



## **Independent Auditor's Report**

### **To the Members of SFL Properties Private Limited**

#### **Report on the Financial Statements:**

We have audited the accompanying Ind AS financial statements of **SFL Properties Private Limited** ('the Company'), which comprise the Balance Sheet as at March 31, 2019, the Statement of Profit and Loss and including the statement of Other Comprehensive income, the Cash Flow Statement and the statement of changes in Equity for the year then ended, 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 of these Ind AS financial statements that gives a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in Equity of the Company in accordance with the accounting principles generally accepted in India, including Indian Accounting standards (Ind AS) specified under section 133 of the Act., read Rule 7 of the Companies (Accounts) Rules, 2014 and the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding of assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimate 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 accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

#### **Auditor's 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 provision of the Act and the Rules made there under.

We conducted our audit of Ind AS financial statements in accordance with the Standards on Auditing as, issued by the Institute of Chartered accountants of India, as 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 disclosures in the stand alone financial statements. 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. In making those risk assessments, the auditor considers internal financial controls relevant to the



Company's preparation of the Ind AS 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 accounting policies used and the reasonableness of the accounting estimates made by management, 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 financial statements.

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the afore said Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the State of affairs of the Company as at March 31, 2019, its loss including other comprehensive income, its cash flow and the changes in equity for the year ended on that date.

### 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 the 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 purpose 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, Statement of Profit and Loss including the statement of other comprehensive income, the Cash Flow Statement and statement of changes dealt with by this report are in agreement with the books of account;
  - d) In our opinion, the aforesaid standalone Ind AS financial Statements comply with the accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 Companies (Indian Accounting Standards) Rules 2015, as amended;
  - e) On the basis of written representations received from the directors as on March 31, 2019, and taken on record by the board of directors, none of the directors is disqualified as on March 31, 2019, from being appointed as a director in terms of Section 164(2) of the Act;
  - f) with respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
  - g) With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rule 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - (i) The Company has no pending litigations which impacts its financial position in its financial statements

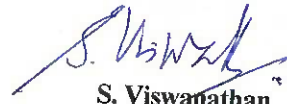


- (ii) In our opinion and as per the information and explanations provides to us, the Company has not entered into any long term contracts including derivatives contracts, requiring provision under applicable laws or applicable laws or accounting standards, for material foreseeable losses and
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- (iii) There were no amounts which were required to be transferred to the Investors Education and Protection Fund by the Company.
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Place: Chennai  
Date: 30.04.2019

For Sivasubramanian & Rao  
Chartered Accountants  
FRN: 003904S

  
S. Viswanathan  
Partner  
M. No: 20572

## **Annexure – A to the Auditors' Report**

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2019, we report that:

- (i) (a) The Company has no fixed assets Other than Land.
- (b) The Company has no fixed assets hence physical verification of fixed does not arise.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) As the Company do not have any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable to the Company.
- (iii) The Company has not granted loans to corporate covered in the register maintained under section 189 of the Companies Act, 2013 ('the Act'). Thus, paragraph 3(iii) of the Order is not applicable to the Company.
- (iv) 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 Act, with respect to the loans and investments made.
- (v) The Company has not accepted any deposits from the public.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the services rendered by the Company.
- (vii) (a) The Company has no liability towards Statutory Dues like Provident Fund, Employee's State Insurance, Service Tax, Sales Tax, etc.
- (b) According to the record of the company, there no material dues sales-tax, wealth tax, service tax, customs duty, goods and service tax, cess are outstanding on account of any disputes.
- (viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable.
- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3 (ix) of the Order is not applicable.
- (x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration. Hence provisions of section 197 read with Schedule V to the Act, paragraph 3 (xi) of the Order is not applicable.



(xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

(xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

(xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

Place: Chennai  
Date: 30.04.2019



**For Sivasubramanian & Rao**  
Firm Registration No: 003904S  
Chartered Accountants

  
S. Viswanathan  
Partner  
M.No.20572



## **Annexure - B to the Auditors' Report**

### **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 **SFL Properties Private Limited** ("the Company") as of 31 March 2019 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 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 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 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 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 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 all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, 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 Sivasubramanian & Rao**  
Firm Registration No: 003904S  
Chartered Accountants



Place: Chennai  
Date: 30.04.2019

S. Viswanathan  
Partner  
M.No.20572

**SFL Properties Private Limited**  
**Balance Sheet as at March 31, 2019**

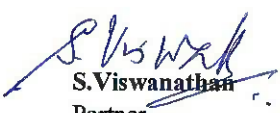
*(All amounts are in Rupees unless otherwise stated)*

Particulars	Note	March 31, 2019	March 31, 2018
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, Plant & Equipment	4	63,363,200	63,363,200
<b>CURRENT ASSETS</b>			
Financial asset	5		
- Cash and Cash equivalents		34,789	50,685
Other current assets	6	136,125	114,379
<b>TOTAL</b>		<b>63,534,114</b>	<b>63,528,264</b>
<b>EQUITY AND LIABILITIES</b>			
<b>SHAREHOLDERS' FUNDS</b>			
Equity Share Capital	7	15,600,000	15,600,000
Other Equity	8	47,574,909	47,807,674
		<b>63,174,909</b>	<b>63,407,674</b>
<b>CURRENT LIABILITIES</b>			
Financial Liabilities	9		
- Trade payables		1,890	26,263
Other current liabilities	10	357,315	94,327
<b>TOTAL</b>		<b>63,534,114</b>	<b>63,528,264</b>

Summary of significant accounting policies 3  
The accompanying notes are an integral part of the financial statements  
As per our report of even date

**For SIVASUBRAMANIAN & RAO**  
Chartered Accountants  
ICAI Firm Registration number: 003904S

**For and on behalf of the Board of Directors of**  
**SFL Properties Pvt Ltd**

  
**S. Viswanathan**  
Partner  
Membership No. 20572



Place: Chennai  
Date: April 30, 2019

  
**K. Govindarajan**  
Director

  
**Sudha Gopalakrishnan**  
Director



**SFL Properties Private Limited**  
**Statement of Profit and Loss for the year ended March 31, 2019**  
*(All amounts are in Rupees unless otherwise stated)*

Particulars	Note	March 31, 2019	March 31, 2018
Revenue from operations		-	-
<b>Total Income</b>		-	-
<b>Expenses</b>			
Other Expenses	11	232,765	1,183,524
<b>Total Expenses</b>		232,765	1,183,524
<b>Profit/(loss) before tax</b>		(232,765)	(1,183,524)
<b>Tax Expenses</b>			
Income taxes - Current tax		-	-
- Deferred tax		-	-
- MAT credit entitlement		-	-
<b>Profit/(Loss) for the year</b>		(232,765)	(1,183,524)
<b>Other comprehensive income</b>			
Items that will not be reclassified subsequently to profit and loss			
Re-measurement gains/ (losses) on defined benefit plans		-	-
Items that will be reclassified subsequently to profit and loss			
Net movement on cash flow hedges		-	-
<b>Other comprehensive income for the year, net of tax</b>		-	-
<b>Total comprehensive income for the year, net of tax</b>		(232,765)	(1,183,524)
<b>Earnings per share</b>	13		
Equity shares par value Rs 5 each (March 17 Rs 5 each)			
Basic		(0.15)	(0.76)
Diluted		(0.15)	(0.76)

Summary of significant accounting policies 3  
The accompanying notes are an integral part of the financial statements

As per our report of even date

For **SIVASUBRAMANIAN & RAO**  
Chartered Accountants  
ICAI Firm Registration number: 003904S

  
**S. Viswanathan**  
Partner

Membership No. 20572



Place: Chennai  
Date: April 30, 2019

For and on behalf of the Board of Directors of  
**SFL Properties Pvt Ltd**

  
**K. Govindarajan**  
Director

  
**Sudha Gopalakrishnan**  
Director

**SFL Properties Private Limited**  
**Statement of Changes in Equity for the year ended March 31, 2019**  
*(All amounts are in Rupees unless otherwise stated)*

**Statement of Changes in Equity for the year ended 31 March 2019**

**a. Equity Share Capital:**

Equity shares of INR 10 each issued, subscribed and fully paid	No. of shares	Amount (INR)
As at April 1, 2017	1,560,000	15,600,000
Issue of share capital	-	-
At March 31, 2018	1,560,000	15,600,000
Issue of share capital	-	-
At March 31, 2019	1,560,000	15,600,000

**b. Other equity**

**For the year ended March 31, 2019**

Particulars	Reserves & Surplus			Other Comprehensive Income	Total Equity
	Securities premium	General reserve	Retained earnings		
As at April 1, 2018	50,400,000	-	(2,592,326)	-	47,807,674
Profit / (Loss) for the year	-	-	(232,765)	-	(232,765)
As at March 31, 2019	50,400,000	-	(2,825,091)	-	47,574,909

**For the year ended March 31, 2018**

Particulars	Reserves & Surplus			Other Comprehensive Income	Total Equity
	Securities premium	General Reserve	Retained earnings		
As at April 1, 2017	50,400,000	-	(1,408,802)	-	48,991,198
Profit / (Loss) for the year	-	-	(1,183,524)	-	(1,183,524)
Re-measurement of the net defined benefit liability/asset, net of tax effect	-	-	-	-	-
As at March 31, 2018	50,400,000	-	(2,592,326)	-	47,807,674

Summary of significant accounting policies

3

The accompanying notes are an integral part of the financial statements

As per our report of even date

**For SIVASUBRAMANIAN & RAO**

Chartered Accountants

ICAI Firm Registration number: 003904S

  
S. Viswanathan,

Partner

Membership No. 20572

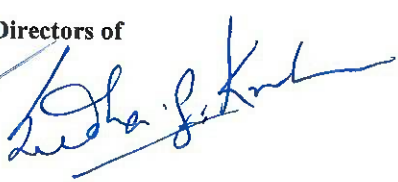


Place: Chennai

Date: April 30, 2019

**For and on behalf of the Board of Directors of  
SFL Properties Pvt Ltd**

  
K. Govindarajan  
Director

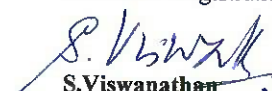
  
Sudha Gopalakrishnan  
Director

**SFL Properties Private Limited**  
**Statement of cash flow for the year ended March 31, 2019**  
*(All amounts are in Rupees unless otherwise stated)*

	March 31, 2019	March 31, 2018
<b>Cash flows from / (used in) operating activities</b>		
Profit before taxation	(232,765)	(1,183,524)
Other Comprehensive Income		
Add:		
Depreciation and amortisation	-	-
Provision for doubtful debts	-	-
<b>Operating Profit / (Loss) before working capital changes</b>	<b>(232,765)</b>	<b>(1,183,524)</b>
<b>Movement in working capital</b>		
Decrease / (Increase) in trade receivables	-	-
Decrease/(Increase) in loans and advances and other assets	(21,746)	(93,288)
Increase/(Decrease) in liabilities and provisions	238,615	73,451
<b>Cash flow used in operations</b>	<b>(15,896)</b>	<b>(1,203,361)</b>
Taxes paid	-	-
<b>Net cash flow from / (used in) operating activities</b>	<b>(15,896)</b>	<b>(1,203,361)</b>
<b>Cash flows used in investing activities</b>	<b>-</b>	<b>-</b>
<b>Net cash flow used in investing activities</b>	<b>-</b>	<b>-</b>
<b>Cash flows from financing activities</b>	<b>-</b>	<b>-</b>
<b>Net cash flow from in financing activities</b>	<b>-</b>	<b>-</b>
Exchange differences on translation of foreign currency cash and cash equivalents	-	-
<b>Net increase / (decrease) in cash and cash equivalents during the year</b>	<b>(15,896)</b>	<b>(1,203,361)</b>
Cash and cash equivalents at the beginning of the year	50,685	1,254,046
<b>Cash and cash equivalents at the end of the year (Refer Note 12)</b>	<b>34,789</b>	<b>50,685</b>
<b>Cash and cash equivalents As per Note 12d (Disclosure)</b>	<b>34,789</b>	<b>50,685</b>

As per our report of even date

For **SIVASUBRAMANIAN & RAO**  
Chartered Accountants  
ICAI Firm Registration number: 003904S

  
**S. Viswanathan**  
Partner  
Membership No. 20572



Place: Chennai  
Date: April 30, 2019

For and on behalf of the Board of Directors of  
SFL Properties Pvt Ltd

  
**K. Gopinadarajan**  
Director

  
**Sudha Gopalakrishnan**  
Director

SEL Properties Private Limited  
Notes forming part of the accounts for the year ended March 31, 2019  
(All amounts are in Rupees in lakhs unless otherwise stated)

4 Plant, property and equipment

Particulars	Land	Leasehold Land*	Buildings	Leasehold improvement	Plant & Machinery	Electrical Equipment	Furniture and Fittings	Office Equipment	Total
<b>Gross Block</b>									
As at April 1, 2017	63,363,200	-	-	-	-	-	-	-	63,363,200
Additions	-	-	-	-	-	-	-	-	-
Deletions	-	-	-	-	-	-	-	-	-
As at March 31, 2018	63,363,200	-	-	-	-	-	-	-	63,363,200
Additions	-	-	-	-	-	-	-	-	-
Deletions	-	-	-	-	-	-	-	-	-
As at March 31, 2019	63,363,200	-	-	-	-	-	-	-	63,363,200
<b>Accumulated Depreciation</b>									
As at April 1, 2017	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2018	-	-	-	-	-	-	-	-	-
Depreciation charge for the year	-	-	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-	-	-
As at March 31, 2019	-	-	-	-	-	-	-	-	-
<b>Net Book Value</b>									
As at April 1, 2017	63,363,200	-	-	-	-	-	-	-	63,363,200
As at March 31, 2018	63,363,200	-	-	-	-	-	-	-	63,363,200
As at March 31, 2019	63,363,200	-	-	-	-	-	-	-	63,363,200

SFL Properties Private Limited  
Notes forming part of the accounts for the year ended March 31, 2019  
*(All amounts are in Rupees in lakhs unless otherwise stated)*  
Land and Building

Particulars	Buildings	Plant & Machinery (including Computer Equipment, software and accessories)	Electrical fittings	Office Equipments	Furniture and fixtures	Vehicles	Total
Capital Work in Progress (CWIP) as at April 1, 2016	-	-	-	-	-	-	-
Add:							
Additions to CWIP	-	-	-	-	-	-	-
Less							
Capitalisation of assets	-	-	-	-	-	-	-
CWIP as at March 31, 2017	-	-	-	-	-	-	-
Add:							
Additions to CWIP	-	-	-	-	-	-	-
Less							
Capitalisation of assets	-	-	-	-	-	-	-
CWIP as at March 31, 2018	-	-	-	-	-	-	-

(i) Asset under construction:

Capital work in progress comprises expenditure for \_\_\_\_\_ (brief description of asset) in the course of construction

(ii) Leased assets:

The lease term in respect of leasehold land expires within XX years from the date of entering into lease agreement. The Company has the option to \_\_\_\_\_ (renew/buy) at the expiry of the lease term



**SFL Properties Private Limited**  
**Notes to the financial statements As on March 31, 2019**  
**(All amounts are in Rupees unless otherwise stated)**

**1 Corporate Information**

SFL Properties Pvt Ltd("The Company") is a company incorporated in India on 01st December 2010 .  
The Company is 100% subsidiary of Intellect Design Arena Limited (formerly known as Fin Tech Grid Limited) as its registered office at Carex Center 713, Anna Salai Chennai-600 006

**2 Basis of preparation of financial statements**

These financial statements are prepared in accordance with Indian Accounting Standards (IndAS) under the historical cost convention on the accrual basis. The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules thereafter.

**3 Summary of Significant accounting policies**

**3.1. Current versus non-current classification**

An asset has been classified as current when it satisfies any of the following criteria;

- a) It is expected to be realized in, or is intended for sale or consumption in, the Company's normal operating cycle;
- b) It is held primarily for the purpose of being traded;
- c) It is expected to be realized within twelve months after the reporting date; or
- d) It is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least twelve months after the reporting date.

A liability has been classified as current when it satisfies any of the following criteria;

- a) It is expected to be settled in the Company's normal operating cycle;
- b) It is held primarily for the purpose of being traded;
- c) It is due to be settled within twelve months after the reporting date; or
- d) The Company does not have an unconditional right to defer settlements of the liability for at least twelve months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

All other assets and liabilities have been classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities. Based on the nature of products/activities, the Company has determined its operating cycle as twelve months for the above purpose of classification as current and non-current.

**3.2. Fair value Measurement**

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either: a) In the principal market for the asset or liability, or b) In the absence of a principal market, in the most advantageous market for the asset or liability c) The principal or the most advantageous market must be accessible by the Company.

**3.3 Use of Estimates**

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgements and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the year. Application of accounting policies that require critical accounting estimates involving complex and subjective judgements. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

### *3.4 Cash and cash equivalents*

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risks of change in value.

#### *Cash Flow Statement*

Cash flows are reported using the indirect method, whereby profit / (loss) before tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

### *3.5 Provisions and Contingencies*

A provision is recognized when an enterprise has a present obligation (legal or constructive) as a result of past event; 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 of the amount of obligation. Provisions are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### *3.6 .Property, plant and equipment:*

Plant and equipment are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any cost attributable in bringing the asset to its working condition for its intended use. Material replacement cost is capitalized provided it is probable that future economic benefits associated with the item will flow to the entity and the cost of the item can be measured reliably. When replacement cost is eligible for capitalization, the carrying amount of those parts that are replaced is derecognized. When significant parts of plant and equipment are required to be replaced at intervals, the Group depreciates them separately based on their specific useful life. All other repair and maintenance costs are recognised in profit or loss as incurred. Depreciation on plant, property and equipment is calculated on a straight-line basis using the rates arrived at, based on the useful lives prescribed in Schedule II of the Companies Act

### *3.7 Taxes*

Current Tax for the current year is computed as per the provisions of Income tax Act 1961 and under Section 115JB for Minimum Alternate Tax liability (MAT) is provided for.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**SFL Properties Private Limited**  
**Notes to the financial statements As on March 31, 2019**  
**(All amounts are in Rupees unless otherwise stated)**

	Particulars	March 31, 2019	March 31, 2018
<b>5</b>	<b>CURRENT ASSETS</b>		
<b>5</b>	<b>FINANCIAL ASSET</b>		
<b>5.a</b>	<b>Cash and cash equivalent carried at amortized cost</b>		
	Balance with banks		
	- On Current accounts	34,789	50,685
	- On Deposit accounts	-	-
		<b>34,789</b>	<b>50,685</b>
	For the purpose of the statement of cash flows, cash and cash equivalents comprise the following:		
	Balances with banks:		
	- On current accounts	34,789	50,685
	Cash at bank and short term deposits	-	-
		<b>34,789</b>	<b>50,685</b>
	Less – Bank overdraft (note 18)	-	-
		<b>34,789</b>	<b>50,685</b>
<b>6</b>	<b>OTHER CURRENT ASSETS</b>		
	Advances recoverable in cash or kind	-	7,909
	Input tax credit receivable	1,36,125	1,06,470
		<b>1,36,125</b>	<b>1,14,379</b>
<b>7</b>	<b>SHARE CAPITAL</b>		
	<b>Authorised</b>		
	20,00,000 equity shares of Rs 10 each.	20,00,00,000	20,00,00,000
		<b>20,00,00,000</b>	<b>20,00,00,000</b>
	<b>(b) Issued, Subscribed and Paid up</b>		
	15,60,000 equity shares of Rs 10 each	1,56,00,000	1,56,00,000
		<b>1,56,00,000</b>	<b>1,56,00,000</b>

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**SFL Properties Private Limited**  
**Notes to the financial statements As on March 31, 2019**  
**(All amounts are in Rupees unless otherwise stated)**

	<b>Particulars</b>	<b>March 31, 2019</b>	<b>March 31, 2018</b>
<b>8</b>	<b>OTHER EQUITY</b>		
	Retained earnings	47,574,909	47,807,674
	Other Reserves ( Cash flow hedge reserve & Foreign Currency Translation Reserve)	-	-
		<u>47,574,909</u>	<u>47,807,674</u>
	<b>CURRENT LIABILITIES</b>		
<b>9</b>	<b>FINANCIAL LIABILITIES</b>		
	(a) Trade payable		
	- Total outstanding dues of micro enterprises and small enterprises	-	-
	- Total outstanding dues of creditors OTHER than micro enterprises and small enterprises	1,890	26,263
		<u>1,890</u>	<u>26,263</u>
<b>10</b>	<b>OTHER CURRENT LIABILITIES</b>		
	Advances from related parties	322,188	49,308
	Statutory dues	174	7,909
	Provision for Expenses	34,953	37,110
		<u>357,315</u>	<u>94,327</u>
<b>11</b>	<b>OTHER EXPENSES</b>		
	Payment to the auditors		
	-Statutory Audit fees	24,996	25,000
	-Certification fees	16,000	30,000
	-Tax audit fees	5,004	5,004
	Professional and Legal charges	67,350	544,026
	Rent	60,000	62,175
	Repairs - Plant and machinery	-	395,371
	Office maintenance	25,876	-
	Rates and taxes excluding Taxes on Income	33,445	121,890
	Bank charges & commission	94	58
		<u>232,765</u>	<u>1,183,524</u>

**SFL Properties Private Limited**

Notes forming part of the accounts for the year ended March 31, 2019

(All amounts are in Rupees in lakhs unless otherwise stated)

**12 Income Tax**

The major components of income tax expense for the years ended 31 March 2019 and 31 March 2018 are:

**Statement of Profit and Loss:**

Particulars	March 31, 2019	March 31, 2018
<b>Current income tax:</b>		
Current income tax charge	-	-
MAT credit (entitlement) / availed	-	-
Adjustments in respect of current income tax of previous year	-	-
MAT credit entitlement	-	-
<b>Deferred tax:</b>		
Relating to origination and reversal of temporary differences	-	-
<b>Total</b>	-	-

**Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate for March 31, 2018 and**

Particulars	March 31, 2018	March 31, 2017
<b>Accounting Profit before income tax</b>	(232,765)	(1,183,524)
At India's statutory income tax rate of 25.75%	0	0
<b>Derived Tax Charge for the year (Restricted to Zero incase of loss)</b>	(60,519)	(304,757)
<b>Adjustments:</b>		
Tax impact arising on account of set off of available losses	60,519	304,757
<b>Net derived tax charge</b>	-	-
<b>Income tax expense reported in the statement of Profit and Loss</b>	-	-

\*\* During the current year, the company is required to pay tax as per the provision of Minimum Alternate tax under the provisions of Section 115JB, hence the effective rate of tax has been considered as 21.34%.

**13 Earnings Per Share**

Basic EPS amounts are calculated by dividing the profit for the year attributable to equity shareholders by the weighted average Diluted EPS amounts are calculated by dividing the profit attributable to equity shareholders by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

Particulars	March 31, 2018	March 31, 2017
Profit / loss attributable to the equity holders of the company used in calculating	(232,765)	(1,183,524)
Weighted average number of equity shares used as the denominator in calculating		
- Basic	1,560,000	1,560,000
- Diluted	1,560,000	1,560,000
Earning per share of Rs.5 each		
- Basic	(0.15)	(0.76)
- Diluted	(0.15)	(0.76)



**SFL Properties Private Limited**  
**Notes forming part of the accounts for the year ended March 31, 2019**  
(All amounts are in Rupees in lakhs unless otherwise stated)

**14 Related party transactions**

**a. List of related parties**

**Holding Company**

1. Intellect Design Arena Limited, Chennai, India

**Subsidiaries of Holding company**

1. Intellect Design Arena Pte Ltd, Singapore ('Intellect Singapore')
2. Intellect Design Arena Limited, United Kingdom ('Intellect UK')
3. Intellect Design Arena SA, Switzerland ('Intellect Switzerland')
4. Intellect Design Arena FZ-LLC, Dubai ('Intellect Dubai')
5. Intellect Design Arena Limited ('Intellect Kenya')
6. Intellect Design Chile Ltda, Chile ('Intellect Chile') \*
7. Intellect Design Arena Inc, USA ('Intellect Inc. - SEEC US') \*\*
8. SEEC Technologies Asia Private Limited, India ('Seec Asia') \*\*\*
9. Laser Soft Infosystems Limited, India ('Laser Soft')
10. Indigo TX Software Pvt Ltd, India ('Indigo TX')
11. Intellect Design Arena Co. Ltd, Vietnam ('Intellect Vietnam')
12. SFL Properties Private Ltd, India ('SFL Properties')
13. Intellect Design Arena Philippines Inc. ('Intellect Philippines') \*\*
14. Sonali Polaris FT Limited, Bangladesh ('Sonali Polaris FT')
15. FT Grid Pte Ltd, Singapore ('FT Grid') \*\*
16. Intellect Design Arena, PT Indonesia ('Intellect Indonesia') \*\*
17. Intellect Design Arena Inc. ('Intellect Canada') \*
18. Intellect Design Arena Limited. ('Intellect Thailand') \*\*
19. Intellect Design Arena, SDN BHD. ('Intellect Malaysia') \*\*
20. Intellect Design Arena Pty Ltd. ('Intellect Australia') \*\*
21. Intellect Payments Limited ('Intellect Payments')
22. Intellect India Limited ('Intellect India')

\* Subsidiaries of Intellect Design Arena Limited, UK

\*\* Subsidiaries of Intellect Design Arena Pte Ltd, Singapore

\*\*\* Subsidiary of Intellect Design Arena Inc., USA

**Associates of Holding Company**

1. NMS Works Software Private Limited, India ('NMS')
2. Adrenalin eSystems Limited, India ('Adrenalin eSystems')

**Joint Venture of Holding Company**

1. Intellect Polaris Design LLC, USA ('IPDLLC USA')

**Others**

(a) Enterprises that directly or indirectly through one or more intermediaries, over which Key Management Personnel is able to

1. Polaris Banyan Holding Private Ltd, India ('Polaris Banyan')

(b) Key management personnel (KMP)

1. Mr. Ravindra Chandra Bhargava
2. Mr. Abhay Kumar Agarwal
3. Mr. Arvind Kumar
4. Mr. Aruna Kashinath

**b. Transactions and Balances with related parties**

Particulars	Subsidiaries	
	April 1, 2018 to March 31, 2019	April 1, 2017 to March 31, 2018
<b>TRANSACTIONS DURING THE YEAR</b>		
<b>Rent Paid</b>		
Intellect Design Arena Limited	60,000	62,175
	<b>60,000</b>	<b>62,175</b>
<b>Balances due/from related parties</b>		
<b>Payable</b>		
Intellect Design Arena Limited	322,188	49,308
	<b>322,188</b>	<b>49,308</b>

**Terms and conditions of transactions with related parties**

The sales to related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free and settlement occurs in cash. There have been no guarantees provided or received for

**15 Prior periods Comparatives**

Previous year figures have been re grouped/ reclassified, where ever necessary to conform to this years classification