



Partners:

J. Vasanth Kumar, B.Com., F.C.A., LL.B.,

N. Amarnath, B.Com., F.C.A.,

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# Vasanth & Co.,

## Chartered Accountants

### INDEPENDENT AUDITOR'S REPORT

To the Members of Shivakar Developers Private Limited

Report on the Audit of the Ind AS Financial Statements

#### Opinion

We have audited the accompanying Ind AS financial statements of **Shivakar Developers Private Limited** ("the Company"), which comprise the balance sheet as at March 31, 2024 the statement of profit and loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and the notes to the financial statements including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "Ind AS financial statements").

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 Companies Act, 2013 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, including the Ind AS, of the financial position of the Company as at 31 March, 2024 and its financial performance including other comprehensive income, its cash flows and the changes in equity 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 Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information 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. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact.

We have nothing to report in this regard.

## Responsibilities of Management and Those charged with Governance for Ind AS 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 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 Responsibilities for the Audit of the Ind AS 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 skepticism 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 with reference to Ind AS financial statements 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, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we given in 'Annexure-A' a statement on the matters specified in paragraphs 3 and 4 of the said 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 except that the backup of the books of accounts and other books and papers maintained in electronic mode has not been maintained on servers physically located in India on daily basis.
  - (c) the balance sheet, the statement of profit and loss, the statement of cash flows and the statement of changes in equity 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 Act,
  - (e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March 2024 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March 2024 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"; and
  - (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 have any impact on the Ind AS financial statements
- ii. The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company
- iv.
  - a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) 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 person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
  - c) Based on the audit procedures 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), as provided under (a) and (b) above, contain any material misstatement.
  - d) The Company has neither declared nor paid any dividend during the year and therefore, compliance under section 123 is not commented upon.
- v. As per proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023. Based on our examination which included test checks, the accounting software used by the Company for maintaining its books of account which has a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all relevant transactions recorded in the software except that audit trail feature is not enabled for Database level and master table



changes (Refer Note # 37 to Financial Statements). Further, during the course of our audit we did not come across any instance of audit trail feature being tampered in the accounting software with an exception to testing of software at Database level.

- vi. The Company is not public company. Accordingly, the provisions of Section 197(16) of the Companies Act, 2013 are not applicable to the Company

for Vasanth & Co.,  
Chartered Accountants  
Firm Registration No.008204S



J Vasanth Kumar  
Partner  
Membership No. 207850  
ICAI UDIN: 24207850BKGWJS7999



Place: Bengaluru  
Date: 25<sup>th</sup> May 2024

**Annexure-A Referred to in Paragraph 1 under "Report on Other Legal and Regulatory Requirements" of the Auditors Report issued in terms of Section 143(11) of The Companies Act, 2013:**

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

1.
  - a)
    - A. The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipments.
    - B. The Company does not own any intangible assets and accordingly, provisions of paragraph 3(i)(a)(B) of the Order is not applicable to the company.
  - b) The Company has a regular program of physical verification of its fixed assets by which fixed assets are verified during the year. In accordance with this program, fixed assets were verified during the year and no material discrepancies were noticed on such verification. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
  - c) There are no immovable properties held under Property, Plant and Equipment in the name of the Company. Accordingly, provisions of paragraph 3 (i) (c) of the order is not applicable.
  - d) The Company has not revalued any of its Property, Plant and Equipment and intangible assets during the year.
  - e) According to the information and explanations given to us, there were no proceedings have been initiated during the year or are pending against the Company as at March 31, 2024 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.
2.
  - a) The inventories held by the Company primarily real estate segment comprise of work in progress of projects under development (including land stock). Having regard to the nature of inventory, the management has conducted physical verification of inventory by way of verification of title deeds, site visits conducted and continuous project progress monitoring by competent persons, at reasonable intervals during the year and no material discrepancies were noticed on such physical verification. The other inventories comprising of raw material (including that of real estate segment) and work in progress has been physically verified by the management at reasonable intervals during the year. In our opinion, the coverage and procedures of such



verification by the management is appropriate and no discrepancy of 10% or more in aggregate for each class of inventory were noticed.

- b) The Company has not availed working capital limit in excess of Rs. 5 Crore sanctioned by banks or financial institutions based on the security of current assets of the Company and accordingly the provisions of paragraph 3(ii)(b) of the Order is not applicable to the company
3. According to the information and explanation given to us and basis of our examination of the records of the company, the company has not made any investments or provided any loans or advances in nature of loan but provided security or guarantees to companies, firms, limited liability partnerships or any other parties during the year

The Company has provided guarantees and security to other parties. The aggregate amount of guarantees and security provided during the year and balance outstanding at the balance sheet date for other entities are as follows:

(Rs. In Crores)

Particulars	Guarantees and Security
Balance outstanding as at Balance sheet date in respect of above case	1,469.91

4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 in respect of loans, investments, guarantees and security, as applicable.
5. The Company has not accepted any deposits from the public within the meaning of Section 73 to 76 of the Companies Act, 2013. Accordingly, paragraph 3 (v) of the Order is not applicable.
6. The Central Government has prescribed the maintenance of cost records under section 148(1) of the Act for the companies operating in Industry of Electricals or electronic machinery and the category of electrical machinery manufactured by the company are covered under the Central Excise Tariff Act [CETA] Heading scope given for the specified industry, however the company's overall turnover during the immediately preceding financial year is below the threshold limit specified in Companies (Cost and Audit) Rules, 2014 for the applicability of maintenance of Cost accounting records and accordingly, the company is not required to maintain cost accounting records for the year.
7. a) According to 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 Provident Fund, Employee State Insurance, Income-Tax, Goods and Service Tax, Duty of Customs, 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, 2024 for a period of more than six months from the date on when they become payable.

- b) According to the records of the Company and as per the information and explanations given to us, dues outstanding in respect of Income tax, Goods and Service Tax, Custom duty and cess which have not been deposited on account of any dispute are as follows :

Name of the Statute	Nature of the dues	Amount involved Rs.' Lakhs	Period to which the amount relates
Income Tax Act,1961	Income Tax	13.94	AY 2019
Income Tax Act,1961	Income Tax	140.50	AY 2020

8. In our opinion and according to the information and explanations given to us, the Company does not have any transactions not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961)
- 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 defaulted in repayment of loans and borrowings or in the payment of interest thereon to any lenders.
- b) According to the information and explanations given to us, the Company has not been declared as willful defaulter by any bank or financial institution or government or any government authority.
- c) In our opinion and according to the information and explanations given to us, the Company has raised money by way of term loans in the nature of Non-Convertible Debentures were applied for the purposes for which these were obtained.
- d) Based upon the audit procedures performed and the information and explanations given by the management, and on overall examination of the financial statements of the company, funds raised on short term basis have not been utilised for long term purposes.
- e) According to the information and explanations given to us and on an overall examination of the financial statements of the company, we report that the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, associates or joint ventures.



10. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments during the year. Accordingly, the provisions of clause 3 (x) of the Order is not applicable.
- 11.
- a) Based upon the audit procedures performed in accordance with the generally accepted audited practices in India and according to the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.
- b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and upto the date of this report.
- c) In terms of Section 177 (9) of the Companies Act, whistle blower mechanism is not mandatory for the company and according to the information and explanations given to us, the Company has not established voluntary mechanism. Accordingly, the provisions of paragraph 3 (xi) (c) of the Order are not applicable to the Company.
12. In our opinion, the Company is not a Nidhi Company. Accordingly, paragraph 3(xii) of the Order is not applicable.
13. In our opinion, all transactions with the related parties are in compliance with Section 188 of Companies Act, 2013 and the requisite details have been disclosed in the Financial Statements as required by the applicable accounting standards. Further, in our opinion, the Company is not required to constitute Audit Committee under the provisions of Section 177 of the Act.
- 14.
- a) In our opinion and based on our examination, though the Company is required to have an internal audit system under the section 138 of the Act, it does not have the same established for the year.
- b) Since , the Company does not have internal audit system in accordance with the provisions of section 138 of the Act and accordingly, consideration of internal audit reports does not arise.



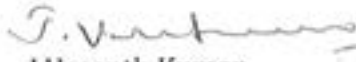


15. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3 (xv) of the Order is not applicable.
- 16.
- a) In our Opinion, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Hence, the provisions of Clause 3 (xvi) (a) & (b) of the Order are not applicable to the Company.
- b) In our opinion, either the Company or there is no core investment company within the Group (as defined in the Core Investment Companies (Reserve Bank) Directions, 2016) and accordingly reporting under clause 3(xvi)(c) & (d) of the Order is not applicable.
17. The Company has incurred cash losses during the current and immediately preceding financial year to the extent of Rs.36.62 Lakhs and Rs.271.63 Lakhs.
18. There has been resignation of the statutory auditors of the Company during the year and according to the explanations and information given to us by outgoing auditors, they do not have any issues, objections or concerns.
19. On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the 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 indicating that 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. Provisions of Section 135 not applicable to the company and accordingly, reporting under clause 3(xx) (a) & (b) of the Order is not applicable for the year.



21. The reporting under clause 3(xxi) of the Order is not applicable in respect of audit of financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

for Vasanth & Co.,  
Chartered Accountants  
Firm Registration No.008204S



J Vasanth Kumar  
Partner  
Membership No. 207850  
ICAI UDIN: 24207850BKGWJS7999



Place: Bengaluru  
Date: 25<sup>th</sup> May 2024



**Annexure - B to the Independent Auditor's Report of even date on the Ind AS financial statements of Shivakar Developers Private Limited**

**Report 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 **Shivakar Developers Private Limited** ("the Company") as of 31 March 2024 in conjunction with our audit of the Ind AS financial statements of the Company for the year 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.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, 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 and maintained and 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 auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

### **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 Ind AS 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 Ind AS 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 Ind AS 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.







**Opinion**

In our opinion and to the best of our information and explanations given to us, the Company has, in all material respects, an adequate internal financial controls over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2024 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.

for Vasanth & Co.,  
Chartered Accountants  
**Firm Registration No.008204S**

J Vasanth Kumar  
Partner  
Membership No. 207850  
ICAI UDIN: 24207850BKGWJS7999



Place: Bengaluru  
Date: 25<sup>th</sup> May 2024