

# **SATRA BUILDCON PRIVATE LIMITED**

## **AUDITED FINANCIALS STATEMENT**

**FINANCIAL YEAR 2016-17**



**B. L. Jain**  
B.Com., (Hons.) F.C.A.

**R. B. Golecha**  
B.Com., (Hons.) F.C.A.

**S. B. Dudhawat**  
B.Com., (Hons.) F.C.A.

**Parag Jain**  
B.Com., F.C.A., D.I.S.A.

**Anuj Golecha**  
B.Com., F.C.A., D.I.S.A.

**Vishal Sheth**  
B.Com., F.C.A.

## **INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF SATRA BUILDCON PRIVATE LIMITED**

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

We have audited the accompanying financial statements of **SATRA BUILDCON PRIVATE LIMITED** ("the Company"), which comprises the Balance Sheet as at 31 March, 2017, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's management is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, 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 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.

### **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 provisions of the Act and the Rules made there under.





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 procedure selected depends 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 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 31 March, 2017, and its profit and its cash flows for the year ended on that date.

### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2017 ("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" 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 Balance Sheet, Statement of Profit & Loss and Cash Flow Statement 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 31 March, 2017 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March, 2017 from being appointed as a director in terms of Section 164 (2) of the Act.
- (f) With respect to adequacy of internal financial controls over financial reporting of the company and operating effectiveness of such controls, refer to our separate report in "Annexure B"; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company does not have any pending litigations which would impact its financial position;
  - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - The Company has provided requisite disclosures in its Financial Statements as to holdings as well as dealings in Specified Bank Notes (SBN's) during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016 and the same is in accordance with Books of Accounts maintained by the Company. Refer Note 36 to financial statements.

**Place: Mumbai**  
**Date: 22 May, 2017**

**For BANSHI JAIN & ASSOCIATES**  
*Chartered Accountants*  
Firm Registration No.100990W



  
**ANUJ B. GOLECHA**  
(Partner)  
Membership No. 117617



**‘Annexure - A’ to the Independent Auditors’ Report**

The Annexure referred to in our Independent Auditors’ Report to the members of the Company on the financial statements for the year ended on 31 March 2017. We report that:

**1) In Respect of its Fixed Assets:**

- A) The company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets.
- B) The fixed assets of the company have been physically verified by the management during the year and no material discrepancies between the book records and the physical verification have been noticed. In our opinion, the frequency of verification is reasonable.
- C) According to the information and explanations given to us and on the basis of our examination of the records of the Company, company does not hold any immovable property. Accordingly, clause 1 (c) of the order is not applicable.

**2) In respect of its Inventories:**

- A) In our opinion, physical verification of inventory lying with the company has been conducted at reasonable intervals by the management.
  - B) In our opinion, the procedures of physical verification of inventory followed by the management are adequate in relation to the size of the Company and the nature of its business.
  - C) The Company has maintained proper records of inventory. No material discrepancies have been noticed on physical verification between physical stock and book records.
- 3) According to the information and explanation given to us, the company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Act. Accordingly, clauses 3 (iii) (a), 3 (iii) (b) and 3 (iii) (c) of the Order are not applicable.
- 4) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.
- 5) According to information and explanation given to us the Company has not accepted any deposits from the public. Accordingly Clause 3 (v) of the order is not applicable.





- 6) We have broadly reviewed the books of accounts maintained by the company pursuant to the Rules made by the Central Government for maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.
- 7) In respect of statutory dues:
- A) According to the information and explanations given to us and on the basis of our examination of records of the company, amounts deducted/accrued in the books of accounts in respect of undisputed statutory dues including income-tax, service Tax, duty of customs, value added tax, works contract tax, cess and other material statutory dues *have generally been regularly deposited during the year by the company with the appropriate authorities though there has been slight delay in few cases.*
- According to the information and explanations given to us no undisputed amounts payable were in arrears, as at 31 March, 2017 for the period of more than six months from the date they became payable.
- B) According to the information and explanations given to us, there are no material dues of profession tax, service tax, wealth tax, income tax and cess which have not been deposited with the appropriate authorities on account of any dispute.
- 8) According to the records of the company examined by us and the information and explanations given to us, the company has not defaulted in repayment of dues to any financial institution or bank as at the balance sheet date.
- 9) According to the records of the company examined by us and the information and explanations given to us, money raised by way of term loan was applied for the purpose for which it was raised.
- 10) During the course of our examination of the books and records of the company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanation given to us, we have neither come across any instance of fraud done by the company or any fraud done on the company by its officers or employees, noticed or reported during the year, nor have we been informed of such case by the management.
- 11) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.





- 12) 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.
- 13) 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.
- 14) According to the information and explanations give 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
- 15) 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(xvi) of the Order is not applicable.
- 16) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**Place: Mumbai**  
**Date: 22 May, 2017**

**For BANSHI JAIN & ASSOCIATES**

*Chartered Accountants*

Firm Registration No.100990W



**ANUJ B. GOLECHA**  
(Partner)

Membership No. 117617



## **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 **SATRA BUILDCON PRIVATE LIMITED** ("the Company") as of 31 March 2017 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 Act.

#### **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 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 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 2017, 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.

**Place: Mumbai**  
**Date: 22 May, 2017**

For **BANSHI JAIN & ASSOCIATES**  
Chartered Accountants  
Registration No. 100990W



  
**ANUJ B. GOLECHA**  
(Partner)  
Membership No. 117617

# Satra Buildcon Private Limited

## Balance Sheet

as at 31 March 2017

(Currency: Indian Rupees)

### EQUITY AND LIABILITIES

#### Shareholders' funds

Share capital	3	196,070	196,070
Reserves and surplus	4	(5,822,202)	(12,765,463)
		(5,626,132)	(12,569,393)

#### Non-current liabilities

Long-term borrowings	5	42,698	550,299,914
Long-term provisions	6	2,436,996	2,004,627
		2,479,694	552,304,541

#### Current liabilities

Short-term borrowings	7	1,123,110,212	1,096,500,000
Trade payables [refer note 29]			
Outstanding dues of micro,small and medium enterprises		-	-
Outstanding dues of creditors other than micro,small and medium enterprises		72,394,846	52,278,407
Other current liabilities	8	1,611,226,657	1,214,106,113
Short-term provisions	9	80,625	59,537
		2,806,812,340	2,362,944,057

#### Total

2,803,665,902 2,902,679,205

### ASSETS

#### Non-current assets

Fixed assets			
- tangible assets	10	1,740,081	3,375,077
Non current investment	11	26,000,000	26,000,000
Deferred tax assets	12	1,215,302	2,734,233
Long-term loan and advances	13	23,581,006	22,654,539
		52,536,389	54,763,849

#### Current assets

Inventories	14	1,270,235,809	1,098,113,954
Trade receivable	15	463,528,173	468,304,700
Cash and bank balances	16	1,267,887	3,038,519
Short-term loans and advances	17	1,011,186,508	1,275,742,884
Other current assets	18	4,911,136	2,715,299
		2,751,129,513	2,847,915,356

#### Total

2,803,665,902 2,902,679,205

Significant accounting policies

2

Notes to the financial statements

3-40

The notes referred to above form an integral part of these financial statements.

As per our report of even date attached

For Banshi Jain & Associates

Chartered Accountants

Firm Registration No.: 100990W

C.A. Anuj Golecha

Partner

Membership No.: 11767

Mumbai, 22 May 2017



For and on behalf of the Board of Directors of  
Satra Buildcon Private Limited

Praful N. Satra  
Managing Director  
(DIN: 00053900)

Mayank J. Shah  
Director  
(DIN: 00384641)

Mumbai, 22 May 2017



# Satra Buildcon Private Limited

## Statement of Profit and Loss

for year ended 31 March 2017

(Currency: Indian Rupees)

	Notes	2017	2016
<b>Income</b>			
Revenue from operations	19	403,001,123	1,838,437,696
Other income	20	2,601,615	2,868,367
<b>Total revenue</b>		<b>405,602,738</b>	<b>1,841,306,063</b>
<b>Expenses</b>			
Cost of construction	21	371,952,111	1,779,474,349
Finance costs	22	4,733,863	-
Employee benefits expenses	23	7,456,207	-
Depreciation and amortisation	10	-	-
Other expenses	24	10,866,059	51,285,853
<b>Total expenses</b>		<b>395,008,240</b>	<b>1,830,760,202</b>
<b>Profit / (loss) before tax</b>		<b>10,594,498</b>	<b>10,545,861</b>
<b>Tax expense</b>			
- current tax		2,182,041	2,009,514
- minimum alternate tax credit (entitlement) / utilisation		(49,735)	(2,009,514)
- deferred tax liabilities / (Assets)	12	1,518,931	(2,734,233)
<b>Profit / (loss) for the year</b>		<b>6,943,261</b>	<b>13,280,094</b>
<b>Earnings per equity share (in Rs.)</b>			
Basic and diluted (face value of Rs.10 per share)	35	354.12	677.31
Significant accounting policies	2		
Notes to the financial statements	3-40		

The notes referred to above form an integral part of these financial statements.

As per our report of even date attached

**For Banshi Jain & Associates**

Chartered Accountants

Firm Registration No.: 100990W

  
**CA. Anuj Golecha**  
 Partner  
 Membership No.: 117617

Mumbai, 22 May 2017



**For and on behalf of the Board of Directors of  
Satra Buildcon Private Limited**

  
**Praful N. Satra**  
 Managing Director  
 (DIN: 00053900)

Mumbai, 22 May 2017

  
**Mayank J. Shah**  
 Director  
 (DIN: 00384641)

# Satra Buildcon Private Limited

## Cash Flow Statement

for the year ended 31 March 2017

(Currency: Indian Rupees)

	2017	2016
<b>Cash flows from Operating activities</b>		
Net profit/(loss) before taxation	10,594,498	10,545,861
Adjusted for:		
Finance costs	4,733,863	-
Depreciation and amortisation	-	-
Exchange gain	-	(725,658)
Interest income	(2,601,615)	(2,142,709)
<b>Operating profit/(loss) before working capital changes</b>	<b>12,726,746</b>	<b>7,677,494</b>
<b>Adjustment for working capital changes:</b>		
(increase)/decrease in inventories	(35,918,980)	905,740,462
(increase)/decrease in short-term loans and advances	264,556,376	(270,108,498)
(increase)/decrease long-term loan and advances	(926,467)	(1,331,337)
(increase)/decrease in trade receivables	4,776,527	(451,574,448)
increase/(decrease) in trade payables	20,116,439	5,535,083
increase/(decrease) in short-term provisions	21,088	36,406
increase/(decrease) in long-term provisions	432,369	1,211,185
increase/(decrease) in other current liabilities	(195,325,025)	(307,758,217)
<b>Cash generated from / (used in) operations</b>	<b>57,732,327</b>	<b>(118,249,364)</b>
Less: Taxes paid	(2,132,306)	(14,572,985)
<b>Net cash generated from / (used in) operating activities</b>	<b>A 68,326,767</b>	<b>(125,144,855)</b>
<b>Cash flows from Investing activities</b>		
Purchase of fixed assets	(173,707)	(3,189,774)
Investment in fixed deposits	-	(5,000,000)
Interest received	405,778	214,271
<b>Net cash generated from / (used in) investing activities</b>	<b>B 232,071</b>	<b>(7,975,503)</b>
<b>Cash flows from Financing activities</b>		
Proceeds from short-term borrowings	745,691,895	50,550,000
Repayment of short-term borrowings	(700,329,025)	-
Proceeds from long-term borrowings	-	200,122,229
Finance costs paid	(115,692,340)	(117,847,521)
<b>Net cash generated from / (used in) financing activities</b>	<b>C (70,329,470)</b>	<b>132,824,708</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(A+B+C) (1,770,632)</b>	<b>(295,650)</b>
Cash and cash equivalents at the beginning of year	3,038,519	3,334,169
<b>Cash and cash equivalents at the end of year</b>	<b>1,267,887</b>	<b>3,038,519</b>
<b>Cash and cash equivalents</b>		
Cash on hand	788,050	2,002,102
Balance with banks		
- in current accounts	479,837	1,036,417
	<b>1,267,887</b>	<b>3,038,519</b>

Note:

The cash flow statement has been prepared under the "Indirect Method" as set out in Accounting Standard - 3 'Cash Flow Statements'.

As per our report of even date attached

For Banshi Jain & Associates

Chartered Accountants

Firm Registration No.: 100990W

CA. Anuj Golecha

Partner

Membership No.: 11763

Mumbai, 22 May 2017



For and on behalf of the Board of Directors of  
Satra Buildcon Private Limited

Praful N. Satra  
Managing Director  
(DIN: 00053900)

Mumbai, 22 May 2017

Mayank J. Shah  
Director  
(DIN: 00384641)



# Satra Buildcon Private Limited

## Notes to the financial statements

for the year ended 31 March 2017

(Currency: Indian Rupees)

### 1. Company Overview

The company was incorporated on October 18, 2007 as Satra Buildcon Private Limited and is a subsidiary of Satra Properties (India) Limited. The company is engaged in the business of real estate, construction and development.

### 2. Summary of Significant Accounting Policies:

The accounting policies as set out below have been applied consistently to the periods presented in these financial statements.

#### 2.1. Basis of preparation of Financial Statements:

The financial statements are prepared in accordance with the Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis. GAAP comprises mandatory accounting standards as prescribed u/s 133 of Companies Act, 2013 (the Act) read with rule 7 of the Companies (Accounts) Rules, 2014, the provision of the Act (to the extent notified). Accounting policies have been consistently applied except where the newly issued accounting standards are initially adopted or a revision to the existing accounting standards requires a change in the accounting policies hitherto in use.

#### 2.2. Current / Non-current classification:

The assets and liabilities to be classified as either Current or Non-current.

An asset is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be realised in, or is intended for sale or consumption in, the entity's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realised within twelve months after the balance sheet 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 balance sheet date.

All other assets are classified as non-current.

A liability is classified as current when it satisfies any of the following criteria:

- (a) it is expected to be settled in, the entity'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 balance sheet date; or
- (d) the Company does not have an unconditional right to defer settlement of the liability for at least twelve months after the balance sheet date.

All other liabilities are classified as non-current.



# Satra Buildcon Private Limited

## Notes to the financial statements (continued)

for the year ended 31 March 2017

(Currency: Indian Rupees)

### *Operating cycle*

Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 3 to 4 years for the purpose of current – non-current classification of assets and liabilities.

### **2.3. Use of estimates:**

The preparation of financial statements in conformity with the Generally Accepted Accounting Principles (GAAP) requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates are recognised prospectively in current and future periods.

### **2.4. Fixed assets and depreciation / amortisation and capital work-in-progress:**

#### *Tangible assets*

Tangible fixed assets are carried at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of tangible fixed asset comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use; any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditures related to an item of tangible fixed asset are added to its book value only if they increase the future benefits from the existing asset beyond its previously assessed standard of performance.

Depreciation is provided on the written down value method. The rates of depreciation are calculated as prescribed in Schedule II of the Companies Act, 2013. If the management's estimate of the useful life of a fixed asset at the time of acquisition of the asset or of the remaining useful life on a subsequent review is shorter than that envisaged in the aforesaid schedule, depreciation is provided at a higher rate based on the management's estimate of the useful life/remaining useful life. Depreciation is provided on a pro-rata basis i.e. from the date on which asset is ready for use.

Plant & equipment and furniture & fixtures, costing individually Rs 5,000 or less, are depreciated fully in the year of purchase.



# Satra Buildcon Private Limited

## Notes to the financial statements (continued)

for the year ended 31 March 2017

(Currency: Indian Rupees)

A fixed asset is eliminated from the financial statements on disposal or when no further benefit is expected from its use and disposal.

### 2.5. *Impairment of assets:*

The Company assesses at each balance sheet date whether there is any indication that an asset or a group of assets may have been impaired. If any such indication exists, the Company estimates the recoverable amount of the asset or a group of assets. If such recoverable amount of the assets or recoverable amount of cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.

### 2.6. *Investments:*

Investments that are readily realizable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. However, that part of long term investments which is expected to be realized within 12 months after the reporting date is also presented under 'current assets' as "current portion of long term investments" in consonance with the current-non-current classification scheme of Schedule III of the Companies Act, 2013.

Long-term investments (including current portion thereof) are carried at cost less any other-than-temporary diminution in value, determined separately for each individual investment.

Any reductions in the carrying amount and any reversals of such reductions are charged or credited to the Statement of Profit and Loss.

### 2.7. *Inventories:*

Direct expenses like cost of land, site labour cost, material used for project construction, project management consultancy, costs for moving the plant and machinery to the site and general expenses incurred specifically for the respective project like insurance, design and technical assistance, borrowing costs and construction overheads are taken as the cost of construction work-in-progress.

Material at site comprises of building material, components and stores and spares.

Inventories are valued as lower of cost and net realizable value. Cost is determined on the first in first out ('FIFO') basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.



# Satra Buildcon Private Limited

## Notes to the financial statements (continued)

for the year ended 31 March 2017

(Currency: Indian Rupees)

### 2.8. Revenue recognition:

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Income from real estate sales is recognized on the transfer of all significant risks and rewards of ownership to the buyers and it is not unreasonable to expect ultimate collection and no significant uncertainty exists regarding the amount of consideration. However, if at the time of transfer substantial acts are yet to be performed under the contract, revenue is recognized on proportionate basis as the acts are performed, i.e., on the percentage of completion basis as per the Guidance Note on Accounting for Real Estate Transactions (Revised 2012)

Determination of revenues under the percentage of completion method necessarily involves making estimates by the company, some of which are of a technical nature, concerning, where relevant, the percentage of completion, costs to completion, the expected revenues from the project/activity and the foreseeable losses to completion. The estimates of cost are periodically reviewed by the management and the effect of changes in estimates is recognized in the period such changes are recognized. When the total project cost is estimated to exceed total revenues from the project, the loss is recognized immediately.

Revenue on account of contract variations, claims and incentives are recognized upon determination or settlement of the contract.

Interest income is recognized on time proportion basis.

### 2.9. Borrowing costs:

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are treated as direct cost and are considered as a part of cost of such assets. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. Capitalization of borrowing costs is suspended in the period during which the active development is delayed beyond reasonable time due to other than temporary interruption. All other borrowing costs are charged to the statement of profit and loss as incurred.

### 2.10. Employee benefits:

#### (a) Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries and wages, leave salary etc. and the expected cost of ex-gratia are recognized in the period in which the employee renders the related service.



# Satra Buildcon Private Limited

## Notes to the financial statements (continued)

for the year ended 31 March 2017

(Currency: Indian Rupees)

### (b) Post-employment benefits:

#### *Defined benefit plan:*

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefits that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value, and the fair value of any plan assets is deducted.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognizes each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

When the calculation results in a benefit to the Company, the recognized asset is limited to the net total of any unrecognized actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

Actuarial gains and losses are recognized immediately in the statement of profit and loss.

### 2.11. Taxation:

Income-tax expense comprises of current income tax and deferred tax charge or credit.

Current tax provision is made annually based on the tax liability computed in accordance with the provisions of the Income-tax Act, 1961.

The deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period) and the corresponding deferred tax liabilities or assets are recognized using the tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognized only to the extent there is reasonable certainty that the assets can be realized in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognized only if there is a virtual certainty of realization of such assets. Deferred tax assets are reviewed at each balance sheet date and written down or written up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realized.



# Satra Buildcon Private Limited

## Notes to the financial statements (continued)

for the year ended 31 March 2017

(Currency: Indian Rupees)

### 2.12. Foreign currency transactions:

Foreign currency transactions are recorded at the spot rates on the date of the respective transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognized in the statement of profit and loss of the year.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date; the resultant exchange differences are recognized in the statement of profit and loss. Non-monetary asset such as investments in equity shares, etc. are carried forward in the balance sheet at costs.

### 2.13. Operating lease:

Lease rentals in respect of assets acquired on operating leases are recognized in the statement of profit and loss on a straight line basis over the lease term.

### 2.14. Earnings per share (EPS):

The Basic EPS is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity shares outstanding during the reporting year. Diluted EPS is computed by dividing the net profit attributable to the equity shareholders for the year by the weighted average number of equity and dilutive equity equivalent shares outstanding during the year, except where the results would be anti-dilutive.

### 2.15. Provisions and contingent liabilities:

A provision is recognized when the Company has a present obligation as a result of past events, for which it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made. Provisions are reviewed regularly and are adjusted where necessary to reflect the current best estimate of the obligation.

A disclosure for contingent liabilities is made where there is a possible obligation or a present obligation that may probably not require an outflow of resources. When there is a possible or a present obligation where the likelihood of outflow of resources is remote, no provision or disclosure is made.



# Satra Buildcon Private Limited

## Notes to the financial statements (continued)

for year ended 31 March 2017

(Currency: Indian Rupees)

2017 2016

### 3 Share capital

#### Authorised Capital

20,000 (2016 : 20,000) equity shares of Rs. 10 each

200,000 200,000

200,000 200,000

#### Issued, subscribed and paid up capital

19,607 (2016 : 19,607) equity shares of Rs. 10 each fully paid up

196,070 196,070

196,070 196,070

#### Sub-notes:

- a) The reconciliation of the number of equity shares outstanding as at the year end is set as below:

Equity shares	31 March 2017		31 March 2016	
	Number of equity shares (units)	Amount	Number of equity shares (units)	Amount
At the beginning of the year	19,607	196,070	19,607	196,070
Add: issued during the year	-	-	-	-
At the end of the year	19,607	196,070	19,607	196,070

- b) Rights, preferences and restrictions attached to shares

#### Equity shares :

The Company has only one class of equity shares having a face value of Rs 10 each. Each holder of an equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees, if any. The dividend proposed by the board of directors, if any is subject to the approval of the shareholders in the ensuing annual general meeting.

In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion of the shares held by the shareholder.

- c) Out of equity shares issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries/associates are as below:

Name of shareholder	31 March 2017		31 March 2016	
	No. of Shares	% of Holding	No. of Shares	% of Holding
<b>Holding Company</b>				
Satra Properties (India) Limited	10,000	51	10,000	51
	10,000	51	10,000	51

- d) The details of shareholders holding more than 5% of the equity shares of the Company as at year end is as below :

Name of shareholder	31 March 2017		31 March 2016	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Satra Properties (India) Limited	10,000	51	10,000	51
Mayank J. Shah jointly with Shreyans J. Shah (partners representing Sudharma Trading)	9,607	49	9,607	49

### 4 Reserves and surplus

#### Surplus / (deficit) in the statement of profit and loss

At the commencement of the year

(12,765,463) (26,045,557)

Add: net profit / (loss) for the current year

6,943,261 13,280,094

Net surplus / (deficit) in the statement of profit and loss

(5,822,202) (12,765,463)

(5,822,202) (12,765,463)



# Satra Buildcon Private Limited

## Notes to the financial statements (continued)

for year ended 31 March 2017

(Currency: Indian Rupees)

2017 2016

### 5 Long-term borrowings

#### Secured borrowings

From banks

- term loan [refer note 5(i)]

- vehicle loan [refer note 5(ii)]

	550,000,000
42,698	299,914
42,698	550,299,914

Note:

- (i) Term loan of Rs. 80 (2016: Rs 80 crores) crores shown under note 9 is secured by way of security interest on development rights, unsold units along with charge on escrow account of receivables. The said term loan is further secured by personal guarantee of directors along with corporate guarantee given by holding company. The loan carries an interest rate of Banks' base rate plus 350 bps payable monthly and principal shall be repaid in 6 quarterly installments commencing after a moratorium period of 30 months from the date of first disbursement i.e. beginning from Feb 2017.
- (ii) Vehicle loan is secured by hypothecation of the respective vehicle purchased. Payment of equated monthly installments of Rs 19,400 & Rs 12,138 commenced from the month of February 2015 & October 2015 respectively. The loan carries an fixed interest rate of 10.66% p.a. & 11.2% p.a and last installment is due by December 2017 & August 2018 respectively.

### 6 Long-term provision

#### Provision for employee benefits

Provision for gratuity [refer note 31]

2,436,996	2,004,627
2,436,996	2,004,627

### 7 Short-term borrowings

#### Unsecured borrowings

From related parties [refer note 7(i) and refer note 33]

From others

- other inter-corporate loan [refer note 7(i)]

953,410,212	926,800,000
169,700,000	169,700,000
1,123,110,212	1,096,500,000

Notes:

- (i) Loans from related parties and other inter-corporate loan are repayable on demand and carries interest rates ranging upto 12% p.a.

### 8 Other current liabilities

#### Current maturities of borrowings

- term loans [refer note 5(i)]

- others [refer note 5(ii)]

819,081,683	250,000,000
306,647	378,456

#### Interest accrued and due on borrowings

- term loans

- others [refer note 33]

9,045,644	8,941,247
365,221,764	341,890,466

#### Project advances received

Other payables\*

395,099,657	565,313,557
22,471,262	47,582,387
1,611,226,657	1,214,106,113

\* includes amounts payable on account of statutory dues, employee benefits & other current liabilities.

### 9 Short-term provisions

#### Provision for employee benefits

Provision for gratuity [refer note 31]

80,625	59,537
80,625	59,537



# Satra Buildcon Private Limited

## Notes to the financial statements (Continued)

for year ended 31 March 2017

(Currency: Indian Rupees)

### 10 Fixed assets

Particulars	GROSS BLOCK			ACCUMULATED DEPRECIATION/AMORTISATION			NET BLOCK
	As at 1 April 2016	Additions	Deletions/ Disposals	As at 31st March 2017	For the year	On Deletions/ Disposals	As at 31st March 2017
<b>Owned assets</b>							
Tangible assets							
Plant and machinery	159,825	-	-	159,825	16,605	-	46,320
Furniture and fittings	68,023	-	-	68,023	13,165	-	37,548
Vehicle	1,325,194	-	-	1,325,194	321,676	-	593,703
Computer & Printing	1,234,062	158,707	-	1,392,769	514,018	-	249,874
Office equipment	2,626,046	15,000	-	2,641,046	943,239	-	812,636
<b>Total</b>	<b>5,413,150</b>	<b>173,707</b>	<b>-</b>	<b>5,586,857</b>	<b>1,808,703</b>	<b>-</b>	<b>1,740,081</b>

### Notes:

(i) Depreciation aggregating to Rs. 18,08,703 (2016 : Rs. 14,87,451) has been transferred to construction work-in-progress

Particulars	GROSS BLOCK			ACCUMULATED DEPRECIATION/AMORTISATION			NET BLOCK
	As at 1 April 2015	Additions	Deletions/ Disposals	As at 31st March 2016	For the year	On Deletions/ Disposals	As at 31st March 2016
<b>Owned assets</b>							
Tangible assets							
Plant and machinery	159,825	-	-	159,825	22,786	-	62,925
Furniture and fittings	10,200	57,823	-	68,023	14,313	-	50,713
Vehicle	833,558	491,636	-	1,325,194	351,295	-	915,379
Computer & Printing	496,850	737,212	-	1,234,062	495,101	-	605,185
Office equipment	722,943	1,903,103	-	2,626,046	603,956	-	1,740,875
<b>Total</b>	<b>2,223,376</b>	<b>3,189,774</b>	<b>-</b>	<b>5,413,150</b>	<b>1,487,451</b>	<b>-</b>	<b>3,375,077</b>

### Notes:

(i) Depreciation aggregating to Rs. 14,87,451 (2015 : Rs. 4,86,854) has been transferred to construction work-in-progress



# Satra Buildcon Private Limited

## Notes to the financial statements (continued)

for year ended 31 March 2017

(Currency: Indian Rupees)

2017 2016

### 11 Non - current investments

- Balance in deposits with original maturity of more than 12 months (given as security towards term loan)

26,000,000	26,000,000
<b>26,000,000</b>	<b>26,000,000</b>

### 12 Deferred tax assets

The components of deferred tax balances are as follows:-

Deferred tax liability/(asset) on

- difference between book depreciation and depreciation as per Income Tax Act, 1961
- b/f business loss and unabsorbed depreciation
- employee benefits payable

437,357	156,415
-	1,939,991
777,945	637,827
<b>1,215,302</b>	<b>2,734,233</b>
<b>1,215,302</b>	<b>2,734,233</b>

### 13 Long-term loans and advances

(Unsecured and considered good)

- Advance tax and tax deducted at source [net of provision for tax Rs.21,82,041 (2016 Rs 20,09,514)]

23,581,006	22,654,539
<b>23,581,006</b>	<b>22,654,539</b>

### 14 Inventories

Material-at-Site

Construction work-in-progress

77,556,036	4,402,234
<b>1,192,679,773</b>	<b>1,093,711,720</b>
<b>1,270,235,809</b>	<b>1,098,113,954</b>

### 15 Trade receivables

(Unsecured and considered good)

- Debts outstanding for a period exceeding six months from the date they are due for payment
- Other debts

46,269,406	22,943,734
<b>417,258,767</b>	<b>445,360,966</b>
<b>463,528,173</b>	<b>468,304,700</b>

### 16 Cash and bank balances

Cash on hand

Balances with banks

- in current accounts

788,050	2,002,102
479,837	1,036,417
<b>1,267,887</b>	<b>3,038,519</b>

### 17 Short-terms loans and advances

(Unsecured and considered good)

Others

- advance to vendors
- advance to employees
- prepaid expenses
- deposits [refer note 33]
- balance receivable from government authorities

24,447,700	85,782,398
62,000	-
298,473	294,149
985,159,830	1,188,335,000
1,218,505	1,331,337
<b>1,011,186,508</b>	<b>1,275,742,884</b>

### 18 Other current assets

- Interest accrued on fixed deposit with bank

4,911,136	2,715,299
<b>4,911,136</b>	<b>2,715,299</b>



# Satra Buildcon Private Limited

## Notes to the financial statements (continued)

for year ended 31 March 2017

	(Currency: Indian Rupees)	
	2017	2016
<b>19 Revenue from operation</b>		
Revenue from sale of properties	403,001,123	1,838,437,696
	<u>403,001,123</u>	<u>1,838,437,696</u>
<b>20 Other income</b>		
Interest income on		
- fixed deposit with bank	2,601,615	2,142,709
Exchange fluctuation gain	-	725,658
	<u>2,601,615</u>	<u>2,868,367</u>
<b>21 Cost of construction</b>		
<b>Opening inventory</b>		
Material-at-site	4,402,234	-
Work-in-progress	1,093,711,720	1,680,763,208
	<u>(A) 1,098,113,954</u>	<u>1,680,763,208</u>
<b>Cost incurred during the year</b>		
Professional fees	9,578,135	34,318,403
Civil, electrical and contracting	363,422,142	796,306,731
Depreciation and amortisation [refer note 10 ]	1,808,703	1,487,452
Administrative and other expenses	34,870,814	43,108,753
Borrowing costs [refer note 22 ]	134,394,172	321,603,756
Incurred during the year	<u>(B) 544,073,966</u>	<u>1,196,825,095</u>
<b>Closing inventory</b>		
Material-at-site	77,556,036	4,402,234
Work-in-progress	1,192,679,773	1,093,711,720
	<u>(C) 1,270,235,809</u>	<u>1,098,113,954</u>
<b>Total cost of construction</b>	<u>(A+B-C) 371,952,111</u>	<u>1,779,474,349</u>
<b>22 Finance costs</b>		
<b>Interest on short-term borrowings</b>		
-from banks	105,695,921	97,490,509
-from others	25,923,664	219,621,298
Other borrowing costs	7,508,450	4,491,949
	<u>139,128,035</u>	<u>321,603,756</u>
Less: borrowing costs transferred to construction work-in-progress	134,394,172	321,603,756
	<u>4,733,863</u>	



# Satra Buildcon Private Limited

## Notes to the financial statements (continued)

for year ended 31 March 2017

(Currency: Indian Rupees)

### 23 Employee benefits expenses

2017 2016

Salaries, wages and bonus	6,776,209	-
Gratuity	500,498	-
Staff welfare expenses	179,500	-
	<u>7,456,207</u>	<u>-</u>

### 24 Other expenses

Professional fees	569,000	123,500
Advertisement & sales promotion expenses	6,132,945	50,216,956
Office rent	2,114,269	-
Rates and taxes	27,001	33,184
Exchange fluctuation loss	611,419	-
Payment to auditors		
- statutory audit	400,000	400,000
- taxation matters	200,000	200,000
Miscellaneous expenses	811,425	312,213
	<u>10,866,059</u>	<u>51,285,853</u>



# Satra Buildcon Private Limited

## Notes to the financial statements (continued)

for the year ended 31 March 2017

(Currency: Indian Rupees)

### 25. Contingent liabilities:

Sr. no.	Particulars	2017	2016
1	Consideration payable for acquiring Joint Development Rights [Non-monetary component] [refer note 27]	Amount Unascertained	Amount Unascertained

In the opinion of the Directors, there are no other contingent liabilities as at the Balance Sheet date.

26. The Company has entered into Joint Development Agreement (JDA) with a Developer for development and construction of its project situated at Bandra, Mumbai. According to the said JDA, the Company has agreed to hand over 50% of permissible built-up area in the said project to the Developer, after receiving the occupation certificate from the statutory authority. However, the actual built-up area to be constructed may vary subject to getting various regulatory compliance and approvals.

Since, the final constructed area being unascertained, the value / cost of construction attributable to such built up area to be handed over on receiving of occupation certificate remain unascertained.

27. In the opinion of the directors, current assets, loans and advances have the value at which they are stated in the balance sheet, if realized in the ordinary course of business. Sundry debtors, creditors and advances are subject to confirmation.
28. In the opinion of the directors, provision has been made for all known liabilities and the same is not in excess of the amounts considered reasonably necessary.
29. **Micro, Small and Medium Enterprises Development Act, 2006:**  
The Company has not received any information from the "suppliers" regarding their status under the Micro Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to the amounts as at year end together with interest paid / payable as required under the said act have not been given.

### 30. Expenditure in foreign currency:

Particulars	2017	2016
Travelling expenses	981,317	2,347,843
Professional fees	-	11,747,917
Material purchases	45,757,001	5,110,679
Advances for material purchase	12,736,107	9,386,842
	59,474,425	28,593,281



# Satra Buildcon Private Limited

## Notes to the financial statements (continued)

for the year ended 31 March 2017

(Currency: Indian Rupees)

### 31. Employee benefits:

Disclosures as required by the Accounting Standard 15 (Revised) "Employee Benefits" are given below:

#### Defined benefit plans

The company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on death or resignation or retirement at 15 days salary (last drawn salary) for each completed year of service.

Sr. no.	Particulars	2017	2016
<b>I</b>	<b>Change in the defined benefit obligation</b>		
	Liability at the beginning of the year	2,064,165	816,572
	Interest cost	163,252	63,693
	Current service cost	914,950	995,836
	Benefit paid	(47,042)	-
	Actuarial (gain)/ loss on obligation	(577,704)	188,064
	Liability at the end of the year	2,517,621	2,064,165
<b>II</b>	<b>Amount recognised in the balance sheet</b>		
	Liability at the end of the year	2,517,621	2,064,165
	Fair value of plan assets at the end of the year	-	-
	Difference	(2,517,621)	2,064,165
	Amount recognised in the balance sheet	(2,517,621)	2,064,165
<b>III</b>	<b>Expenses recognized in the Statement of profit and loss</b>		
	Current service cost	914,950	995,836
	Interest cost	163,252	63,693
	Benefit paid	-	-
	Expected return on plan assets	-	-
	Net actuarial (gain)/loss recognized for the period	(577,704)	188,064
	Expense recognized in the statement of profit and loss	500,498	1,247,593
<b>IV</b>	<b>Balance sheet reconciliation</b>		
	Opening net liability	2,064,165	816,572
	Expenses as above	500,498	1,247,593
	Employers contribution paid	(47,042)	-
	Amount recognised in the balance sheet	2,517,621	2,064,165
<b>V</b>	<b>Actuarial assumptions:</b>		
	Discount rate	7.40%	8%
	Salary escalation	6%	6%



# Satra Buildcon Private Limited

## Notes to the financial statements (continued)

for the year ended 31 March 2017

(Currency: Indian Rupees)

VI	Reconciliation of present value of obligation and the fair value of plan assets	2017	2016	2015
		2,517,621	2,064,165	816,572
	Present value of defined benefit obligation	-	-	-
	Fair Value of the plan assets	2,517,621	2,064,165	816,572
	Liability recognised in the Balance Sheet			
VII	Experience adjustments on:			
		(577,704)	188,064	547,216
	Plan liabilities (gain)/loss	-	-	-
	Plan assets			
VIII	Schedule VI Details		2017	2016
			80,625	59,537
	Current Liability		2,436,996	2,004,627
	Non-Current Liability			

Estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

The Company's liability on account of gratuity is not funded and hence the disclosures relating to the planned assets are not applicable.

### Compensated absences:

Compensated absences for employee benefits of Rs. 2,49,454 [2016: Rs 3,74,573] has been recognized as a gain/expense during the year.

## 32. Segment reporting:

The Company is operating in the real estate and construction industry and has only domestic sales. Therefore, the Company has only one reportable business segment, which is real estate development and only one reportable geographical segment. Accordingly, these financial statements are reflective of the information required by the Accounting Standard 17 on "Segment reporting".

## 33. Related party disclosure:

Disclosures as required by the Accounting Standard 18 "Related Party Disclosures" are given below:

### (a) List of related parties:

#### Holding company

Satra Properties (India) Limited

#### Fellow subsidiary company

Satra Property Developers Private Limited

Satra Estate Development Private Limited

Satra Infrastructure and Land Developers Private Limited



# Satra Buildcon Private Limited

## Notes to the financial statements *(continued)* for the year ended 31 March 2017

*(Currency: Indian Rupees)*

Satra Lifestyles Private Limited  
Satra International Realtors Limited, U.A.E.

### **Key management personnel (KMP):**

*(Where transactions have taken place during the year)*

Praful N. Satra, Managing Director  
Rajan P. Shah, Whole Time Director  
Mayank J. Shah, Director  
Shreyans J. Shah, Director

### **Relative of Key managerial personnel**

*(Where transactions have taken place during the year)*

Rushabh P. Satra  
Shruti M. Shah



# Satra Buildcon Private Limited

## Notes to the financial statements for the year ended 31 March 2017

(Currency: Indian Rupees)

### (b) Summary of transactions between the Company and related parties and the status of outstanding balances:

Sr. no.	Nature of transaction	Holding company		Entities over which key managerial personnel or their relatives exercises significant influence		Key managerial personnel and their relatives		Total	
		2016-17	2015-16	2016-17	2015-16	2016-17	2015-16	2016-17	2015-16
1	Loans taken	-	-	-	-	726,610,212	28,100,000	726,610,212	28,100,000
2	Interest expenses	-	-	-	-	-	187,248,569	-	187,248,569
3	Services received (excluding taxes)	230,859,726	741,860,573	-	-	-	-	230,859,726	741,860,573
4	Advance received	-	-	-	1,000,000	2,163,500	981,261,819	2,163,500	982,261,819
5	Sale of property	-	-	-	-	14,420,670	717,312,000	14,420,670	717,312,000
6	Salary/ directors remuneration	-	-	-	-	16,983,871	13,275,000	16,983,871	13,275,000
	<u>Outstanding balance receivables</u>								
1	Security deposit	225,550,000	401,200,000	-	-	-	-	225,550,000	401,200,000
2	Advance given	-	72,405,408	-	-	-	-	-	72,405,408
3	Sundry debtors	-	-	-	-	-	80,995,000	-	80,995,000
	<u>Outstanding balance payables</u>								
1	Loans along with the net interest	-	-	-	-	1,248,970,148	1,222,359,936	1,248,970,148	1,222,359,936
2	Advance received	-	-	-	11,500,000	-	-	-	11,500,000
	Salary/ directors remuneration payable	-	-	-	-	7,500,000	1,664,300	7,500,000	1,664,300
	Sundry creditors	7,671,098	-	21,759	21,759	-	-	7,692,857	21,759



# Satra Buildcon Private Limited

## Notes to the financial statements for the year ended 31 March 2017

(Currency: Indian Rupees)

**(c) Details of material related party transactions which are more than 10% of the total transactions of the same type with a related party during the year ended 31 March 2017.**

Sr. no.	Nature of transactions	Total	
		2016-17	2015-16
1	<b>Loans taken</b>		
	Mayank J. Shah	723,585,212	19,500,000
	Shreyans J. Shah	3,025,000	8,600,000
2	<b>Interest expenses</b>		
	Mayank J. Shah	-	185,086,871
3	<b>Services received (excluding taxes)</b>		
	Satra Properties (India) Limited	230,859,726	741,860,573
4	<b>Advance received</b>		
	Praful N. Satra	2,138,500	141,361,819
	Shreyans J. Shah	-	119,000,000
	Shruti M. Shah	25,000	720,900,000
5	<b>Sale of property</b>		
	Praful N. Satra	14,864,670	96,192,000
	Shreyans J. Shah	11,868,000	76,800,000
	Shruti M. Shah	-	544,320,000
6	<b>Salary/ directors remuneration</b>		
	Rushabh P. Satra	683,871	1,275,000
	Praful N. Satra	8,900,000	7,000,000
	Rajan P. Shah	7,400,000	5,000,000
	<b><u>Outstanding Balances Receivable</u></b>		
1	<b>Interest free security deposit</b>		
	Satra Properties (India) Limited	225,550,000	401,200,000
2	<b>Advance given</b>		
	Satra Properties (India) Limited	-	72,405,408
3	<b>Sundry debtors</b>		
	Shruti M. Shah	-	80,995,000



# Satra Buildcon Private Limited

## Notes to the financial statements (continued) for the year ended 31 March 2017

(Currency: Indian Rupees)

(c) Details of material related party transactions which are more than 10% of the total transactions of the same type with a related party during the year ended 31 March 2017 (Continued)

Sr. no.	Nature of transactions	Total	
		2016-17	2015-16
	<b><u>Outstanding Balances Payables</u></b>		
1	Loans along with the net interest Mayank J. Shah	1,226,280,352	1,202,695,140
2	Advance received Mayank Shah HUF	-	11,500,000
3	Salary/ directors remuneration payable Praful N. Satra Rajan P. Shah	4,000,000 3,500,000	900,000 669,300
4	Sundry creditors Satra Properties (India) Limited Toyochem Laboratories	7,671,098 21,759	- 21,759

### 34. Lease:

Disclosures as required by the Accounting Standard 19 "Leases" are given below:

#### ***Operating lease***

- (a) The Company has taken a commercial property on cancellable operating lease. The lease payments in respect of lease property as at 31 March 2017 are as follows:

Particulars	2017	2016
Payment of lease rentals under cancellable lease during the year	2,417,613	2,324,274

- (b) The lease agreement provides for renewal of the lease period at the end of lease. There are no exceptional / restrictive covenants in the lease agreements.



# Satra Buildcon Private Limited

## Notes to the financial statements (continued) for the year ended 31 March 2017

(Currency: Indian Rupees)

### 35. Earnings per share:

For the purpose of calculation of Basic and Diluted Earnings per Share as required by the Accounting Standard 20 "Earnings Per share", the following amounts are considered:

Particulars	2017	2016
Net profit / (loss) after tax attributable to shareholders (Rs.)	6,943,261	13,280,094
Weighted average number of equity shares (nos.)	19,607	19,607
Basic earnings per share (Rs.)	354.12	677.31
Diluted earnings per share (Rs.)	354.12	677.31
Nominal value per equity share (Rs.)	10	10

36. Disclosure for the details of Specified Bank Notes (SBN) held and transacted during the period from November 08, 2016 to December 30, 2016 as per Ministry of Corporate Affairs notification Dated March 30, 2017 as provided in the Table below:-

(Amount in Rs.)

Particulars	SBN's	Other denomination notes	Total
Closing cash in hand as on 08.11.2016	-	1,181,870	1,181,870
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	53165	53165
(-) Amount deposited in Banks	-	-	-
(+) Amount Withdrawn from Banks	-	-	-
Closing cash in hand as on 30.12.2016	-	1,128,705	1,128,705

37. Details of loans given, investments made and guarantee given covered u/s 186(4) of the Companies Act, 2013 are given under their respective heads, if any.

The loans given, investments made and guarantee given, if any, are for business purpose.

### 38. Transfer pricing:

Transactions with related parties are governed by transfer pricing regulations of the Indian Income-tax Act, 1961. The Company's domestic transactions with related parties are at arm's length as per the independent accountants report for the year ended 31 March 2016. Management believes that the Company's transactions with related parties post 31 March, 2016 continue to be at arm's length and that the transfer pricing legislation will not have any



# Satra Buildcon Private Limited

## Notes to the financial statements (continued)

for the year ended 31 March 2017

(Currency: Indian Rupees)

impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

### 39. Other matters

- (i) Information with regard to other matters specified in Schedule III of the Act, is either nil or not applicable to the Company for the year.

### 40. Prior year comparatives

Previous year's figures have been regrouped / reclassified wherever necessary, to conform to current year's classification.

Signature to notes 1 to 41 forming part of the Financial Statements

As per our report of even date attached

**For Banshi Jain & Associates**

*Chartered Accountants*

Firm Registration No.: 100990W



**CA. Anuj Golecha**

*Partner*

Membership No.: 11761



Mumbai, 22 May 2017

**For and on behalf of the Board of Directors of  
Satra Buildcon Private Limited**



**Praful N. Satra**  
*Managing Director*  
(DIN: 00053900)

Mumbai, 22 May 2017



**Mayank J. Shah**  
*Director*  
(DIN: 00384641)

