

## **INDEPENDENT AUDITORS' REPORT**

To the Members of **SYLVAN ACRES REALTY PRIVATE LIMITED**

### **Report on the Audit of the IND AS Financial Statements**

#### **Opinion**

We have audited the IND AS financial statements of **SYLVAN ACRES REALTY PRIVATE LIMITED** ("the Company"), which comprise the balance sheet as at 31st March 2019, and the statement of Profit and Loss, Statement of Changes in Equity and statement of cash flows for the year then ended, and notes to the 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 IND AS 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, 2019, and loss, changes in equity and its 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.

#### **Information Other than the Ind AS Financial Statements and Auditor's Report Thereon**

The Company's Board of Directors are responsible for the other information. The Board report is expected to be made available to us after the date of this auditor's report. Our opinion on the financial statements does not cover the other information and we will not express any form of assurance conclusion thereon. In connection with our audit of the 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 financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

## **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Company's Board of Directors are 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 Ind AS 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 specified under Section 133 of the Act.

This responsibility also includes the maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of the assets of the Company and for preventing and detecting the 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 control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 Responsibilities for the Audit of the Financial Statements**

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 SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- 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.
- 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.
  - 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 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 Companies Act, 2013, we give in the Annexure A statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
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.

- c. The Balance Sheet, the Statement of Profit and Loss statement of changes in equity , and the Cash Flow Statement dealt with by this Report are in agreement with the books of account
- d. In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Companies Act 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e. On the basis of the written representations received from the directors as on 31st March, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 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, refer to our separate Report in "Annexure - B".
- g. 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, 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 litigations which would impact its financial position.
  - ii. The Company does 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 & Protection Fund by the Company.

Place: Bengaluru  
Dated: 3<sup>rd</sup> May 2019

For **NSVM & Associates**  
Chartered Accountants  
Firm Reg. No. :010072S

(G C S Mani)  
Partner  
Membership No:036508

**The annexure referred to in the Independent Auditors report to the members of  
SYLVAN ACRES REALTY PRIVATE LIMITED for the year ended 31<sup>st</sup> March 2019.**

**We report that:**

- I. The company does not hold any fixed assets as at 31.03.2019 and as such the reporting under these clauses are not applicable to this company.
- II. As explained to us, inventory of the company has been physically verified during the year by the management at regular intervals. (In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification were not material.)
- III. The company has not granted advances/loans to secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act 2013.
- IV. The Company has not given any loans/investments/guarantees to which the provisions of Section 185 or 186 of the Act apply.
- V. The Company has not accepted any deposits to which the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed thereunder and the directions issued by the RBI are applicable. Hence paragraph 3 (5) of CARO is not applicable to the company.
- VI. The cost records to be maintained by the company pursuant to the Companies (Cost Accounting Records) Rules, as amended, specified by the Central Government under section 148(1) of the Companies Act does not apply to the company.
- VII.
  - a) According to the information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including, Income tax, Goods and Service Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2019 for a period of more than six months from the date on when they become payable.

- b) According to the information and explanations given to us, there are no dues of income tax, wealth tax, goods and service Tax, sales tax, custom duty, excise duty and cess which have not been deposited of account of any dispute.
- VIII. In our opinion and according to the information and explanations given to us, the Company has not taken any loan either from financial institutions or from the government and has not issued any debentures and hence clause 3(viii) is not applicable.
- IX. In our opinion and according to the information and explanation given to us, no money was raised by the way of public issue/follow-on-offer (inclusive debt instruments).
- X. Based upon audit procedure performed and information and explanation given by the management, we report that no fraud on or by the company and no fraud on the company by its officers/ employees has been noticed or reported during the course of our audit.
- XI. Based upon the audit procedures performed and the information and explanations given by the management, no managerial remuneration has been paid or is payable during the year and hence reporting under clause 3(xi) of the Order is not applicable.
- XII. The company is not a Nidhi Co. and therefore clause 3(12) of the order is not applicable to the company.
- XIII. In our opinion, the company has not entered into any Related Party transactions within the meaning of Section 188 of the Act during the year. Clause 3(xiii) of the Order is therefore not applicable to the Company. Further, in our opinion, the provisions of Section 177 are not applicable to the Company as the company is a Private Limited Company.
- XIV. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company and hence not commented upon.

- XV. The company has not entered in to any non-cash transactions with directors/ persons connected with him and therefore clause 3(15) of the order is not applicable to the company.
- XVI. The company is not required to obtain registration under section 45-IA of the Reserve Bank of India Act, 1934.

**FOR M/s NSVM & ASSOCIATES**  
Chartered Accountants  
**Firm Reg. No. 010072S**

Place: Bengaluru  
Dated: 03.05.2019

**( G C S Mani)**  
PARTNER  
**Membership No. 036508**

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SYLVAN ACRES REALTY PRIVATE LIMITED for the year ended 31<sup>st</sup> March 2019.**

**We report that:**

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- III. The company has not granted advances/loans to secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act 2013.
- IV. The Company has not given any loans/investments/guarantees to which the provisions of Section 185 or 186 of the Act apply.
- V. The Company has not accepted any deposits to which the provisions of Section 73 to 76 or any other relevant provisions of the Companies Act and the rules framed thereunder and the directions issued by the RBI are applicable. Hence paragraph 3 (5) of CARO is not applicable to the company.
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- VII.
  - a) According to the information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally regular in depositing undisputed statutory dues including, Income tax, Goods and Service Tax, Cess and any other statutory dues with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the above were in arrears as at March 31, 2019 for a period of more than six months from the date on when they become payable.

- b) According to the information and explanations given to us, there are no dues of income tax, wealth tax, goods and service Tax, sales tax, custom duty, excise duty and cess which have not been deposited of account of any dispute.
- VIII. In our opinion and according to the information and explanations given to us, the Company has not taken any loan either from financial institutions or from the government and has not issued any debentures and hence clause 3(viii) is not applicable.
- IX. In our opinion and according to the information and explanation given to us, no money was raised by the way of public issue/follow-on-offer (inclusive debt instruments).
- X. Based upon audit procedure performed and information and explanation given by the management, we report that no fraud on or by the company and no fraud on the company by its officers/ employees has been noticed or reported during the course of our audit.
- XI. Based upon the audit procedures performed and the information and explanations given by the management, no managerial remuneration has been paid or is payable during the year and hence reporting under clause 3(xi) of the Order is not applicable.
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- XIV. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3(xiv) of the Order are not applicable to the Company and hence not commented upon.

- XV. The company has not entered in to any non-cash transactions with directors/ persons connected with him and therefore clause 3(15) of the order is not applicable to the company.
- XVI. The company is not required to obtain registration under section 45-IA of the Reserve Bank of India Act, 1934.

**FOR M/s NSVM & ASSOCIATES**  
Chartered Accountants  
**Firm Reg. No. 010072S**

Place: Bengaluru  
Dated: 03.05.2019

**( G C S Mani)**  
PARTNER  
**Membership No. 036508**

SYLVAN ACRES REALTY PRIVATE LIMITED Balance Sheet as on 31st March 2019			
Amount In Rupees			
Particulars	Note No.	As at March 31, 2019	As at March 31, 2018
<b>ASSETS</b>			
1 Non-current assets			
(a) Property, Plant and Equipment			
(b) Capital work-in-progress			
(c) Goodwill			
(d) Investment Property			
(e) Other Intangible assets			
(f) Intangible assets under development			
(g) Financial Assets			
(i) Investments			
(ii) Trade receivables			
(iii) Loans			
(iv) Others			
(h) Deferred tax assets (net)	2	-	-
(i) Income Tax Assets (Net)		53,63,504	53,63,504
(j) Other non-current assets			
<b>Total Non - Current Assets</b>		<b>53,63,504</b>	<b>53,63,504</b>
2 Current assets			
(a) Inventories	3	3,42,36,895	3,42,36,896
(b) Financial Assets			
(i) Investments			
(ii) Trade receivables			
(iii) Cash and cash equivalents	4	15,90,251	18,52,577
(iv) Loans			-
(v) Others (to be specified)	5	6,62,68,873	6,63,02,938
(c) Other current assets			
<b>Total Current Assets</b>		<b>10,20,96,019</b>	<b>10,23,92,411</b>
<b>Total Assets (1+2)</b>		<b>10,74,59,523</b>	<b>10,77,55,915</b>
<b>B EQUITY AND LIABILITIES</b>			
1 Equity			
(a) Equity Share capital	6	3,75,00,000	3,75,00,000
(b) Other Equity	7	6,98,59,836	7,01,81,106
Equity attributable to owners of the Company (I)		10,73,59,836	10,76,81,106
Non-controlling interests (II)			
<b>Total equity (I+II)</b>		<b>10,73,59,836</b>	<b>10,76,81,106</b>
<b>LIABILITIES</b>			
2 Non-current liabilities			
(a) Financial Liabilities			
(i) Borrowings			
(ii) Trade payables			
(iii) Other financial liabilities (other than those specified in (b) below, to be specified)			
(b) Provisions			
(c) Deferred tax liabilities (Net)			
(d) Other non-current liabilities			
<b>Total Non - Current Liabilities</b>		-	-
3 Current liabilities			
(a) Financial Liabilities			
(i) Borrowings			
(ii) Trade payables			
(iii) Other financial liabilities (other than those specified in (b) below, to be specified)			
(b) Provisions			
(c) Current Tax Liabilities (Net)	8	-	-
(d) Other current liabilities			
<b>Total Current Liabilities</b>		<b>97,337</b>	<b>74,809</b>
Liabilities associated with assets held for sale			
<b>Total Equity and Liabilities (1+2+3)</b>		<b>10,74,59,523</b>	<b>10,77,55,915</b>
<b>Significant Accounting Policies</b>	1		
In terms of our report attached. For NSVM & ASSOCIATES Chartered Accountants FRN : 0100725			For and on behalf of the Board
G C S MANI Partner Mem. No. 036508		Rajkumar V R Pathanelavanki Director DIN: 06994321	Rakesh A Kini Director DIN: 08174518
Place : Bengaluru Date : 03.05.2019			

**SYLVAN ACRES REALTY PRIVATE LIMITED**  
**Statement of Profit and Loss for the period ended 31st March 2019**

		<b>Amount In Rupees</b>		
<b>Particulars</b>		<b>Note No.</b>	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
Continuing Operations				
I	Revenue from operations		-	-
II	Other Income			
III	Total Revenue (I + II)			
IV	EXPENSES			
(a)	Cost of materials consumed		-	-
(b)	Employee benefit expense			
(c)	Finance costs			
(d)	Depreciation and amortisation expense			
(e)	Other expenses			
	Total Expenses (IV)	9	3,21,269	50,819
			3,21,269	50,819
V	Share of profit / (loss) of joint ventures and associates			
-1	Share of profit / (loss) of joint ventures and associated			
VI	Profit/(loss) before tax (VII - VIII)		(3,21,269)	(50,819)
VII	Tax Expense			
-1	Current tax		-	-
-2	Deferred tax			24,197
-3	Short / (Excess) provision for tax relating to prior years		-	-
	Total tax expense		-	24,197
VIII	Profit/(loss) after tax from continuing operations (IX - X)		(3,21,269)	(75,016)
IX	Discontinued Operations			
-1	Profit/(loss) from discontinued operations			
-2	Tax Expense of discontinued operations			
	Profit/(loss) after tax from discontinued operations			
X	Profit/(loss) for the period (VIII + IX)		(3,21,269)	(75,016)
XI	Other comprehensive income			
A	(i) Items that will not be recycled to profit or loss			
	(a) Remeasurements of the defined benefit liabilities / (asset)			
	(b) Others (specify nature)			
	(ii) Income tax relating to items that will not be reclassified to profit or loss			
B	(i) Items that may be reclassified to profit or loss			
	(a) Exchange differences in translating the financial statements of foreign operations			
	(b) Others (specify nature)			
	(ii) Income tax on items that may be reclassified to profit or loss			
XII	Total comprehensive income for the period (XV + XVIII)		(3,21,269)	(75,016)
XIII	Earnings per equity share :			
-1	Basic		(0.86)	(0.20)
-2	Diluted		(0.86)	(0.20)

In terms of our report attached.  
For NSVM & ASSOCIATES  
Chartered Accountants  
FRN : 0100725

For and on behalf of the Board

G C S MANI  
Partner  
Mem. No. 036508

Rajkumar V R Pathanelavanki  
Director  
DIN: 06994321

Rakesh A Kini  
Director  
DIN: 08174518

Place : Bengaluru  
Date : 03.05.2019

**SYLVAN ACRES REALTY PRIVATE LIMITED**  
**Cash Flow Statement for the year ended 31st March, 2019**

Cash Flow Statement for the	Amount In Rupees	
	Year Ended As at 31 Mar 19	As at 31 Mar 18
<b>A Cash Flow from Operating Activities</b>		
Net Profit Before Tax	(3,21,269)	(50,819)
Adjustments for :		
Depreciation and Amortization Expense	-	
Finance Costs	-	
Interest & Dividend received on Investments		
Share of profit from Firms and LLP		
Loss on sale of Fixed assets		
Expense on employee stock option scheme		
Provision for non-current investments no longer required		
Sundry Balances Written back		
(Profit) / loss on sale of Current Investments	-	-
Operating Profit before working capital changes	(3,21,269)	(50,819)
(Increase)/Decrease in Inventories	-	
(Increase)/Decrease in Trade receivables	-	
(Increase)/Decrease in Financial assets - Loans		
(Increase)/Decrease in Financial assets - Others		
(Increase)/Decrease in Other current assets	34,065	(14,98,750)
(Increase)/Decrease in Other non-current assets	-	
(Increase)/Decrease in Restricted Cash Balances (e.g. Dividend A/c)		
Increase/(Decrease) in Long-term provisions	22,528	(3,750)
Increase/(Decrease) in Trade payables		
Increase/(Decrease) in Other financial liabilities - Non current		
Increase/(Decrease) in Other non-current liabilities		
Increase/(Decrease) in Other financial liabilities - Current		
Increase/(Decrease) in Other current liabilities	-	-
Increase/(Decrease) in Short-term provisions		
Cash Generated from Operations	(2,64,676)	(15,53,319)
Income Tax Refund / (Paid) (net)		-
<b>Net Cash Flow from / (used in) Operating Activities (A)</b>	(2,64,676)	(15,53,319)
<b>B Cash Flow from Investing Activities</b>		
Purchase of Property, Plant and Equipment and Intangible Assets		
Proceeds from Sale of Property, Plant and Equipment		
Purchase of Current Investments		
Sale of Current Investments		
Dividend Income from Related Parties (refer note XX)		
Investment in Associate and Subsidiaries (refer note XX)		
Advance towards Investments		
Inter Corporate Deposits given		
Fixed Deposit / Margin Money Realized		
Fixed Deposit / Margin Money Placed		
Interest Received		
<b>Net Cash Flow from / (used in) Investing Activities (B)</b>	-	-
<b>C Cash Flow from Financing Activities</b>		
Repayment of long-term borrowings		
Proceed from long-term borrowings		
Net increase / decrease in working capital borrowings		
Capital contribution/(withdrawal) by Minority		
Dividend & Tax on dividend paid		
Finance cost paid		
<b>Net Cash Flow from / (used in) Financing Activities ( C )</b>	-	-
<b>Net Increase / (Decrease) in Cash and Cash Equivalents (A+B+C)</b>	(2,64,676)	(15,53,319)
<b>Cash and Cash Equivalents (Opening balance)</b>	18,52,577	34,05,895
<b>Cash and Cash Equivalents (refer note XX) at the end of the</b>	15,90,251	18,52,576
<b>NET INCREASE / (DECREASE) IN CASH AND CASH EQUIVALENTS</b>	2,350	-

In terms of our report attached.  
For NSVM & ASSOCIATES  
Chartered Accountants  
FRN : 0100725

For and on behalf of Board of Directors  
**Sylvan Acres Realty Private Limited**

Rajkumar V R Pathanelavanki Director DIN: 06994321	Rakesh A Kini Director DIN: 08174518
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Place : Bengaluru  
Date : 03.05.2019

## **SYLVAN ACRES REALTY PRIVATE LIMITED**

### **Note 1: Significant Accounting Policies for the year ended March 31, 2019.**

#### **Company Overview**

Sylvan Acres Realty Private Limited was incorporated as Private Limited Company on 27th October 2005 vide CIN: U70102PN2005PTC021479 having its registered office at City Point, Dhole Patil Road,Pune - 411 001 India.

The Company is in the business of construction and development of residential and commercial complexes, flats, shopping malls etc.

#### **1. Significant accounting policies**

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated.

##### **i. Basis of preparation**

###### *Compliance with Ind AS*

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to year ended 31 March 2019 were prepared in accordance with the accounting standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

The financial statements have been prepared on a historical cost basis, except for the followingcertain financial assets and liabilities (including derivative instruments) and contingent consideration that is measured at fair value.

##### **ii. 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 in future periods.

### **iii. Current Versus Non-Current Classification**

The Company presents assets and liabilities in the balance sheet based on current and non-current classification.

An asset is treated as current when it is:

- Expected to be realized within twelve months after the reporting period, or
- Cash or Cash Equivalents 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:

- 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.

The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

### **iv. Foreign currency translation**

#### **Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are generally recognized in profit or loss. They are deferred in equity if they relate to qualifying cash flow hedges and qualifying net investment hedges or are attributable to part of the net investment in a foreign operation. A monetary item for which settlement is neither planned nor likely to occur in the foreseeable future is considered as a part of the entity's net investment in that foreign operation.

Foreign exchange differences regarded as an adjustment to borrowing costs are presented in the statement of profit and loss, within finance costs. All other foreign exchange gains and losses are presented in the statement of profit and loss on a net basis within other gains/(losses).

Non-monetary items that are measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was determined. Translation differences on assets and liabilities carried at fair value are reported as part of the fair value gain or loss.

## **v. Revenue recognition**

Revenue is recognized when it is earned and no significant uncertainty exists as to its realization and collection. Revenue is recognized, net of rebate/discounts, on transfer of significant risks and rewards of ownership to the buyer, The Company is in the business of real estate development and in the year under review, the company has not earned any revenue from its main line of business.

## **vi. Income tax**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

### **Deferred Tax**

Deferred Tax is provided using the liability method on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements.

Deferred tax liabilities are recognized for all taxable temporary differences, except:

When the deferred tax liability arises from the initial recognition of goodwill or an asset or liability in transaction that is not a business combination and, at the time of the transaction, affects neither the accounting Profit nor taxable Profit or Loss.

In respect of taxable temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, when the timing of the reversal of the temporary differences can be controlled and it is probable that the temporary differences will not reverse in the foreseeable future.

Deferred Tax assets are recognized for all deductible temporary differences, the carry forward of unused tax credits and any unused tax losses. Deferred Tax assets are recognized 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, except:

- When the Deferred Tax asset relating to the deductible temporary difference arises from the initial recognition of an asset or liability in a transaction that is not a business combination and, at the time of the transaction, affects neither the accounting Profit nor taxable Profit or Loss;

- In respect of deductible temporary differences associated with investments in subsidiaries, associates and interest in joint ventures, Deferred Tax assets are recognized only to the extent that it is probable that the temporary differences will reverse in the foreseeable future and taxable Profit will be available against which the temporary differences can be utilized.

The carrying amount of Deferred Tax assets is reviewed at each reporting 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 Tax asset to be utilized. Unrecognized Deferred Tax assets are re-assessed at each reporting date and are recognized to the extent that it has become probable that future taxable Profits will allow the Deferred Tax asset to be recovered.

Deferred Tax assets and liabilities are measured at the tax rates that are expected to apply in the year 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 reporting date.

Deferred Tax relating to items recognized outside Statement of Profit and Loss is recognized outside Statement of Profit and Loss (either in the Other Comprehensive Income or in the Equity). Deferred Tax items are recognized in correlation to the underlying transaction either in Other Comprehensive Income or directly in Equity.

Deferred Tax assets and Deferred Tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the Deferred Taxes related to the same taxable entity and the same taxation authority.

## **vii. Impairment of assets**

Goodwill and intangible assets that have an indefinite useful life are not subject to amortization and are tested annually for impairment, or more frequently if events or changes in circumstances indicate that they might be impaired. Other assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). Non-financial assets other than goodwill that suffered impairment are reviewed for possible reversal of the impairment at the end of each reporting period.

## **viii. Cash and cash equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash onhand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts.

## **ix. Inventories**

The activity being in the nature of real estate is valued at lower of cost and net realizable value. Work-in-progress includes expenses up to the point of incidence and all related costs in accordance with IND AS – 2.

## **x. Offsetting financial instruments**

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the group or the counterparty.

## **xi. Fair Value Measurement**

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

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.

xii.

### **Financial Assets**

The Company recognizes loss allowances using the Expected Credit Loss (ECL) model for the financial assets which are not fair valued through Statement of Profit and Loss. The Company tests for impairment using the Expected Credit Loss model for financial assets such as loans and advances to be settled in cash.

Loss allowance for loans with no significant financing component is measured at an amount equal to lifetime Expected Credit Loss. Life time Expected Credit Loss are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month Expected Credit Loss is a portion of the lifetime Expected Credit Loss which results from default events on a financial instrument that are possible within 12 months after the reporting date.

Impairment Loss allowance (or reversal) recognized during the period is recognized as income/expense in the Statement of Profit and Loss. This amount is reflected in a separate line in the Statement of Profit and Loss as an impairment gain or loss. For financial assets measured at amortized cost, Expected Credit Loss is presented as an allowance which reduces the net carrying amount of the financial asset.

### **Financial Liability**

'Financial liabilities are subsequently carried at amortised cost using the effective interest method, except for contingent consideration recognised in a business combination which is subsequently measured at fair value through Statement of Profit and Loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate the fair value due to the short maturity of these instruments.

'Interest-bearing loans and borrowings are subsequently measured at amortised cost using the Effective Interest Rate method. Gains and losses are recognised in Statement of Profit and Loss when the liabilities are derecognised as well as through the Effective Interest Rate amortisation process. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the Effective Interest Rate. The Effective Interest Rate amortisation is included as finance costs in the Statement of Profit and Loss.

**SYLVAN ACRES REALTY PRIVATE LIMITED**  
**Notes to the financial statements as at 31st March 2019**

**Note - 2A : Income Tax**

<b>Particulars</b>	<b>Amount In Rupees</b>	
	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
Current Tax Asset:	53,63,504	53,63,504
Others		
<b>Total</b>	<b>53,63,504</b>	<b>53,63,504</b>
<b>Note - 2B : Taxes</b>		
<b>Particulars</b>	<b>Amount In Rupees</b>	
	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
Income Tax payable	-	-
Others	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**SYLVAN ACRES REALTY PRIVATE LIMITED**  
**Notes to the financial statements as at 31st March 2019**

**Note - 3: Inventories**

Particulars	Amount In Rupees	
	As at March 31, 2019	As at March 31, 2018
(a) Work In Progress	3,42,36,895	3,42,36,896
Total Inventories at the lower of cost and net realisable value	<b>3,42,36,895</b>	<b>3,42,36,896</b>

**SYLVAN ACRES REALTY PRIVATE LIMITED**  
**Notes to the financial statements as at 31st March 2019**

**Note - 4: Cash and Bank Balances**

<b>Particulars</b>	<b>Amount in Rupees</b>	
	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
Current Cash and bank balances		
(a) Balances with banks		
- In current accounts	15,66,450	18,28,776
- In deposit accounts		
(b) Cheques, drafts on hand	-	-
(c) Cash in hand	23,800	23,800
(d) Other Bank Balances		
1) Balances held as margin money or security against borrowings, guarantees and other commitments	-	-
2) Earmarked accounts - unpaid dividend accounts	-	-
Total Cash and cash equivalent	<b>15,90,250</b>	<b>18,52,576</b>

**SYLVAN ACRES REALTY PRIVATE LIMITED**  
**Notes to the financial statements as at 31st March 2019**

**Note - 5: Others current Financial Assets**

Amount in Rupees

Particulars	As at March 31, 2019	As at March 31, 2018
Financial assets at amortised cost		
Other items		
Interest accrued on deposits	6,62,68,873	6,63,02,938
<b>Total Financial assets at amortised cost</b>	<b>6,62,68,873</b>	<b>6,63,02,938</b>

**Note on Related Party Transactions:**

**Ownership Interest**

Name	Type	Place of Incorporation	31-Mar-19	31-Mar-18
Kolte Patil Developers Limited	Immediate and Ultimate Parent Entity	India	100%	100%

**Note:**

The above amount represents net interest receivable from Kolte Patil Developers Limited (the 100% Holding Company). It includes two components namely; Interest receivable from the Holding Company and Loan taken from the Holding Company. Hence, the net interest receivable is disclosed under other current financial assets

**SYLVAN ACRES REALTY PRIVATE LIMITED**  
**Notes to the financial statements as at 31st March 2019**

**Note - 6: Equity Share Capital**

**Particulars**

	<b>As at March 31, 2019</b>		<b>As at March 31, 2018</b>	
	<b>No. of shares</b>	<b>Amt</b>	<b>No. of shares</b>	<b>Amt</b>
Authorised:				
Equity shares of Rs. 100 each with voting rights	5,00,000	5,00,00,000	5,00,000	5,00,00,000
Preference Shares of Rs. 10 each optionally convertible s	50,00,000	5,00,00,000	50,00,000	5,00,00,000
Issued, Subscribed and Fully Paid:				
Equity shares of Rs. 10 each with voting rights	3,75,000	3,75,00,000	3,75,000	3,75,00,000
Preference Shares of Rs. 10 each optionally convertible s	-	-	-	-
<b>Total</b>	<b>3,75,000</b>	<b>3,75,00,000</b>	<b>3,75,000</b>	<b>3,75,00,000</b>

## 7. Other Equity

**SYLVAN ACRES REALTY PRIVATE LIMITED**  
**Notes to the financial statements as at 31st March 2019**

**Note - 8: Current Trade Payables**

Particulars	<b>Amount in Rupees</b>	
	<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
i) Creditors for supplies / services	-	-
ii) Creditors for accrued wages and salaries	-	-
iii) Other Out standing Expenses	97,337	74,809
<b>Total trade payables</b>	<b>97,337</b>	<b>74,809</b>

**SYLVAN ACRES REALTY PRIVATE LIMITED**
**Notes to the financial statements for the year ended 31st March 2019**
**Note no -9 Other Expenses**

		<b>Amount in Rupees</b>	
<b>Particulars</b>		<b>As at March 31, 2019</b>	<b>As at March 31, 2018</b>
(t)	Auditors remuneration and out-of-pocket expenses	-	-
(i)	As Auditors	50,000	50,000
(ii)	For Taxation matters	-	-
(iii)	For Company Law matters	-	-
(iv)	For Other services	-	-
(v)	Auditors out-of-pocket expenses	-	-
(u)	Other expenses	-	-
(9)	Office and Establishment Expenses	28,110	-
(10)	Travel & conveyance-Domestic	-	-
(1)	ROC Expenses	1,800	-
(2)	Professional charges	2,38,636	-
(3)	Security Charges	-	-
(4)	Rent	-	-
(5)	Bank charges	708	819
(6)	Interest On TDS	1,385	-
(7)	other Expenses	-	-
(8)	Printing & Statonery	630	-
<b>Total Other Expenses</b>		<b>3,21,269</b>	<b>50,819</b>

## **Notes forming part of financial statements**

Disclosures required under revised Schedule III to the companies Act, 2013 are as under:

### **i. Equity Share Capital**

The Company has Authorized Share Capital of Rs. 5,00,00,000/- consisting 500000 equity shares of Rs. 100/- each. Issued, Subscribed and fully paid up share capital for the year ending 31<sup>st</sup> March 2019, is Rs. 3,75,00,000 consisting of 375000 equity shares of Rs. 100/- each fully paid. For the year there are no shares issued for subscription.

### **i. Auditors Remuneration:**

<b>Professional Charges Includes Auditors Remunerations Towards :</b>	<b>As at 31 March 2019</b>	<b>As at 31 March 2018</b>
As Auditors	50,000.00	50,000.00
Taxation Matters	NIL	NIL
Company Law Matters	NIL	NIL
For reimbursement of expenses	NIL	NIL
<b>TOTAL</b>	<b>50,000.00</b>	<b>50,000.00</b>

### **ii. Deferred Tax:**

(Amount in Rs)

<b>Particulars</b>	<b>Current year 2018-19</b>	<b>Previous year 2017-18</b>
Opening Deferred Tax Asset	NIL	24,197
Deferred tax provided/reversed during the year	NIL	(24,197)
<b>Net Deferred Tax Asset Recognized</b>	<b>NIL</b>	<b>NIL</b>

The Deferred Tax Asset has not been created as the losses can be set off only within the next 8 years as per the Income Tax Act and there is no reasonable certainty with respect to setting off the losses. It is better to postpone the same until the management substantially restarts the operations. Therefore the management has decided not to create a deferred tax asset.

**iii. Related Party Transactions:**

The Company has Interest due from its holding Company in respect of Loans granted earlier. The Company has also received loans from its Holding Company. The netted off figure has been reflected in the Balance sheet Detailed working has been provided in Related Party Transactions- as per annexure 1. The interest/ Loans are receivable/payable on demand and will be settled within a year. Hence the transactions have been reflected at cost.

**iv. List of Associate Company/ Key Managerial Personnel:**

1. Holding company - Kolte Patil Developers Ltd.
2. Fellow Subsidiaries: Jasmine Hospitality Private Limited
3. Associate Companies: None

The above information has been determined to the extent, such parties have been identified by the management and the same has been relied upon by the auditors.

**1. Key Managerial Personnel:-**

- a. Mr.Rakesh A Kini - Director
- b. Mr. Rajkumar P V - Director

**v. Earnings per share:**

Particulars	As at 31st March,2019 (Rs)	As at 31st March,2018(Rs)
Net Profit After Tax as per Statement of Profit & Loss attributable to Equity Share holders	(3,21,269)	(75,016)
Weighted Average number of Equity Shares used as denominator for calculating the EPS	3,75,000	3,75,000
Basic and Diluted Earnings per Share	(0.86)	(.20)
Face value of Equity share	100.00	100.00

## **vi. Financial instruments - risk management**

The Company's financial assets majorly comprise of interest receivable from related parties and inventory. The Company's financial liabilities majorly comprises of trade payables.

The Company is exposed to credit risk and liquidity risk arising out of operations and the use of financial instruments. The Board of Directors have overall responsibility for establishment and review of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls, and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions affecting business operations and the Company's activities.

### **(a) Credit risk**

Credit risk is the risk that the counterparty will not meet its obligation under a financial instrument or loans given leading to financial loss. The Company's exposure to credit risk arises from its operating and financing activities. The credit risk arises primarily from loans given and financial guarantees/commitments.

In order to mitigate the credit risk on receivables, the Company does business only with recognized third parties thereby reducing the credit risk. For other financial assets (including loans, cash and cash equivalents), the Company minimizes credit risk by dealing exclusively with related parties and high credit rating counterparties.

## **vii. Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximize the shareholder value.

The Company manages the capital structure based on an adequate gearing which yields higher share holder value which is driven by the business requirements for capital expenditure and cash flow requirements for operations and plans of business expansion and consolidation. Accordingly based on the relative gearing and effective operating cash flows generated, the Company manages the capital either by raising required funds through debt, equity or through payment of dividends. The current capital and debt position is as follows:

The Company's net equity position is as below:

Particulars	31 March 2019	31 March 2018
Total equity	10,73,59,836	10,76,81,106

#### **Other Notes**

Signature to Notes forming part of the Balance Sheet as at 31<sup>st</sup> March, 2019 and Statement of Profit and Loss for the year ended 31<sup>st</sup> March, 2019, Statement of Changes in Equity as on 31<sup>st</sup> March 2019, Notes to Accounts and Cash Flow for the year ended 31<sup>st</sup> March, 2019.

#### **As per our report attached**

For NSVM & Associates,  
Chartered Accountants  
Firm Registration No. 010072S

*for and on behalf of the board of directors*  
**Sylvan Acres Realty Private Limited**

**G C S Mani**  
Partner  
**Membership No. 036508**

**(Rakesh A Kini)**  
Director  
DIN: 08174518

**(Rajkumar P V)**  
Director  
DIN:06994321

Place: Bengaluru  
Date : 03.05.2019