

SATRA INTERNATIONAL REALTORS
LIMITED

AUDITED FINANCIALS
STATEMENT

FINANCIAL YEAR 2016-17

Independent Auditor's Report**To the Board of Directors of****M/s. Satra Properties (India) Limited,****Report in connection with Agreed upon procedures assignment related to Translation of Financial Statements of "M/s. Satra International Realtors Limited"**

We have performed the procedures agreed with you enumerated below with respect to translation and reformatting of the accompanying Balance Sheet of "M/s. Satra International Realtors Limited" ("The Company") as at 31st March, 2017, the statement of Profit and Loss and also the Cash Flow Statement of the Company for the year ended on that date (Collectively referred to as "the Financial Statements"). Our engagement was undertaken in accordance with the Standards on Related Services on Engagements to perform Agreed upon procedures regarding financial information, issued by The Institute of Chartered Accountants Of India. In performing the procedures, we have relied upon the Financial Statements (In AED- Arab Emirates Dirhams) originally audited by the statutory auditors of the Company.

Management's Responsibility on Financial Statements

The financial statements in Rupee ('INR') currency have been prepared by the Company's management on the basis stated in the Note 2 forming part of the financial statements and summarised below and reformatted in accordance with the requirements of the Companies Act, 2013 ("the Act"). The said financial statements have been approved by the Board of Directors.

Summary of Basis of Translation:

- a. All income and expenses at the average rate of exchange prevailing during the period;
- b. All monetary Assets and Liabilities at the closing rate on the Balance Sheet date;
- c. The resulting exchange difference is recognized in the Statement of Profit and Loss.

Auditors' Responsibility

1. In relation to the financial statements prepared by the management, the following procedures were performed by us:
 - a. Reviewing the translation of the audited financial statements from AED into INR on the basis stated in the foregoing paragraph and;
 - b. Reviewing the reformatting of audited financial statements as per the requirements of the Act.
2. We report that the financial statements as audited in AED by the statutory auditors, have been translated in INR on the basis stated in paragraph titled "Summary of Basis of Translation" above and such translated financial statements are presented in accordance with the requirements of the Act.



3. The above procedures do not constitute an audit or a review made in accordance with the generally accepted auditing standards in India, and accordingly, we are not required to, and we do not express any opinion on the financial statements.
4. Had we performed additional procedures or had we performed an audit or review of the financial statements in accordance with the generally accepted auditing standards in India, other matters might have come to our attention that would have been reported to you.
5. Our report is issued solely for the purpose of consolidation by the holding company, M/s. Satra Properties (India) Limited, to comply with the provisions of the Act and is for your information and is not to be used for any other purpose or to be distributed to any other parties.

For GMJ & Co. (FR No. 103429W)
Chartered Accountants


CA Haridas Bhat
Partner
M. No. 039070



Mumbai, 26th May, 2017

Satra International Realtors Limited

Balance Sheet

as at 31 March 2017

Particulars	Notes	(Currency: INR)	(Currency: AED)	(Currency: INR)	(Currency: AED)
		2017	2017	2016	2016
EQUITY AND LIABILITIES					
SHARE HOLDERS' FUND					
Share capital	3	11,711,600	1,000,000	11,711,600	1,000,000
Reserves and surplus	4	(155,672,060)	(3,343,583)	(157,045,663)	(2,774,695)
		(143,960,460)	(2,343,583)	(145,334,063)	(1,774,695)
CURRENT LIABILITIES					
Short-term borrowings	5	341,971,091	19,383,162	343,885,410	19,101,349
Trade payables					
Outstanding dues of micro small and medium enterprises		-	-	-	-
Outstanding dues of creditors other than micro, small and medium enterprises		132,320	7,500	304,974	16,940
Other current liabilities	6	239,223,245	13,559,343	239,223,245	13,287,818
		581,326,656	32,950,005	583,413,629	32,406,107
TOTAL		437,366,196	30,606,422	438,079,566	30,631,412
ASSETS					
CURRENT ASSETS					
Inventories	7	424,472,496	29,875,598	424,472,496	29,875,598
Cash and bank balance	8	938,662	53,204	1,407,724	78,193
Loans and advances	9	11,955,038	677,620	12,199,346	677,621
		437,366,196	30,606,422	438,079,566	30,631,412
TOTAL		437,366,196	30,606,422	438,079,566	30,631,412
Significant accounting policies	2				
Notes to the financial statements	3-15				

The notes referred to above are an integral part of the financial statements.

As per our report of even date attached

For GMJ & Co.
Chartered Accountants
Firm Registration No. 103429W

Haridas Bhat
Partner
Membership No. 039070

Mumbai, 26 May, 2017



For Satra International Realtors Limited



Hraful N. Satra
Director
(DIN:00053900)

Mumbai, 26 May, 2017

Satra International Realtors Limited

Statement of Profit and Loss

for the year ended 31 March 2017

Particulars	Notes	(Currency: INR)	(Currency: AED)	(Currency: INR)	(Currency: AED)
		2017	2017	2016	2016
INCOME					
Foreign exchange fluctuation		1,657,971	-	-	1,561,262
		1,657,971	-	-	1,561,262
EXPENSES					
Administrative expenses	10	283,454	15,500	302,167	16,940
Financial expenses		914	50	892	50
Foreign exchange fluctuation		-	553,338	4,472,255	-
		284,368	568,888	4,775,314	16,990
Net profit / (loss) before tax		1,373,603	(568,888)	(4,775,314)	1,544,272
Tax expense					
Current tax		-	-	-	-
Prior year charge		-	-	-	-
Profit / (loss) after tax for the year		1,373,603	(568,888)	(4,775,314)	1,544,272
Basic/ Diluted EPS	14	13,736	(5,689)	(47,753)	15,443
Significant accounting policies	2				
Notes to the financial statements	3-15				

The notes referred to above are an integral part of the financial statements.

As per our report of even date attached

For GMJ & Co.
Chartered Accountants
Firm Registration No. 103429W

Haridas Bhat
Partner
Membership No. 039070

Mumbai, 26 May, 2017



For Satra International Realtors Limited

Praful N. Satra
Director
(DIN:00053900)

Mumbai, 26 May, 2017

Satra International Realtors Limited

Cash Flow Statement

for the year ended 31 March 2017

Particulars	(Currency: INR)	(Currency: AED)	(Currency: INR)	(Currency: AED)
	2017	2017	2016	2016
Cash flow from operating activities				
Net profit/(loss) before taxation	1,373,603	(568,888)	(4,775,314)	1,544,272
Adjustment for :				
Net foreign exchange fluctuation	(1,657,971)	553,338	4,472,255	(1,561,262)
Financial charges	914	50	892	50
Operating profit/(loss) before working capital changes	(283,454)	(15,499)	(302,167)	(16,940)
Increase /decrease in working capital				
(Increase) / decrease loans and advances	244,308		(665,017)	-
Increase / (decrease) current liabilities and provisions	(172,654)	(9,440)	177,303	9,440
Net cash generated from / (used in) operating activities	A (211,800)	(24,939)	(789,881)	(7,500)
Cash flows from Investing activities	B -	-	-	-
Cash flows from Financing activities				
Proceeds from short-term borrowings	-	-	5,211,252	-
Repayment of short-term borrowings	(1,914,319)	-	-	-
Foreign exchange fluctuation	1,657,971	-	(4,472,255)	-
Financial charges	(914)	(50)	(892)	(50)
Net cash from financing activities	C (257,262)	(50)	738,105	(50)
Net increase / (decrease) in cash and cash equivalents	A+B+C (469,062)	(24,989)	(51,776)	(7,550)
Cash and cash equivalents at the beginning of period	1,407,724	78,193	1,459,500	85,743
Cash and cash equivalents at the end of period	938,662	53,204	1,407,724	78,193
Cash and cash equivalents				
Balance with banks				
- in current accounts	914,650	51,843	934,240	51,893
cash on hand	24,012	1,361	473,484	26,300
	938,662	53,204	1,407,724	78,193

Note:

(1) The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on Cash Flow Statement issued by ICAI.

As per our report of even date attached

For GMJ & Co.

Chartered Accountants
Firm Registration No.103429W

Haridas Bhat

Partner

Membership No. 039070

Mumbai, 26 May, 2017



For Satra International Realtors Limited

Praful N. Satra

Director

(DIN:00053900)

Mumbai, 26 May, 2017



Satra International Realtors Limited

Notes to the financial statement (Continued)

for the period ended 31 March 2017

(Currency: Indian Rupees)

1. Background:

The Company was incorporated in Jebel Ali Free Zone under the Jebel Ali Free Zone Offshore Companies Regulations, 2003, Government of Dubai, on 17th June 2008 as Satra International Realtors Limited. This is an offshore company with a limited liability and operates in the United Arab Emirates under a trade license issued by the Jebel Ali Free Zone Authority Dubai. The Company is engaged in the business of real estate and construction industry.

2. Significant Accounting Policies:

2.1 Basis of preparation:

- i. The financial statements are prepared in accordance with 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 a newly issued accounting standards is initially adopted or a revision to an existing accounting standards requires a change in the accounting policies hitherto in use.
- ii. The local accounts are maintained in local and functional currency, which is Arab Emirates Dirhams ('AED'). The accounts are translated to Indian Rupees as follows -
 - a. All income and expenses are translated at the average rate of exchange prevailing during the year.
 - b. Foreign currency monetary items are reported at the Balance Sheet Date using the closing rate. However, in certain circumstances, the closing rate may not reflect with reasonable accuracy the amount in reporting currency that is likely to be realized from, or required to disburse, a foreign currency monetary item at the Balance Sheet date. In such circumstances, the relevant monetary item has been reported in the reporting currency at the amount which is likely to be realized from, or required to disburse, such item at the Balance Sheet date.
 - c. Non- monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.
 - d. Non- monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rate that existed when the values were determined.
 - e. The resulting exchange difference is recognized in the Statement of profit and loss.

2.2 Current / Non-current classification

The Schedule III to the Act requires 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;



Satra International Realtors Limited

Notes to the financial statement (Continued)
for the period ended 31 March 2017

(Currency: Indian Rupees)

- (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 a cash equivalent unless it is restricted from being exchanged or used to settle a liability for atleast 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 atleast twelve months after the balance sheet date.

All other liabilities are classified as non-current.

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 preparations of financial statements in conformity with Generally Accepted Accounting Principle requires that the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates. Any revision to accounting estimates is recognized prospectively in current and future periods.

2.4 Inventories:

Inventories are valued at lower of cost or net realizable value. Cost is determined on the first in first out 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. Construction work-in-progress includes cost of land, interest and expenses incidental to the projects undertaken by the Company.

2.5 Revenue Recognition:

The Company generally follows the mercantile system of accounting and recognizes significant items of income and expenditure on accrual basis. Revenue is recognized only when it is reasonably certain that the ultimate collection will be made.



Satra International Realtors Limited

Notes to the financial statement (Continued)

for the period ended 31 March 2017

(Currency: Indian Rupees)

2.6 Foreign Currency transaction:

Foreign exchange 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.

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.

2.7 Borrowing Cost:

Borrowing cost that is directly attributable to construction project/assets are allocated to the respective projects/assets. All other borrowing costs are treated as period cost and charged to statement of profit and loss in the year in which it is incurred.

2.8 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 period. 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.

2.9 Provision 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 of disclosure is made.



Satra International Realtors Limited

Notes to the financial statements (Continued)
as at 31 March 2017

	(Currency: INR)	(Currency: AED)	(Currency: INR)	(Currency: AED)
Particulars	2017	2017	2016	2016

3 : SHARE CAPITAL

Authorised share capital

100 (2016: 100) Equity shares of AED 10,000 each	11,711,600	1,000,000	11,711,600	1,000,000
--	------------	-----------	------------	-----------

Issued, subscribed and paid up capital

100 (2016: 100) Equity shares of AED 10,000 each fully paid up	11,711,600	1,000,000	11,711,600	1,000,000
	11,711,600	1,000,000	11,711,600	1,000,000

A. The reconciliation of the number of equity shares outstanding as at the year end is set is as below:

Equity shares	31 March 2017		31 March 2016	
	Number of equity share (units)	Amount(In AED)	Number of equity share (units)	Amount(In AED)
Number of equity shares at the beginning of the year	100	1,000,000	100	1,000,000
Add: issued during the year	-	-	-	-
Number of equity shares at the end of the year	100	1,000,000	100	1,000,000

B. Rights, preferences and restrictions attached to shares

Equity shares :

The Company has only one class of equity shares having a face value of 10,000 AED each. Each holder of equity share is entitled to one vote per share.

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

C. The details of Equity issued by the Company, shares held by its holding company, ultimate holding company and their subsidiaries /associates are as below:

Particulars	Nature of Relationship	31 March 2017		31 March 2016	
		No. of Shares held	Amount(In AED)	No. of Shares held	Amount(In AED)
Equity Shares					
Satra Properties (India) Limited	Holding Company	100	1,000,000	100	1,000,000
Total no. of equity shares		100	1,000,000	100	1,000,000

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	
	Number of equity shares held	% of Holding	Number of equity shares held	% of Holding
Satra Properties (India) Limited	100	100	100	100



Satra International Realtors Limited

Notes to the financial statements (Continued)
as at 31 March 2017

	(Currency: INR) 2017	(Currency: AED) 2017	(Currency: INR) 2016	(Currency: AED) 2016
4 : RESERVES AND SURPLUS				
Deficit in the Statement of profit and loss				
At the commencement of the year	(157,045,663)	(2,774,695)	(152,270,349)	(4,318,967)
Add: Net profit / (loss) for the current year	1,373,603	(568,888)	(4,775,314)	1,544,272
Net deficit in the Statement of profit and loss	(155,672,060)	(3,343,583)	(157,045,663)	(2,774,695)
5 : SHORT TERM BORROWINGS				
Loans repayable on demand				
-loans from related party (refer note 13)	248,288,418	14,073,162	248,288,418	13,791,349
-inter corporate loans	77,804,254	4,410,000	79,394,112	4,410,000
-others	15,878,419	900,000	16,202,880	900,000
	341,971,091	19,383,162	343,885,410	19,101,349
6 : OTHER CURRENT LIABILITIES				
Interest accrued and due				
-From related party (refer note 13)	239,223,245	13,559,343	239,223,245	13,287,818
	239,223,245	13,559,343	239,223,245	13,287,818
7 : INVENTORIES				
Land under development	374,243,413	26,340,330	374,243,413	26,340,330
Interest capitalised	50,229,083	3,535,268	50,229,083	3,535,268
	424,472,496	29,875,598	424,472,496	29,875,598
8 : CASH AND BANK BALANCE				
Cash in hand	24,012	1,361	473,484	26,300
Balance in current account	914,650	51,843	934,240	51,893
	938,662	53,204	1,407,724	78,193
9 : LOANS AND ADVANCES (Unsecured and considered good)				
Advance for property	2,028,909	115,000	2,070,368	115,000
Advance to vendor	9,926,129	562,620	10,128,978	562,621
	11,955,038	677,620	12,199,346	677,621
10 : ADMINISTRATIVE EXPENSES				
License and registration cost	146,299	8,000	168,386	9,440
<u>Auditor's remuneration</u>				
Statutory audit fees	137,155	7,500	133,781	7,500
	283,454	15,500	302,167	16,940



Satra International Realtors Limited

Notes to the financial statement (Continued)
for the period ended 31 March 2017

(Currency: Indian Rupees)

11. Satra International Realtors Limited. (the Company), incorporated in Dubai-United Arab Emirates, is a wholly owned subsidiary of Satra Properties (India) Limited, incorporated in India, (the Holding Company). These accounts have been prepared and audited for the purpose of attachment to the accounts of the Holding Company to comply with the provisions of the Companies Act, 2013.

12. **Segment reporting:**

The Company is operating in the real estate and construction industry. Further during the year there were no sales of goods or services. 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".

13. **Related party disclosure:**

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

a) List of related parties :

I. **Holding company:**

1. Satra Properties (India) Limited

II. **Fellow subsidiaries:**

1. Satra Buildcon Private Limited
2. Satra Estate Development Private Limited
3. Satra Infrastructure and Land Developers Private Limited
4. Satra Lifestyles Private Limited
5. Satra Property Developers Private Limited

III. **Key managerial personnel**

1. Praful N. Satra Director
2. Nitin Kothari Director
3. Pardeep Rochwani Director

b) Disclosure of transactions between the Company and related parties:

Sr. No.	Nature of Transaction	2017 (Rupees)	2017 (AED)	2016 (Rupees)	2016 (AED)
1.	Outstanding balance payable Satra Properties (India) Limited	487,511,663	27,632,505	487,511,663	27,079,167



Satra International Realtors Limited

Notes to the financial statement (Continued)
for the period ended 31 March 2017

(Currency: Indian Rupees)

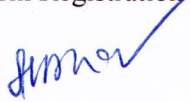
14. Earnings per Share:

Particulars	31.03.2017 (Rupees)	31.03.2017 (AED)	31.03.2016 (Rupees)	31.03.2016 (AED)
Net Profit / (Loss) after Tax attributable to equity shareholders	1,373,603	(568,888)	(4,775,314)	1,544,272
Weighted average number of Equity Shares outstanding during the year (based on date of issue of shares)	100	100	100	100
Nominal Value of Equity Share in AED	10,000	10,000	10,000	10,000
Basic and diluted earnings per share	13,736	(5,689)	(47,753)	15,443

15. The information contained in these financial statements for the year ended 31 March, 2017 disclosed in AED extracted from books of account locally maintained and converted into Indian Rupees as disclosed under 'Basis of preparation' stated above.

As per our report of even date attached

For GMJ & Co.
Chartered Accountants
Firm Registration No. 103429W


Haridas Bhat
Partner
Membership No.:039070

Mumbai, 26 May 2017



For Satra International Realtors Limited


Praful N. Satra
Director
DIN: 00053900

Mumbai, 26 May 2017

