

S G S R & CO LLP

CHARTERED ACCOUNTANTS

(A limited liability partnership with LLP Identification No. AAH-3391)



INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF 'SUPERTECH LIMITED' ON STANDALONE FINANCIAL STATEMENTS

Qualified Opinion

We have audited the accompanying standalone financial statements of **Supertech Limited** (the "Company"), which comprise the Standalone Balance Sheet as at 31 March, 2021, and the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows for the year then ended, and notes to the standalone financial statements including a summary of the significant accounting policies and other explanatory information.

In our opinion, *except for the effects of the matter described in the Basis for Qualified Opinion section of this report*, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 (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 31 March, 2021 and its total Comprehensive Loss, its changes in equity and its cash flows for the year ended on that date.

Basis for Qualified Opinion

The Company is having the investments in subsidiaries, associates and joint ventures aggregating to Rs. 86,784.35 lakhs (Previous year Rs. 98,618.19 lakhs) and has also given loans and advances to its subsidiaries, associates, joint ventures and other related parties aggregating to Rs. 67,720.71 lakhs (Previous year Rs. 64,202.04 lakhs) as at 31 March, 2021, resulting in total exposer of Rs. 1,54,505.06 lakhs (Previous Year Rs. 1,62,821,23 lakhs) as at 31 March, 2021. While some of these entities have incurred losses and have negative net worth, however, as detailed in Note 33.22 to the financial statements, the said exposer has been carried at cost / carrying value, considering the long-term underlying projects and business plans / operations of these companies / entities. In the absence of the valuation reports or other authenticated information establishing / supporting the carrying value of the said exposer of investments and loans and advances, we are unable to comment / ascertain the impairment, if any required, in its carrying value, and accordingly the impact thereof on the financial position and performance of the Company could not be ascertained / known.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. 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 standalone financial statements under the provisions of the Act 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 qualified opinion.

Emphasis of Matters

We draw attention to the following matters in the Notes to the financial statements:



- Note No. 33.14: Re; inability to ascertain the extent of the defaults in the repayment of the loans to the banks / financial institutions and its impact, if any, on the financial statements due to uncertainty and absence of sufficient authenticated information.
- Note No. 33.15: Re; non-receipt of balance confirmations and / or reconciliation of the balances in the accounts of the t eparties.
- Note No. 33.16: Re; adjustments in the financial statements retrospectively, and restatement of the comparative figures / financials of the earlier year, in respect of the rectifications / corrections of certain matters.
- Note No. 33.17: Re; uncertainty of the impact, of COVID-19 pandemic, and evaluation of the situation on an ongoing basis with respect to the challenges faced.
- Note No. 33.20: Re; unascertainability of the impact of the search conducted by the Directorate of Enforcement, Government of India, at the offices / premises of the Company and its directors / promoters
- Note No. 33.21: Re; sale of investment of Rs. 11,833.34 lakhs in a subsdiariay at a value of Rs. 1,633.34 lakhs ascertained and considered appropriate by the Company keeping in view the current market scenario, resulting in loss of Rs. 10,200 lakhs, and treated as exceptional item in the financial statements.
- Note No. 33.23: Re; management's estimate of valuation of the inventories of real estate projects under development / in progress at cost/carrying value.
- Note No. 33.24: Re; writing off the inventory of Rs. 13,675.40 lakhs and providing / recognizing of the interest of Rs. 5,279.25 lakhs which may be payable to the existing flat buyers of the residential project namely Apex & Ceyane i.e. the 'Twin Towers', (treated as exceptional item in the financial statements), due to the proposed demolition of the same as ordered by the Hon'ble Supreme Court of India.

Our qualified opinion is not further qualified in respect of the above matters.

Information Other than the Standalone Financial Statements and Auditor's Report thereon

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

Our qualified opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the standalone 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 during the course of our 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 the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards ("Ind AS") notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time.

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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the Board of Directors 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 the Board of Directors 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 Standalone Financial Statements

Our objectives are to obtain reasonable assurance about whether the standalone 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 standalone 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 standalone 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 standalone 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 standalone financial statements, including the disclosures, and whether the standalone 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 Act, we give in the **Annexure-'A'**, a statement on the matters specified in paragraph 3 and 4 of the Order.
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 appears from our examination of those books.
 - c. the Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), Standalone Statement of Changes in Equity and the Standalone Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
 - d. in our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards ("Ind AS") notified under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, from time to time.



- e. on the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate report in **Annexure-'B'**;
- g. In our opinion, the remuneration paid by the Company to its Directors is in accordance with the provisions of Section 197 of the Companies Act, 2013; and
- h. 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 has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 33.1 to the standalone financial statements;
 - ii. The Company has not entered into any long-term contracts including derivative contracts.
 - iii. There has been no amount, required to be transferred, to the Investor Education and Protection Fund by the Company.

For S G S R & Co. LLP
Chartered Accountants
Firm Regn. No. N500044



(Sandeep Gupta)
Partner

M. No. 509750
UDIN : 22509750AHTITK3579

Place: Noida
Dated: 28 Februray, 2022

ANNEXURE-'A' TO THE INDEPENDENT AUDITORS' REPORT
(Referred to in paragraph 1 under `Report on Other Legal and Regulatory Requirements' section of the independent auditors' report of even date on the standalone financial statements of Supertech Limited for the year ended 31 March, 2021)

- (i) In respect of its property, plant and equipments;
- a. The Company has maintained proper records showing full particulars including quantitative details and situation of the property, plant and equipments.
- b. As explained to us, the property, plant and equipments are physically verified by the management at reasonable intervals, which in our opinion is reasonable, having regard to the size of the Company and nature of its property, plant and equipments. No material discrepancies were noticed on such physical verification.
- a. According to the information and explanations given to us and on the basis of our examination of the records of the Company, as the Company is not having any freehold immovable property, the provisions of this clause are not applicable.
- (ii) As explained to us, inventories have been physically verified by the management at regular intervals during the year. The discrepancies noticed on such physical verification as compared to book records were not material and have been appropriately dealt with in the books of accounts.
- (iii) The Company has granted unsecured loans to companies, firms, LLP and other parties covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which we report that:
- a. The terms and conditions of the grant of such loans are not prejudicial to the Company's interest, *except that though the Company has borrowed funds from various banks / financial institutions at varied rate of interest but these loans given by the Company are interest free.*
- b. These loans granted by the Company are re-payable on demand, however, we are informed that the Company has not demanded repayment of any such loan during the year and thus, there has been no default on the part of the parties to whom the money has been lent.
- c. These loans are repayable on demand and as the same have not been demanded by the Company, the said clause regarding overdue loans is not applicable.
- (iv) In our opinion and according to the information and explanations given to us, the Company in respect of loans, investments, guarantees, and security has complied with the provisions of section 185 and 186 of the Act.
- (v) The Company has not accepted any deposits from the public within the meanings of Sections 73 to 76 of the Act and the rules framed thereunder to the extent notified.
- (vi) Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under sub-section (1) of Section 148 of the Act in respect of its construction activities. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

