



SARAF ASSOCIATES

CHARTERED ACCOUNTANTS

201, SHREYAS, MOGUL LANE, MAHIM, MUMBAI-400016

E | SUPPORT@SARAFASSOCIATES.COM

T | 022-24301165

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF SKYLARK REALTY PRIVATE LIMITED

Report on Financial Statements

We have audited the accompanying financial statements of SKYLARK REALTY PRIVATE LIMITED ('the Company'), which comprise the Balance Sheet as at 31st March, 2018, the Statement of Profit and Loss for the year ended 31st March 2018, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation and presentation of these financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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 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.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2018, its loss for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. The Companies (Auditor's Report) order 2016 ("The Order) issued by the Central Government of India in terms of section 143(11) of the Act is not applicable by virtue of the company being within purview of para 1(2)(v).
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 and the Statement of Profit and Loss 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, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act. and



- f) 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 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.
 - iv. The disclosure regarding details of specified bank notes held and transacted during 08th November 2016 to 30th December 2016 has not been made since the requirement does not pertain to financial year ended 31st March 2018.

For SARAF ASSOCIATES
CHARTERED ACCOUNTANTS
Firm Registration No. 109238W



A handwritten signature in blue ink, appearing to read "ssaraf".

SAMIT S. SARAF
PARTNER

Membership No. 154811

MUMBAI

03 SEP 2018

SKYLARK REALTY PVT LTD
Balance sheet as at 31st March 2018

	Notes	As at 31 March 2018 (In Rs.)	As at 31 March 2017 (In Rs.)
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	100,000	100,000
Reserves and Surplus	4	(1,214,980)	(1,146,236)
		(1,114,980)	(1,046,236)
Non Current Liabilities	5	496,597,822	487,741,132
Current Liabilities			
Other Current Liabilities	6	38,692,944	8,835,866
Short-term Provisions	7	71,700	122,200
TOTAL		534,247,486	495,652,962
ASSETS			
Non-Current Assets			
Long-term Loans and Advances	8	1,629,210	540,438
Deferred Tax (net)	16	-	-
Other Non Current Assets	9	360,639,674	359,435,589
		362,268,884	359,976,027
Current Assets			
Cash and Cash Equivalents	10	14,333	126,612
Short-term Loans and Advances	8	157,528,000	130,913,000
Other Current Assets	11	14,436,269	4,637,323
		171,978,602	135,676,935
TOTAL		534,247,486	495,652,962
Summary of Significant accounting policies	1-2		

Notes 1 to 22 form an integral part of these financial statements

This is the Balance Sheet referred to in our Report of even date

For SARAF ASSOCIATES

Chartered Accountants
(FRN : 109238 W)

Samit S Saraf

Partner

(Mem. No.154811)



Place: Mumbai

Date: **03 SEP 2018**

For SKYLARK REALTY PRIVATE LIMITED

Lalit Kant

Director

(DIN No: 05310627)

Ramit Tickoo

Director

(DIN - 07379481)

Place: Mumbai

Date: **03 SEP 2018**



SKYLARK REALTY PVT LTD
Statement of Profit and Loss for the year ended 31st March 2018

	Notes	Year ended 31 March 2018 (In Rs.)	Year ended 31 March 2017 (In Rs.)
REVENUE			
Revenue from operations (gross)		-	-
Other income	12	10,887,718	5,157,930
Total revenue		10,887,718	5,157,930
EXPENSES			
Employee benefit expenses		-	-
Finance Cost	13	10,850,083	5,118,822
Depreciation and amortisation expense		-	-
Other expenses	14	106,379	76,679
Total expenses		10,956,462	5,195,501
Profit / (loss) before tax		(68,744)	(37,571)
Tax expense			
Current tax		-	-
Deferred tax		-	(174,113)
Profit / (loss) from continuing operations		(68,744)	(211,684)
Profit / (loss) for the year		(68,744)	(211,684)
Earnings per equity share	15		
Including extra-ordinary items			
Basic		(6.87)	(21.17)
Diluted		(6.87)	(21.17)
Excluding extra-ordinary items			
Basic		(6.87)	(21.17)
Diluted		(6.87)	(21.17)
From continuing operations			
Basic		(6.87)	(21.17)
Diluted		(6.87)	(21.17)
Summary of Significant accounting policies	1-2		

Notes 1 to 22 form an integral part of these financial statements

This is the statement of Profit and Loss referred to in our report of even date

For SARAF ASSOCIATES

Chartered Accountants
(FRN : 109238 W)

Samit S Saraf

Partner

(Mem. No.154811)



For SKYLARK REALTY PRIVATE LTD

Lalit Kant

Director

(DIN No: 05310627)

Ramit Tickoo

Director

(DIN - 07379481)

Place: Mumbai

Date: **03 SEP 2018**

Place: Mumbai

Date: **03 SEP 2018**



SKYLARK REALTY PRIVATE LIMITED

Notes to the Financial Statements for the Year Ended 31ST March 2018

1. Corporate Information:

The Company is a special purpose vehicle/Venture Capital Undertaking for DHFL Venture Capital Fund-Dream Fund I, towards the investment in development of land parcel on Hosur Road. In November 2012, the company entered into a joint development agreement for the development of the company's land at Hosur Road, Bangalore.

2. Statement on Significant Accounting Policies:

a. Basis of Accounting:

The financial statements are prepared in accordance with Generally Accepted Accounting Principles ("GAAP") in India, under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as specified in the Companies (Accounting Standards) Rules, 2006 and the provisions of the Companies Act, 2013. The Management evaluates all recently issued or revised accounting standards on an on-going basis.

The preparation of financial statements in conformity with generally accepted accounting principles requires that management makes estimates and assumptions that affect the reported amounts of income and expenses of the year, the reported balance of assets and liabilities and the disclosure relating to contingent liabilities as at the date of the financial statements. These estimates are based upon the management's best knowledge of current events and actions. The difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

b. Revenue Recognition:

The major income of the Company is from share of profits from the Partnership Firm GK Developers Yapral I. The same is recognized in the books as per profits calculated in the said Firm.

Interest income is recognized on time basis at the applicable rates. All other incomes are recognized when the right to receive arises.

c. Taxation:

Current Income Tax expense comprises income tax payable as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred Tax expense or benefit is recognized on timing differences being the difference between taxable incomes and accounting income that originate in one period and is capable of reversal in one or more subsequent periods. Deferred tax asset and liability are measured using the tax rates and tax laws that are enacted or substantively enacted at the balance sheet date.

Deferred tax assets are recognized only if there is a virtual/reasonable certainty, as applicable, in keeping with Accounting Standard 22 on 'Accounting for Taxes on Income' that there will be sufficient future taxable income available to realize such assets. Deferred tax assets are reviewed for the appropriateness of their respective carrying amount at each Balance Sheet date.



df dk

d. Provisions and Contingencies:

A provision is required when the Company has a present obligation as a result of a past event and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Contingent assets and liabilities are not recognised, but are disclosed when the company has a possible obligation and it is probable that a cash outflow will not be required to settle the obligation.

e. Foreign Currency Transactions:

Income and expenses in foreign currencies are converted at exchange rates prevailing on the date of the transaction. Foreign currency monetary assets and liabilities are translated at the exchange rates prevailing on the balance sheet date.

Exchange differences arising on settlement of monetary items or on reporting of monetary items at rates different from those at which they were initially recorded during the period or reported in previous financial statements are recognized as income or expense in the period in which they arise.

f. Investments:

Trade investments comprise investments in subsidiary companies, joint ventures, associate companies and in the entities in which the company has strategic business interest.

Investments, which are readily realizable and are intended to be held for not more than one year from the date of acquisition, are classified as current investments. All other investments are classified as long term investments.

Long term investments including trade investments are carried at cost, after providing for any diminution in value, if such diminution is other than temporary in nature. Investments in integrated joint ventures are carried at cost net of adjustments for the Company's share in profits or losses as recognized.

g. Impairment of Assets:

Impairment is ascertained at each Balance Sheet date in respect of each asset. An impairment loss is recognized whenever the carrying amount of an asset or the Cash Generating Unit to which it belongs exceeds its estimated recoverable amount. If at the Balance Sheet date there is an indication that the previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

h. Extraordinary and Exceptional items

Income or expenses that arise from events or transactions that are clearly distinct from the ordinary activities of the Company are classified as extraordinary items. Specific disclosure of such events/transactions is to be made in the financial statements (if any). Similarly, any external event beyond the control of the Company, significantly impacting income or expenses, is also treated as extraordinary item and treated as such

On certain occasions, the size, type or incidence of an item of income or expense, pertaining to the ordinary activities of the Company, is such that its disclosure improves an understanding of the performance of the Company. Such income or expense is classified as an exceptional item and accordingly disclosed in the notes to accounts.



R

dl

Notes to the financial statements for the year ended 31st March 2018

Equity Shares

The Company has one class of equity shares having a par value of Rs. 10/- each. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.



2

20

SKYLARK REALTY PVT LTD**Notes to the financial statements for the year ended 31st March 2018**

	As at 31 March 2018 (In Rs.)	As at 31 March 2017 (In Rs.)
4 RESERVES AND SURPLUS		
Surplus/ (Deficit) in the statement of Profit and Loss:		
Balance at the beginning of the year	(1,146,236)	(934,552)
Add : Transferred from statement of profit and loss	(68,744)	(211,684)
Balance at the end of the year	(1,214,980)	(1,146,236)
Total	(1,214,980)	(1,146,236)
5 NON CURRENT LIABILITIES		
Advance from Project	220,000,000	220,000,000
-Advance for Joint Development of Land Projects	4,000	4,000
-Optionally Fully Convertible Debentures Rs. 1000 each - Arthveda Star Fund	239,894,000	239,894,000
-Interest on Optionally Fully Convertible Debentures Rs. 1000 each - Arthveda Star fund	36,699,822	27,843,132
	496,597,822	487,741,132
6 OTHER CURRENT LIABILITIES		
Unsecured Loan- ASHA FUND		-
Other Payables:		
- 9 % Loan from Arthveda Fund Management Pvt Ltd	-	316,760
- 8 % Loan from Arthveda Star Fund	5,395,000	8,007,890
- 8 % Loan from Dream Fund	31,120,000	-
-TDS on Interest on OFCD	1,085,010	511,216
-TDS on Professional Fees	5,000	-
- 7.75% Loan from Arthveda Fund Management Pvt Ltd	171,661	-
-Interest Payable On Loans	916,273	-
	38,692,944	8,835,866
7 SHORT-TERM PROVISIONS		
Others	71,700	122,200
	71,700	122,200



dh

SKYLARK REALTY PVT LTD
Balance sheet as at 31st March 2018

	As At 31 March 2018		As At 31 March 2017	
	Long term (In Rs.)	Short term (In Rs.)	Long term (In Rs.)	Short term (In Rs.)
8 LOANS AND ADVANCES				
Unsecured, Considered Good:				
Advances Recoverable in Cash or Kind for value to be received	16,29,210	1575,28,000	5,40,438	1309,13,000
Total	16,29,210	1575,28,000	5,40,438	1309,13,000

9 OTHER CURRENT ASSETS

Investment in Real Estate Project	1546,10,330	1534,06,245
Interest on OFCD (WIP)	2060,29,344	2060,29,344
	3606,39,674	3594,35,589
	As at 31 March 2018 (In Rs.)	As at 31 March 2017 (In Rs.)

10 CASH AND CASH EQUIVALENTS

Cash on hand	-	-
Balances with Banks In current accounts	14,333	1,26,612
	14,333	1,26,612
	As at 31 March 2018 (In Rs.)	As at 31 March 2017 (In Rs.)

11 OTHER CURRENT ASSETS

Interest Accrued But Not Received	144,36,269	46,37,323
	144,36,269	46,37,323



[Signature]

[Signature]

SKYLARK REALTY PVT LTD
Balance sheet as at 31st March 2018

	Year ended 31 March 2018 (In Rs.)	Year ended 31 March 2017 (In Rs.)
12 OTHER INCOME		
Dividend		-
Interest income:		
From Loan Given	10,887,718	5,152,581
From Income Tax Refund	-	5,349
Total	10,887,718	5,157,930
13 FINANCE COST		
Interest On Loan taken	10,850,083	5,118,822
	10,850,083	5,118,822
14 OTHER EXPENSES		
Professional Fees	59,000	-
Interest on TDS late payment	23,139	-
Payments to auditors (see Note 21)	17,700	17,775
Profession Tax	2,500	2,500
Miscellaneous Expenses	2,270	56,404
Bank Charges	1,770	-
	106,379	76,679
15 EARNING PER SHARE		
a) Computation of profit for computing		
Net profit / (loss) including extraordinary items	(68,744)	(211,684)
Net profit / (loss) excluding extraordinary items	(68,744)	(211,684)
Net profit / (loss) from continuing operations	(68,744)	(211,684)
b) Computation of number of shares for		
Basic earnings per share	10,000	10,000
Diluted earnings per share	10,000	10,000
c) Nominal value of shares (Rs.)	10	10
d) Computation		
Including extra-ordinary items		
Basic	(6.87)	(21.17)
Diluted	(6.87)	(21.17)
Excluding extra-ordinary items		
Basic	(6.87)	(21.17)
Diluted	(6.87)	(21.17)
From continuing operations		
Basic	(6.87)	(21.17)
Diluted	(6.87)	(21.17)



[Handwritten signature]

[Handwritten signature]

SKYLARK REALTY PVT LTD**Balance sheet as at 31st March 2018**

	Year ended 31 March 2018 (In Rs.)	Year ended 31 March 2017 (In Rs.)
16 DEFERRED TAXES		
Tax Effect of Items constituting Deferred Tax Liability		
Total		
Tax Effect of Items constituting Deferred tax Asset		
On Carry forward Losses	-	-
Total	-	-
Net Deferred tax Asset /(Liability)	-	-

Note - The Deferred Tax Asset for the current year has not been recognized keeping in view the consideration of prudence in accordance with the Accounting Standard 22, "Accounting for Taxes on Income" issued by the Institute of Chartered Accountants of India. The Company will reassess the unrecognized deferred tax asset in subsequent period having regard to the future development.

17 CONTINGENT LIABILITY

Guarantee given on behalf of GS Megha Construction Pvt Ltd	600,000,000	600,000,000
Interest On Class A - OFCD (Refer Note 20)	70,196,400	35,098,200

18 RELATED PARTY DISCLOSURES**(a) Related parties and their Relationship**

Relationship	Name
Key Management Personnel (KMP):	Alok Kumar Anumeha Bajpai Lalit Kant Ramit Tickoo Rajeev Saraogi Deepti Baru Krishna Jee Verma

Entities over which KMP are able to exercise significant influence:

1 Arthvedastar (Lucknow) Realty Private Ltd.	13 Arthvedastar (Vizag) Realty Private Ltd.
2 Arthvedastar (Hyderabad) Realty Private Ltd.	14 Arthveda Northstar (Vadodara) Realty Private Ltd.
3 Arthveda Northstar (Chennai) Realty Private Ltd.	15 Arthveda Northstar (Bangalore) Realty Private Ltd.
4 Arthvedastar (Guntur) Realty Private Ltd.	16 Arthveda Northstar (Ahmedabad) Realty Private Ltd.
5 Arthvedastar (Rajkot) Realty Private Ltd.	17 Arthvedastar (Vijaywada) Realty Private Ltd.
6 Arthvedastar (Jamnagar) Realty Private Ltd.	18 Arthveda Northstar (Nashik) Realty Private Ltd.
7 Arthveda Northstar (Raipur) Realty Private Ltd.	19 Arthvedastar (Jaipur) Realty Private Ltd.
8 Proficient Realty Private Ltd	20 Supreme Realty Private Ltd
9 Apex Realty Private Ltd	21 Cashcow Realty Private Ltd
10 Vasavi Meppur Constructions Private Ltd	22 Noble Realty Private Ltd
11 Tarangan Infraventures Pvt Ltd	23 Green Shapes Developers (India) Private Limited
12 G S Megha Construction	



Handwritten signatures and initials.

(b) Transactions with Related Parties

Interest on Loan Given		
-Arthveda Fund Management Private Limited	108,87,718	51,52,581
Interest on Loan Taken		
-Arthveda STAR Fund	98,32,000	50,84,867

(C) Balances with Related Parties

Outstanding Payables:

-DHFL Venture Capital Fund-DREAM I	314,03,365	-
-Arthveda Star Fund	2826,06,548	2757,45,022
-G S Megha Construction	4,000	4,000

Outstanding Receivable:

-Arthveda Fund Management Pvt Ltd	1717,77,426	1312,13,000
-----------------------------------	-------------	-------------

19 PAYMENTS TO AUDITORS

Audit Fees	17,700	17,325
	<u>17,700</u>	<u>17,325</u>

- 20** The company has raised Rs. 11,69,94,000/- via OFCD From Arthveda Star Fund. This OFCD was originally subject to interest 30% p.a. It has been mutually decided that Arthveda Star Fund shall not charge any interest on the same. Further, the terms on rate of interest for OFCD of Rs.12,29,00,000/- from Arthveda Star fund has been reduced to 8% from 20%
- 21** Other requirements of Schedule III of the Companies Act 2013 have not been provided since they do not apply to the Company for the year.
- 22** Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

For SARAF ASSOCIATES

Chartered Accountants

(FRN : 109238 W)

Saraf

Samit S Saraf

Partner

(Mem. No.154811)



Place: Mumbai

Date: **03 SEP 2018**

For SKYLARK REALTY PRIVATE LTD

Lalit Kant

Lalit Kant

Director

(DIN No: 05310627)

Ramit Tickoo

Ramit Tickoo

Director

(DIN - 07379481)

Place: Mumbai

Date: **03 SEP 2018**