicable.
19. On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the separate financial statements and our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the 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.
20. In our opinion and according to the information and explanations given to us, there is no unspent amount under sub-section (5) of section 135 of the Act pursuant to any project. Accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.
21. In our opinion and according to the information and explanations given to us the Company is not required to prepare Consolidated Separate financial statements and hence clauses 3(xxi) of the Order are not applicable.

**CA. RANJIT NATU**  
Partner  
(Membership No. 104882)

For and on behalf of  
**NATU & PATHAK**  
Chartered Accountants.  
(ICAI Firm Regn. No. 112219W)

Pune,  
30<sup>th</sup> May, 2023  
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