

INDEPENDENT AUDITOR'S REPORT

To

The Members of
M/s. CONCORDE HOUSING CORPORATION PRIVATE LIMITED.

Report on the Audit of the Financial Statements

Opinion:

We have audited the financial statements of M/s. CONCORDE HOUSING CORPORATION PRIVATE LIMITED. ("the Company") which comprise the Balance Sheet as at 31st March 2021, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and notes to 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 financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity of accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2021 and of Profit/Loss 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.

Emphasis of Matter

We draw our reference to Note No. 2.07 of financial statements and as explained to us, the Customer Advances amounting to Rs 21.67 Lakhs received and accounted as "wire transfer", the parties were unidentified. However, the company is in the process of reconciliation and the necessary liabilities on account of Goods & Service Tax have been complied.

Our opinion is not qualified in respect of this matter.



Responsibilities of Management's and Those Charged with Governance for the Financial Statements

The Company's Board of Directors is Responsible for the matter stated in section 134(5) of the Companies Act, 2013 (the Act") with respect to the preparation of these financial statement 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 prescribed 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 accounting policies; making judgement 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 financial statement 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 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 objective are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatements, whether due to fraud of 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 misstatements 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:

- a) 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.
- 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 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.



- c) Evaluate the appropriateness of the accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- d) 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.
- e) 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 (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of section 143(11) of the Act, 2013, we give in the "Annexure A" 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, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



- e) On the basis of the written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 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 pending litigations which would impact its financial position;
 - (ii) The Company did 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 and Protection Fund by the Company.

For Nagendran & Co
Chartered Accountants
[FRN: 006681S]

NG Swati

CA. N G Swati
Partner [M. No. 233442]



Place: Bangalore
Date: 30.11.2021

UDIN: 212332442AAAAFQ4314

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 1 under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31, 2021)

1) Fixed assets:

- a) The company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets;
- b) The fixed assets were physically verified during the year by the Management in accordance with the regular program of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c) We report that, the title deeds, comprising all the immovable properties of land and building which are freehold are held in the name of the company as at the balance sheet date.

2) Inventory:

- a) Physical verification has been done by Management at reasonable intervals as at the end of the financial year. In our opinion the frequency of verification is reasonable.
- b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- c) On the basis of our examination of the records of inventory, we are of the opinion that the company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and the book records were not material.

3) Loans:

In our opinion and according to the information and explanation given to us, the Company has granted interest free unsecured loans to subsidiary companies which are covered in the Register maintained under section 189 of the Act.

4) Compliance u/s. 185 and 186 of Companies Act, 2013:

In our opinion and according to the information and explanations given to us, the company has granted loans and made investments in other company and are in compliance with the provisions of section 185 and 186 of the Companies Act, 2013.

5) Public deposits:

The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.



6) Cost Records:

We have broadly reviewed cost records maintained by the Company pursuant to the Rules prescribed by the Central Government under Section 148(1) of the Act, relating to the Real Estate activities and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. Further our examination was limited to the extent of availability of records in view of detailed audit report obtained by the company from the qualified cost accountant as may be prescribed.

7) Statutory dues:

According to the information and explanations given to us, in respect of statutory dues:

- The Company has generally been regular in deposited undisputed statutory dues, including Provident Fund, Employee's State Insurance, Income Tax, Sales Tax, Service Tax, Cess and other material statutory dues applicable to it with the appropriate authorities.
- There were no undisputed amounts payable in respect of Provident Fund, Employee's State Insurance, Sales Tax, Cess and other material statutory dues in arrears as at 31st March 2021 for period of more than 6 months from the date they become payable.
- The dues outstanding of Income Tax, Service Tax and VAT on account of dispute, are as follow:

Name of the Statute	Nature of the Dues	Amount	Period to which the Amount relates	Forum where Dispute is pending
Income Tax Act 1961	Income Tax	1,70,08,720/-	AY 2015-16	Appeal
Income Tax Act 1961	Income Tax	24,71,967/-	AY 2017-18	Appeal
Income Tax Act 1961	Income Tax	10,50,340/-	AY 2014-15	Appeal
Service Tax	Service Tax	10,36,35,947/-	AY 2011-13	Appeal

8) Default in repayment of Loans and Borrowings:

In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to banks.

9) Utilization IPO/FPO, Debt Instruments and Term loan:

Based upon the audit procedures performed and the information and explanations given by the management, the company has raised moneys by way of issue of Secured, Redeemable, and Non-Convertible debentures having a value of Rs. 82.40 Crores, on a private placement basis to Asia Real Estate II India Opportunity Trust and utilised for the purpose for which it was raised. The Company has also complied with necessary provisions under the act in respect of issue of such debentures'.

10) Fraud noticed or reported:

Based upon the audit procedures performed and 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.



11) Managerial Remuneration:

The Company is a Private Limited Company and hence provisions of section 197 read with schedule V of the Companies Act, 2013 are not applicable. Accordingly, paragraph 3(xi) of the order is not applicable.

12) Nidhi Company:

In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of paragraph 3 (xii) of the Order are not applicable to the Company.

13) Related Party Transactions:

In our opinion, the provisions of section 177 of the act relating to audit committee do not apply to this company. We further express an opinion that the contracts or transactions entered into with the other companies are in the ordinary course of its business and are on arm's length basis in compliance of the provisions of section 188 of Companies Act, 2013 and the details have been disclosed in the Financial Statements as required by the applicable accounting standards.

14) Compliance with Section 42 of Companies Act, 2013:

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.

15) Non – Cash transactions with Director:

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, the provisions of paragraph 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

16) Registration with RBI for NBFC:

In our opinion, the company is not required to be registered under section 45IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of paragraph 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For Nagendran & Co
Chartered Accountants
[FRN: 006681S]

NG Swati

CA. N G Swati
Partner [M. No. 233442]



Place: Bangalore
Date: 30.11.2021

UDIN: 212332442AAAAFQ4314

ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 Clause (f) under the heading 'Report on Other Legal & Regulatory Requirement' of our report of even date to the financial statements of the Company for the year ended March 31st, 2021)

We have audited the internal financial controls over financial reporting of **CONCORDE HOUSING CORPORATION PRIVATE LIMITED**, ("the Company"), as of March 31st, 2021 in conjunction with our audit of the 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 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 judgement, including the assessment of the risks of material misstatement of the 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 financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- 1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- 3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has in general, in all material respects, an internal financial controls system over financial reporting and such internal financial controls over financial reporting were generally operating effectively as at March 31st, 2021, 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 Nagendran & Co
Chartered Accountants
[FRN: 006681S]

NG Swati

CA. N G Swati
Partner [M. No. 233442]



Place: Bangalore
Date: 30.11.2021

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