

# **SATRA BUILDCON PRIVATE LIMITED**

## **AUDITED FINANCIALS STATEMENT**

**FINANCIAL YEAR 2017-18**

**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, 2018, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows 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 changes in equity of the Company in accordance with the Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India.

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 and the order issued under Section 143(11) of the Act.

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, 2018, and its profit, the changes in equity 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, 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" 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, Statement of Changes in Equity 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, 2018 taken on record by the Board of Directors, none of the directors are disqualified as on 31 March, 2018 from being appointed as a director in terms of Section 164 (2) of the Act.





- (f) With respect to adequacy of internal financial controls with reference to financial statements of the company and operating effectiveness of such controls, refer to our separate report in “Annexure B”; Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls with reference to financial statements.
- (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, as amended, 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.

**Place: Mumbai**  
**Date: 29 May, 2018**

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 Ind AS financial statements for the year ended on 31 March 2018. We report that:

i. 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 Company has a program of verification to cover all the items of fixed assets in a phased manner which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. 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.

- ii. The inventory comprised of construction work-in-progress, physical verification of inventory lying with the company has been conducted at reasonable intervals by the management. 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. The Company has maintained proper records of inventory. No material discrepancies have been noticed on physical verification between physical stock and book records.
- iii. 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.
- 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. 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.



vi. 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 records.

vii. 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, *undisputed amount of Rs. 76,00,000/- w.r.t VAT liability under construction service is outstanding as at year end for more than six months* other than above, no undisputed amounts payable were in arrears, as at 31 March, 2018 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.

viii. According to the records of the company examined by us and the information and explanations given to us, *the company has defaulted in repayment of Term Loan Principal payment of Rs. 29,59,05,033/- due on 25<sup>th</sup> March, 2018 and interest of Rs. 40,03,938/- due on 31<sup>st</sup> March, 2018 to IDBI Bank Ltd. as at balance sheet date.*

ix. 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.

x. 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.

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 during the financial year

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 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
- 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. According to the information and explanations given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934. Accordingly, paragraph 3(xvi) of the Order is not applicable.

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



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

Place: Mumbai  
Date: 29 May, 2018

## **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 with reference to financial statements of **SATRA BUILDCON PRIVATE LIMITED** ("the Company") as of 31 March 2018 in conjunction with our audit of the Ind AS 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 with reference to financial statements 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 with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal financial controls with reference to financial statements (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 with reference to financial statements 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 with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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 Ind AS 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 with reference to financial statements**

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 with reference to financial statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements 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 with reference to financial statements were operating effectively as at 31 March 2018, 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 with reference to financial statements issued by the Institute of Chartered Accountants of India.

Place: Mumbai  
Date: 29 May, 2018



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

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

**SATRA BUILDCON PRIVATE LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2018**

(Amount in INR Lakhs)

Particulars	Notes	March 31, 2018	March 31, 2017	April 1, 2016
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
(a) Property, Plant and Equipment	4	13.14	17.40	33.75
(b) Financial Assets				
Other Financial Assets	5	260.00	260.00	260.00
(c) Deferred Tax Asset (Net)	10	225.40	154.97	17.61
(d) Other Non-Current Assets	9	227.31	215.22	206.45
		<b>725.85</b>	<b>647.59</b>	<b>517.81</b>
<b>Current assets</b>				
(a) Inventories	6	14,610.76	12,702.36	10,981.14
(b) Financial Assets				
(i) Trade Receivables	7	3,915.09	4,170.55	4,669.79
(ii) Cash and Cash Equivalents	8	3,006.33	12.68	30.39
(iv) Other Financial Assets	5	7,687.93	9,900.21	11,910.25
(c) Other Current Assets	9	910.31	260.77	874.33
		<b>30,130.42</b>	<b>27,046.57</b>	<b>28,465.90</b>
<b>TOTAL</b>		<b>30,856.27</b>	<b>27,694.16</b>	<b>28,983.71</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share capital	11	1.96	1.96	1.96
(b) Other Equity	12	(3,094.45)	(331.53)	(60.94)
		<b>(3,092.49)</b>	<b>(329.57)</b>	<b>(58.98)</b>
<b>Liabilities</b>				
<b>Non Current Liabilities</b>				
(a) Financial Liabilities				
Borrowings	13	-	0.43	5,393.20
(b) Provisions	17	8.14	24.37	20.05
		<b>8.14</b>	<b>24.80</b>	<b>5,413.25</b>
<b>Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	13	21,410.17	11,231.10	10,965.00
(ii) Trade Payables	15			
Micro, Small and Medium Enterprises		-	-	-
Others		886.57	723.95	522.78
(iii) Other Financial Liabilities	14	8,005.02	11,974.23	6,055.88
(b) Other Current Liabilities	16	3,633.73	4,068.84	6,085.18
(c) Provisions	17	5.13	0.81	0.60
		<b>33,940.62</b>	<b>27,998.93</b>	<b>23,629.44</b>
<b>TOTAL</b>		<b>30,856.27</b>	<b>27,694.16</b>	<b>28,983.71</b>

Significant Accounting Policies and Notes forming part of the Financial Statements 1 to 36

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



Place : Mumbai  
Date : 29.05.2018

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

  
Praful N. Satra  
Director  
DIN: 00053900

Place : Mumbai  
Date : 29.05.2018



  
Mayank J. Shah  
Director  
DIN: 00384641

**SATRA BUILDCON PRIVATE LIMITED**
**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2018**

(Amount in INR Lakhs)

Particulars	Notes	2017-18	2016-17
<b>REVENUE</b>			
Revenue from operations (net)	18	1,611.31	4,030.01
Other income	19	49.41	26.02
<b>Total Revenue (I)</b>		<b>1,660.73</b>	<b>4,056.03</b>
<b>EXPENSES</b>			
Cost of construction	20	3,890.66	3,719.52
Employee benefits expense	21	47.07	80.33
Finance costs	22	150.22	169.85
Other expenses	23	503.55	560.13
<b>Total Expenses (II)</b>		<b>4,591.50</b>	<b>4,529.83</b>
<b>Profit/(loss) before exceptional items and tax (I-II)</b>		<b>(2,930.77)</b>	<b>(473.80)</b>
Exceptional Items		-	-
<b>Loss before tax</b>		<b>(2,930.77)</b>	<b>(473.80)</b>
<b>Tax expense:</b>			
Current tax		-	21.82
Adjustment of tax relating to earlier periods		-	(0.50)
Deferred tax		(75.22)	(138.65)
<b>Loss for the year</b>		<b>(2,855.55)</b>	<b>(356.48)</b>

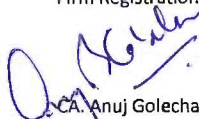
<b>OTHER COMPREHENSIVE INCOME</b>			
<b>A. Other Comprehensive income not to be reclassified to profit and loss in subsequent periods:</b>			
Remeasurement of gains (losses) on defined benefit plans		15.53	5.77
Income tax effect		(4.80)	(1.78)
<b>B. Other Comprehensive income to be reclassified to profit and loss in subsequent periods:</b>			
<b>Other Comprehensive income for the year, net of tax</b>		<b>10.73</b>	<b>3.99</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>		<b>(2,844.82)</b>	<b>(352.49)</b>

<b>Earnings per share (EPS) attributable to equity shareholders</b>	24		
Basic and Diluted		(14,564)	(1,818.13)

Significant Accounting Policies and Notes forming part of the Financial Statements 1 to 36

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

 Place : Mumbai  
 Date : 29.05.2018

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

  
 Praful N. Satra  
 Director  
 DIN: 00053900

  
 Mayank J. Shah  
 Director  
 DIN: 00384641

 Place : Mumbai  
 Date : 29.05.2018



**SATRA BUILDCON PRIVATE LIMITED****STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2018**

(Amount in INR Lakhs)

Particulars	2017-18	2016-17
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Loss before income tax from:	(2,930.77)	(473.80)
<b>Adjustments for:</b>		
Depreciation and amortisation expense	8.98	18.09
Financial guarantee expenses	81.90	81.90
Allowance for loss on financial assets	-	-
Interest income classified as investing cash flows	(25.45)	(26.02)
Finance costs	2,818.48	1,356.81
Net foreign exchange differences		
<b>Change in operating assets and liabilities:</b>		
(Increase)/Decrease in trade receivables	255.46	499.23
(Increase)/Decrease in inventories	(1,908.41)	(1,721.22)
Increase/(decrease) in trade payables	162.62	201.16
(Increase)/Decrease in other financial assets	2,189.38	1,988.08
Increase/(Decrease) in other financial liabilities	(42.45)	63.09
(Increase)/decrease in other assets	(649.54)	613.57
Increase/(decrease) in provisions	3.62	10.30
Increase/(decrease) in other liabilities	(435.11)	(2,016.34)
<b>Cash generated from operations</b>	<b>(471.29)</b>	<b>594.85</b>
Less: Income taxes paid	12.09	30.58
<b>Net cash inflow from operating activities</b>	<b>(483.38)</b>	<b>564.27</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Payments for property, plant and equipment	(4.72)	(1.74)
Interest received	48.35	47.97
<b>Net cash outflow from investing activities</b>	<b>43.63</b>	<b>46.24</b>
<b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>		
Proceeds from borrowings	14,769.65	7,456.92
Repayment of borrowings	(9,824.91)	(7,003.29)
Interest paid	(1,511.34)	(1,081.84)
<b>Net cash inflow (outflow) from financing activities</b>	<b>3,433.40</b>	<b>(628.21)</b>
Net increase (decrease) in cash and cash equivalents	2,993.65	(17.70)
Cash and Cash Equivalents at the beginning of the financial year	12.68	30.39
<b>Cash and Cash Equivalents at end of the year</b>	<b>3,006.33</b>	<b>12.68</b>
<b>Reconciliation of cash and cash equivalents as per the cash flow statement:</b>		
Cash and cash equivalents as per above comprise of the following:		
Cash and cash equivalents	3,006.33	12.68
<b>Balances per statement of cash flows</b>	<b>3,006.33</b>	<b>12.68</b>

**Notes:**

1. The above cash flow statement has been prepared under the 'Indirect Method' as set out in the Ind AS 7 on 'Statement of Cash Flows'.
2. Previous years figures have been regrouped/rearranged/recast wherever necessary to conform to this year's classification.

Significant Accounting Policies and Notes forming part of the Financial Statements

1 to 36

As per our report of even date attached

For Banshi Jain & Associates  
Chartered Accountants  
Firm Registration No.: 100990W

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

Place : Mumbai  
Date : 29.05.2018



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

*Praful N. Satra*  
Praful N. Satra  
Director  
DIN: 00053900

Place : Mumbai  
Date : 29.05.2018

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

**SATRA BUILDCON PRIVATE LIMITED****STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2018****A Equity Share Capital**

(Amount in INR Lakhs)

Particulars	Balance at the Beginning of the year	Changes in Equity share capital during the year	Balance at the end of the year
<b>March 31, 2017</b>			
Numbers	19,607	-	19,607
Amount	1.96	-	1.96
<b>March 31, 2018</b>			
Numbers	19,607	-	19,607
Amount	1.96	-	1.96

**B Other Equity**

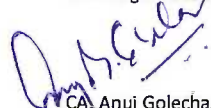
Particulars	Reserves and Surplus
	<b>Retained Earnings</b>
<b>As at April 1, 2016</b>	<b>(60.94)</b>
Profit for the year	(356.48)
Other comprehensive income	3.99
<b>Total comprehensive income for the year</b>	<b>(352.49)</b>
Financial Guaranteed issued by holding company	81.90
<b>As at March 31, 2017</b>	<b>(331.54)</b>
Profit for the year	(2,855.55)
Other comprehensive income	10.73
<b>Total comprehensive income for the year</b>	<b>(2,844.81)</b>
Financial Guaranteed issued by holding company	81.90
<b>As at March 31, 2018</b>	<b>(3,094.45)</b>

Significant Accounting Policies and Notes forming part of the Financial Statements

1 to 36

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

Place : Mumbai  
Date : 29.05.2018



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

  
Praful N. Satra  
Director

DIN: 00053900

Place : Mumbai  
Date : 29.05.2018



  
Mayank J. Shah  
Director

DIN: 00384641

# **SATRA BUILDCON PRIVATE LIMITED**

## **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

### **1 Corporate Information**

These statements comprise financial statements of Satra Buildcon Private Limited (CIN: U45400MH2007PTC175172) for the year ended March 31, 2018. The company is a private company domiciled in India and is incorporated on October 18, 2007 under the provisions of the Companies Act applicable in India. The registered office of the company is located at CTS 791A(PT), Jamat - E- Jamooria CHS Ltd, Near Telephone Exchange, Bandra (West) Mumbai City MH 400050 IN.

The Company is principally engaged in the business of real estate development and trading in properties, transferable development rights and construction contracts. The financial statements were authorised for issue in accordance with a resolution of the directors on May 29, 2018.

### **2 Significant Accounting Policies**

#### **2.1 Basis of preparation**

The financial statements of the company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards)(Amendment) Rules, 2016 and the relevant provisions of the Companies Act, 2013 ("the Act").

For all periods up to and including the year ended March 31, 2017, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act 2013, read together with Rule 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). These financial statements for the year ended March 31, 2018 are the first the Company has prepared in accordance with Ind AS (Refer Note )

The financial statements have been prepared on a historical cost basis, except for certain financial assets and liabilities measured at fair value (refer accounting policy regarding financial instruments) which have been measured at fair value or revalued amount.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

#### **2.2 Summary of significant accounting policies**

##### **(a) Property, plant and equipment**

Property, plant and equipment are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. Freehold land are stated at cost. The cost comprises purchase price, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Each part of an item of property, plant and equipment with a cost that is significant in relation to the total cost of the item is depreciated separately. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in profit or loss as incurred.

Subsequent expenditure related to an item of property, plant and equipment is added to its book value only if it increases the future benefits from its previously assessed standard of performance. All other expenses on existing property, plant and equipment, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.





## **SATRA BUILDCON PRIVATE LIMITED**

### **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

Borrowing costs directly attributable to acquisition of property, plant and equipment which take substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets.

An item of property, plant and equipment and any significant part initially recognised is de-recognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement when the Property, plant and equipment is de-recognised.

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is neither related to the construction activity nor is incidental thereto is charged to the statement of profit and loss.

Costs of assets not ready for use at the balance sheet date are disclosed under capital work- in- progress.

#### **Depreciation methods, estimated useful lives and residual value**

Depreciation is calculated on written down value basis using the useful lives as prescribed under Schedule II to 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.

The property, plant and equipment acquired under finance leases is depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the company will obtain ownership at the end of the lease term. Leashold land is amortised on a straight line basis over the balance period of lease.

The residual values are not more than 5% of the original cost of the asset.

The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period. An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

#### **(b) Impairment of non financial assets**

The Company assesses, at each reporting date, whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

Impairment losses are recognised in the statement of profit and loss. After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.



**(c) Leases**

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

**(i) As a lessee**

A lease is classified at the inception date as a finance lease or an operating lease. Leases of property, plant and equipment where the company, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating leases. Payments made under operating leases are charged to profit or loss on a straight-line basis over the period of the lease unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

**(ii) As a lessor**

Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

Lease income from operating leases where the company is a lessor is recognised in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

**(d) Inventories**

Direct expenditure relating to real estate activity is inventorised. Other expenditure (including borrowing costs) during construction period is inventorised to the extent the expenditure is directly attributable cost of bringing the asset to its working condition for its intended use. Other expenditure (including borrowing costs) incurred during the construction period which is not directly attributable for bringing the asset to its working condition for its intended use is charged to the statement of profit and loss. Direct and other expenditure is determined based on specific identification to the real estate activity.

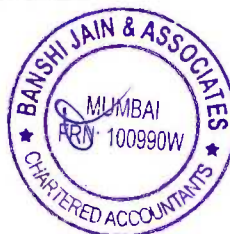
**Construction Work-in-progress:** Represents cost incurred in respect of unsold area (including land) of the real estate development projects or cost incurred on projects where the revenue is yet to be recognised. Work-in-progress is valued at lower of cost and net realizable value.

**Finished goods - Stock of Residential Flats:** Valued at lower of cost and net realizable value.

**Raw materials, components and stores:** Valued at lower of cost and net realizable value. Cost is determined based on FIFO basis.

**Land stock:** Valued at lower of cost and net realizable value.

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 FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

#### **Land**

Advances paid by the Company to the seller/intermediary toward outright purchase of land is recognised as land advance under other assets during the course of obtaining clear and marketable title, free from all encumbrances and transfer of legal title to the Company, whereupon it is transferred to land stock under inventories/ construction work in progress.

#### **(e) Foreign currency translation**

##### **(i) Functional and presentation currency**

Items included in the financial statements of the entity are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is entity's functional and presentation currency.

##### **(ii) Transactions and balances**

Foreign currency transactions are translated into the functional currency using the exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions and from the translation of monetary assets and liabilities denominated in foreign currencies at year end exchange rates are recognised in profit or loss.

##### **(f) Revenue recognition**

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government.

The Company collects taxes such as sales tax/value added tax, service tax, etc on behalf of the Government and, therefore, these are not economic benefits flowing to the Company. Hence, they are excluded from the aforesaid revenue/ income.

**The following specific recognition criteria must also be met before revenue is recognised:**

##### **(i) Recognition of revenue from real estate development**

Revenue from real estate projects is recognised upon transfer of all significant risks and rewards of ownership of such real estate/ property, as per the terms of the contracts entered into with buyers, which generally coincides with the firming of the sales contracts/ agreements.

Where the Company still has obligations to perform substantial acts even after the transfer of all significant risks and rewards, revenue in such cases is recognised by applying the percentage of completion method in accordance with the "Guidance Note on Accounting for Real Estate Transactions" (for entities to whom Ind AS is applicable) only if the following thresholds have been met:

- (a) all critical approvals necessary for the commencement of the project have been obtained;
- (b) the expenditure incurred on construction and development costs (excluding land cost) is not less than 25 % of the total estimated construction and development costs;
- (c) at least 25 % of the saleable project area is secured by contracts/ agreements with buyers; and
- (d) at least 10 % of the contracts/ agreements value are realised at the reporting date in respect of such contracts/ agreements.

When the outcome of a real estate project can be estimated reliably and the conditions above are satisfied, project revenue (including from sale of undivided share of land) and project costs associated with the real estate project should be recognised as revenue and expenses by reference to the stage of completion of the project activity at the reporting date arrived at with reference to the entire project costs incurred (including land costs).

Revenue from trading activity, in property as well as Transferable Development Rights (TDR), is recognised when significant risk and rewards of the property/TDR are transferred to the buyer, as demonstrated by transfer of physical possession and transfer of the title in the property/TDR.





**(ii) Interest income**

Interest income, including income arising from other financial instruments measured at amortised cost, is recognised using the effective interest rate method.

**(iii) Dividend income**

Revenue is recognised when the company's right to receive the payment is established, which is generally when shareholders approve the dividend.

**(g) Taxes**

**(i) Current income tax**

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the reporting date in the countries where the company operates and generates taxable income.

Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**(ii) Deferred tax**

Deferred income tax is recognised using the balance sheet approach, deferred tax is recognised on temporary differences at the balance sheet date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes, except when the deferred income tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profit or loss at the time of the transaction.

Deferred income tax assets are recognised for all deductible temporary differences, carry forward of unused tax credits and unused tax losses, to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilised.

The carrying amount of deferred income tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilised.

Deferred income tax assets and liabilities are measured at the tax rates that are expected to apply in the period when the asset is realized or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the balance sheet date.

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.



**(h) Financial Instruments**

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

**Initial Recognition**

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss and ancillary costs related to borrowings) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in Statement of Profit and Loss.

**Classification and Subsequent Measurement: Financial Assets**

The Company classifies financial assets as subsequently measured at amortised cost, fair value through other comprehensive income ("FVOCI") or fair value through profit or loss ("FVTPL") on the basis of following:

the entity's business model for managing the financial assets and  
the contractual cash flow characteristics of the financial asset.

**(i) Amortised Cost**

A financial asset shall be classified and measured at amortised cost if both of the following conditions are met:

- the financial asset is held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**(ii) Fair Value through other comprehensive income**

A financial asset shall be classified and measured at fair value through OCI if both of the following conditions are met:

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

**(iii) Fair Value through Profit or Loss**

A financial asset shall be classified and measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through OCI.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

**Classification and Subsequent Measurement: Financial liabilities**

Financial liabilities are classified as either financial liabilities at FVTPL or 'other financial liabilities'.

**(i) Financial Liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when the financial liability is held for trading or are designated upon initial recognition as FVTPL. Gains or Losses on liabilities held for trading are recognised in the Statement of Profit and Loss.

**(ii) Other Financial Liabilities:**

Other financial liabilities (including borrowings and trade and other payables) are subsequently measured at amortised cost using the effective interest method.



## **SATRA BUILDCON PRIVATE LIMITED**

### **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

#### **Impairment of financial assets**

Financial assets, other than those at FVTPL, are assessed for indicators of impairment at the end of each reporting period. The Company recognises a loss allowance for expected credit losses on financial asset. In case of trade receivables, the Company follows the simplified approach permitted by Ind AS 109 – Financial Instruments for recognition of impairment loss allowance. The application of simplified approach does not require the Company to track changes in credit risk. The Company calculates the expected credit losses on trade receivables using a provision matrix on the basis of its historical credit loss experience.

#### **Derecognition of financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

#### **Derecognition of financial liabilities**

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

#### **Equity investment in subsidiaries, joint ventures and associates**

Investment in subsidiaries, joint ventures and associates are carried at cost. Impairment recognised, if any, is reduced from the carrying value.

#### **Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

#### **(i) Financial liabilities and equity instruments**

##### **Classification as debt or equity**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

##### **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company are recognised at the proceeds received.





**(j) Employee benefits**

**(i) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employees' services up to the end of the reporting period and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

**(ii) Other long-term employee benefit obligations**

The liabilities for earned leave and sick leave are not expected to be settled wholly within 12 months after the end of the period in which the employees render the related service. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the projected unit credit method. The benefits are discounted using the market yields at the end of the reporting period that have terms approximating to the terms of the related obligation.

The obligations are presented as current liabilities in the balance sheet if the entity does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

**(iii) Post-employment obligations**

The company operates the following post-employment schemes:

- (a) defined benefit plans such as gratuity,
- (b) defined contribution plans such as provident fund.

**Gratuity obligations**

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is calculated annually by actuaries using the projected unit credit method.

The present value of the defined benefit obligation denominated in INR is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligation.

The net interest cost is calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of plan assets. This cost is included in employee benefit expense in the statement of profit and loss.

Remeasurement gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the period in which they occur, directly in other comprehensive income. They are included in retained earnings in the statement of changes in equity and in the balance sheet.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

**Defined contribution plans**

The company pays provident fund contributions to publicly administered provident funds as per local regulations. The company has no further payment obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payments is available.



**(iv) Termination benefits**

Termination benefits are payable when employment is terminated by the company before the normal retirement date, or when an employee accepts voluntary redundancy in exchange for these benefits.

**(k) Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources, that can be reliably estimated, will be required to settle such an obligation.

If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

A present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made, is disclosed as a contingent liability. Contingent liabilities are also disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Claims against the Company where the possibility of any outflow of resources in settlement is remote, are not disclosed as contingent liabilities.

Contingent assets are not recognised in financial statements since this may result in the recognition of income that may never be realised. However, when the realisation of income is virtually certain, then the related asset is not a contingent asset and is recognised.

**(l) Borrowing costs**

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation. Other borrowing costs are expensed in the period in which they are incurred.

**(m) Cash dividend to equity holders of the Company**

The Company recognises a liability to make cash distributions to equity holders of the Company when the distribution is authorised and the distribution is no longer at the discretion of the Company. Final dividends on shares are recorded as a liability on the date of approval by the shareholders and interim dividends are recorded as a liability on the date of declaration by the Company's Board of Directors.

**(n) Earnings per share**

**Basic earnings per share**

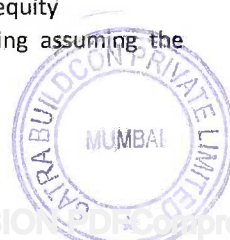
Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year.

**Diluted earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

- the after income tax effect of interest and other financing costs associated with dilutive potential equity
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares



**(o) Current/non current classification**

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

The company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

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 and non-current classification of assets and liabilities.

**(p) Cash and cash equivalents**

Cash and cash equivalents in the Balance Sheet comprise cash at bank and in hand and short-term deposits with banks having original maturity of three months or less which are subject to insignificant risk of changes in value.

**(q) Cash Flow Statement**

Cash Flows are reported using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the company are segregated.

**(r) Rounding of amounts**

All amounts disclosed in the financial statements and notes have been rounded off to the nearest Lakh as per the requirement of Schedule III, unless otherwise stated.

**3 Use of estimates and critical accounting judgments**

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

Key sources of estimation of uncertainty at the date of the financial statements, which may cause a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are in respect of recognition of revenue, valuation of unbilled receivables, estimation of net realisable value of inventories, impairment of non current assets, valuation of deferred tax assets, provisions and contingent liabilities.





**(i) Revenue recognition and valuation of unbilled revenue**

The Company uses the percentage-of-completion method for recognition of revenue, accounting for unbilled revenue and contract cost thereon for its real estate and contractual projects. The percentage of completion is measured by reference to the stage of the projects and contracts determined based on the proportion of contract costs incurred for work performed to date bear to the estimated total contract costs. Use of the percentage-of-completion method requires the Company to estimate the efforts or costs expended to date as a proportion of the total efforts or costs to be expended. Significant assumptions are required in determining the stage of completion, the extent of the contract cost incurred, the estimated total contract revenue and contract cost and the recoverability of the contracts. These estimates are based on events existing at the end of each reporting date.

**(ii) Estimation of net realizable value for inventory**

Inventory is stated at the lower of cost and net realizable value (NRV). NRV for completed inventory property is assessed by reference to market conditions and prices existing at the reporting date and is determined by the Company, based on comparable transactions identified by the Company for properties in the same geographical market serving the same real estate segment.

NRV in respect of inventory property under construction is assessed with reference to market prices at the reporting date for similar completed property, less estimated costs to complete construction and an estimate of the time value of money to the date of completion.

**(iii) Impairment of non - financial assets**

Impairment exists when the carrying value of an asset or cash generating unit exceeds its recoverable amount, which is the higher of its fair value less costs of disposal and its value in use. The fair value less costs of disposal calculation is based on available data from binding sales transactions, conducted at arm's length, for similar assets or observable market prices less incremental costs for disposing of the asset. The value in use calculation is based on a DCF model. The cash flows are derived from the budget for the next five years and do not include restructuring activities that the Company is not yet committed to or significant future investments that will enhance the asset's performance of the CGU being tested. The recoverable amount is sensitive to the discount rate used for the DCF model as well as the expected future cash-inflows and the growth rate used for extrapolation purposes. These estimates are most relevant to disclosure of fair value of investment property recorded by the Company.

**(iv) Useful lives of property, plant and equipment**

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in change in depreciation expense in future periods.

**(v) Valuation of deferred tax assets**

The Company reviews the carrying amount of deferred tax assets at the end of each reporting period. The policy for the same has been explained under note above.

**(vi) Defined benefit plans**

The cost of the defined benefit gratuity plan and other post-employment medical benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.



**SATRA BUILDCON PRIVATE LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

4. PROPERTY, PLANT AND EQUIPMENT						
(Amount in INR Lakhs)						
Particulars	Plant and Equipments	Furniture and Fixtures	Vehicles	Office Equipments	Computer Hardwares	Total
<b>GROSS CARRYING VALUE</b>						
As at April 1, 2016	0.63	0.51	9.15	17.41	6.05	33.75
Additions	-	-	-	0.15	1.59	1.74
Disposals	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-
<b>As at March 31, 2017</b>	<b>0.63</b>	<b>0.51</b>	<b>9.15</b>	<b>17.56</b>	<b>7.64</b>	<b>35.49</b>
Additions	-	1.81	-	0.13	2.78	4.72
Disposals	-	-	-	-	-	-
Other Adjustments	-	-	-	-	-	-
<b>As at March 31, 2018</b>	<b>0.63</b>	<b>2.32</b>	<b>9.15</b>	<b>17.69</b>	<b>10.42</b>	<b>40.21</b>
<b>ACCUMULATED DEPRECIATION/IMPAIRMENT</b>						
As at April 1, 2016	-	-	-	-	-	-
Depreciation for the year	0.17	0.13	3.22	9.43	5.14	18.09
Deductions\Adjustments during the period	-	-	-	-	-	-
<b>As at March 31, 2017</b>	<b>0.17</b>	<b>0.13</b>	<b>3.22</b>	<b>9.43</b>	<b>5.14</b>	<b>18.09</b>
Depreciation for the year	0.12	0.21	2.09	4.44	2.12	8.98
Deductions\Adjustments during the period	-	-	-	-	-	-
<b>As at March 31, 2018</b>	<b>0.29</b>	<b>0.34</b>	<b>5.31</b>	<b>13.87</b>	<b>7.26</b>	<b>27.07</b>
<b>Net Carrying value as at March 31, 2018</b>	<b>0.34</b>	<b>1.98</b>	<b>3.84</b>	<b>3.82</b>	<b>3.16</b>	<b>13.14</b>
<b>Net Carrying value as at March 31, 2017</b>	<b>0.46</b>	<b>0.38</b>	<b>5.93</b>	<b>8.13</b>	<b>2.50</b>	<b>17.40</b>
<b>Net Carrying value as at April 1, 2016</b>	<b>0.63</b>	<b>0.51</b>	<b>9.15</b>	<b>17.41</b>	<b>6.05</b>	<b>33.75</b>

- 1) Property, plant and equipment given as collateral security against borrowings by the company  
Refer to Note 32 for information on property, plant and equipment given as collateral security by the company
- 2) Depreciation aggregating to Rs. 8.98 lakhs (FY 2016-17 Rs. 14.87 lakhs) has been transferred to construction work-in-progress



**SATRA BUILDCON PRIVATE LIMITED**
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**
**5. FINANCIAL ASSETS**

(Amount in INR Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
<b>(A) OTHER FINANCIAL ASSETS</b>			
<b>Non Current</b>			
Financial assets carried at amortised cost			
Bank Deposits	260.00	260.00	260.00
<b>Total</b>	<b>260.00</b>	<b>260.00</b>	<b>260.00</b>
<b>Current</b>			
Financial assets carried at amortised cost			
Security deposits *	7,615.92	9,851.10	11,883.10
Interest accrued on fixed deposit with bank	72.02	49.11	27.15
<b>Total</b>	<b>7,687.93</b>	<b>9,900.21</b>	<b>11,910.25</b>

\* Includes deposits to related parties

**6. INVENTORIES**

(Amount in INR Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
<b>(Valued at lower of Cost and Net Realisable value)</b>			
Raw materials	527.11	775.56	44.02
Construction work-in-progress	14,083.65	11,926.80	10,937.12
<b>Total</b>	<b>14,610.76</b>	<b>12,702.36</b>	<b>10,981.14</b>

**7. TRADE RECEIVABLES**

(Amount in INR Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
<b>Current</b>			
Trade Receivables from customers	3,915.09	4,170.55	4,669.79
<b>3,915.09</b>	<b>4,170.55</b>	<b>4,669.79</b>	
<b>Breakup of Security details</b>			
Unsecured, considered good	4,673.65	4,635.28	4,683.05
Doubtful	-	-	-
<b>4,673.64</b>	<b>4,635.28</b>	<b>4,683.05</b>	
<b>Impairment Allowance (allowance for bad and doubtful debts)</b>			
Unsecured, considered good	758.55	464.73	13.26
<b>758.55</b>	<b>464.73</b>	<b>13.26</b>	
<b>Total</b>	<b>3,915.09</b>	<b>4,170.55</b>	<b>4,669.79</b>

Trade or Other Receivable due from directors or other officers of the company either severally or jointly with any other person amounted to INR Nil (Previous year INR Nil)

Trade or Other Receivable due from firms or private companies respectively in which any director is a partner, a director or a member amounted to INR Nil (Previous year INR Nil)





## 8. CASH AND CASH EQUIVALENTS

(Amount in INR Lakhs)			
Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Balances with banks on current accounts	2,997.96	4.80	10.36
Cash on hand	8.37	7.88	20.02
<b>Total</b>	<b>3,006.33</b>	<b>12.68</b>	<b>30.39</b>

## 9. OTHER ASSETS

(Amount in INR Lakhs)			
Particulars	March 31, 2018	March 31, 2017	April 1, 2016
<b>Non Current</b>			
Payment of Taxes (Net of Provisions)	227.31	215.22	206.45
<b>Total</b>	<b>227.31</b>	<b>215.22</b>	<b>206.45</b>
<b>Current</b>			
<b>Advances other than Capital advances</b>			
- Security Deposits	0.25	0.25	-
- Suppliers	335.71	244.48	857.83
- Advances to Employees	-	0.62	-
<b>Others</b>			
- Prepaid expenses	11.03	2.98	2.94
- Balances with Statutory, Government Authorities	563.32	12.44	13.56
<b>Total</b>	<b>910.31</b>	<b>260.77</b>	<b>874.33</b>



## 10. INCOME TAX

## Deferred Tax

(Amount in INR Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
<b>Deferred tax relates to the following:</b>			
Temporary difference in carrying value of property, plant and equipment as per books and tax base	4.13	4.38	1.56
Temporary difference in carrying value of Financial instruments carried at amortised cost	(0.00)	(21.38)	(33.93)
Impairment on Financial Assets	197.22	143.60	4.10
Losses available for offsetting against future taxable income	-	-	19.40
Employee benefits payable	3.46	7.78	6.38
Mat Credit Entitlement	20.59	20.59	20.10
<b>Net Deferred Tax Assets / (Liabilities)</b>	<b>225.40</b>	<b>154.97</b>	<b>17.61</b>

## Movement in deferred tax liabilities/assets

Particulars	March 31, 2018	March 31, 2017
Opening balance as of April 1	154.97	17.61
Tax income/(expense) during the period recognised in profit or loss	75.22	139.14
Tax income/(expense) during the period recognised in OCI	(4.80)	(1.78)
<b>Closing balance as at March 31</b>	<b>225.39</b>	<b>154.97</b>

The Company offsets tax assets and liabilities if and only if it has a legally enforceable right to set off current tax assets and current tax liabilities and the deferred tax assets and deferred tax liabilities relate to income taxes levied by the same tax authority

Considering the probability of availability of future taxable profits in the period in which tax losses expire, deferred tax assets have not been recognised in respect of tax losses carried forward by the Company

Major Components of income tax expense for the years ended March 31, 2018 and March 31, 2017 are as follows:

## i. Income tax recognised in profit or loss

(Amount in INR Lakhs)

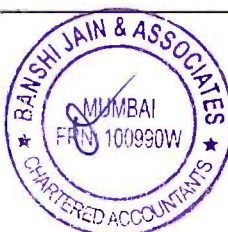
	2017-18	2016-17
Current income tax charge	-	21.82
Adjustment in respect of current income tax of previous year	-	(0.50)
<b>Deferred tax</b>		
Relating to origination and reversal of temporary differences	(75.22)	(138.65)
<b>Income tax expense recognised in profit or loss</b>	<b>(75.22)</b>	<b>(117.32)</b>

## ii. Income tax recognised in OCI

	March 31, 2018	March 31, 2017
Net loss/(gain) on remeasurements of defined benefit plans	(4.80)	(1.78)
<b>Income tax expense recognised in OCI</b>	<b>(4.80)</b>	<b>(1.78)</b>

## Reconciliation of tax expense and accounting profit multiplied by income tax rate for March 31, 2018 and March 31, 2017

	March 31, 2018	March 31, 2017
Accounting profit before income tax	(2,930.77)	(473.80)
Enacted tax rate in India	25.75%	29.87%
<b>Income tax on accounting profits</b>	<b>(754.67)</b>	<b>(141.52)</b>
<b>Tax Effect of</b>		
Depreciation	0.69	(0.10)
Expenditure allowable on payment basis and other disallowances	(75.94)	(128.54)
Brought forward losses and tax credits adjusted	-	(20.55)
Business losses carried forward	636.13	-
Other adjustments	118.57	173.39
<b>Tax at effective income tax rate</b>	<b>(75.23)</b>	<b>(117.32)</b>



**SATRA BUILDCON PRIVATE LIMITED****NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018****11. SHARE CAPITAL****i. Authorised Share Capital**

(Amount in INR Lakhs)

	Equity Share	
	Number	Amount
At April 1, 2016	20,000	2.00
Increase/(decrease) during the year	-	-
At March 31, 2017	20,000	2.00
Increase/(decrease) during the year	-	-
At March 31, 2018	20,000	2.00

**Terms/rights attached to equity shares**

The Company has only one class of equity shares having a face value of INR 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.

**ii. Issued Capital**

	Number	Amount
Equity shares of INR 10 each issued, subscribed and fully paid		
At April 1, 2016	19,607	1.96
Issued during the period	-	-
At March 31, 2017	19,607	1.96
Issued during the period	-	-
At March 31, 2018	19,607	1.96

**iii. Shares held by holding/ ultimate holding company and / or their subsidiaries / associates**

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

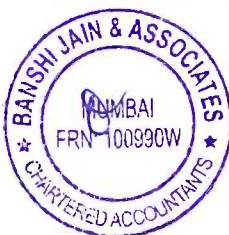
	March 31, 2018	March 31, 2017
Holding Company Satra Properties (India) Limited	10,000	10,000

**iv. Details of shareholders holding more than 5% shares in the company**

Name of the shareholder	As at March 31, 2018		As at March 31, 2017	
	Number	% holding	Number	% holding
Equity shares of INR 10 each fully paid				
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%

v. Aggregate number of equity shares issued as bonus, shares issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date: NIL

vi. None of the above shares are reserved for issue under options/contract/commitments for sale of shares or disinvestment.





## 12. OTHER EQUITY

## Reserves and Surplus

(Amount in INR Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Retained Earnings	(3,094.45)	(331.53)	(60.94)
	(3,094.45)	(331.53)	(60.94)

## Retained Earnings

(Amount in INR Lakhs)

	March 31, 2018	March 31, 2017
Opening balance	(331.54)	(60.94)
Net Profit/(Loss) for the period	(2,855.55)	(356.48)
Add/(Less):		
Fair valuation of financial guarantees	81.90	81.90
<i>Items of Other Comprehensive Income directly recognised in Retained Earnings</i>		
Remeasurement of post employment benefit obligation, net of tax	10.73	3.99
Closing balance	(3,094.45)	(331.54)

## 13. BORROWINGS

(Amount in INR Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
<b>Non Current Borrowings</b>			
<b>Secured</b>			
From Banks			
- Term Loans	2,959.05	8,121.62	7,890.20
- Vehicle Loan from Banks	0.93	3.49	6.78
	<b>2,959.98</b>	<b>8,125.12</b>	<b>7,896.98</b>
<b>Current Maturity of Non Current Borrowings</b>			
From Banks			
- Term Loans	2,959.05	8,121.62	2,500.00
- Vehicle Loan from Banks	0.93	3.07	3.78
	<b>2,959.98</b>	<b>8,124.69</b>	<b>2,503.78</b>
<b>Total (A)-(B)</b>	<b>-</b>	<b>0.43</b>	<b>5,393.20</b>
<b>Current Borrowings</b>			
<b>Unsecured</b>			
(a) Loans from others - Inter Corporate Loan	-	1,697.00	1,697.00
(b) Loans from Related Parties	17,428.69	9,534.10	9,268.00
(c) Bank overdraft	3,981.48	-	-
<b>Total</b>	<b>21,410.17</b>	<b>11,231.10</b>	<b>10,965.00</b>



**SATRA BUILDCON PRIVATE LIMITED**
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**
**Note : Borrowings**

(Amount in INR Lakhs)			
Non Current Borrowings	March 31, 2018	March 31, 2017	April 1, 2016
<b>Secured</b>			
Term Loans			
From Banks (Refer Note 1)	2,959.05	8,121.62	7,890.20
From Others (Refer Note 2)	0.93	3.49	6.78
	<b>2,959.98</b>	<b>8,125.12</b>	<b>7,896.98</b>

**Note 1 :** Term loan of INR 2,959.05 (2017: INR 8,121.62 Lakhs) 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 amount shall be repaid in 3 monthly installments commencing from January 2018.

**Note 2 :** 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.

(Amount in INR Lakhs)			
Particulars	March 31, 2018	March 31, 2017	April 1, 2016
<b>Current Borrowings</b>			
<b>Unsecured</b>			
Loans repayable on demand			
Loans from Related Parties (Refer Note 2)	17,428.69	9,534.10	9,268.00
From Other Parties (Refer Note 2)	-	1,697.00	1,697.00
Bank overdraft	3,981.48	-	-

**Note 1 :** Loans from related parties and other inter-corporate loan are repayable on demand.

**Note 2 :** Company has availed Over Draft Facility from HDFC Bank against pledge of Bonds held by Director. The Facility is sanctioned for Rs. 40.00 crores and bearing interest rate of 8% p.a. (MCLR p.a. + 0.1%).

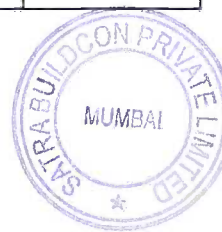
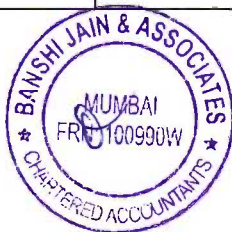
The carrying amounts of financial and non-financial assets pledge as security for current and non current borrowings are disclosed in Note 32.

**Net debt Reconciliation**

(Amount in INR Lakhs)	
Particulars	Liabilities from financing activities
	<b>Current Borrowings</b>
<b>Net Debt as at April 1, 2016</b>	<b>22,370.30</b>
Cash Inflows	7,456.92
Cash Outflows	(7,003.29)
Interest Expense	1,356.81
Interest Paid	(1,081.83)
<b>Net Debt as at March 31, 2017</b>	<b>23,098.90</b>
Cash Inflows	14,769.65
Cash Outflows	(9,824.91)
Interest Expense	2,765.01
Interest Paid	(1,457.87)
<b>Net Debt as at March 31, 2018</b>	<b>29,350.77</b>

**Amount and period of default in repayment of borrowings**

	March 31, 2018		March 31, 2017		April 1, 2016	
	Amount	Period of Default	Amount	Period of Default	Amount	Period of Default
<b>Loans from Banks</b>						
Principal	2,959.05	7 days	-	-	-	-
interest	40.04	7 days	-	-	-	-



## 14. OTHER FINANCIAL LIABILITIES

(Amount in INR Lakhs)			
Particulars	March 31, 2018	March 31, 2017	April 1, 2016
<b>Current</b>			
Financial Liabilities at amortised cost			
Current maturities of long term debts	2,959.98	8,124.69	2,503.78
Interest accrued and due on borrowings			
- Term loan	40.04	90.46	89.41
- Related Party	4,446.97	2,955.60	2,955.60
- Others	493.62	696.62	463.31
Employees due	64.42	106.87	43.78
<b>Total</b>	<b>8,005.02</b>	<b>11,974.23</b>	<b>6,055.88</b>

## 15. TRADE PAYABLES

(Amount in INR Lakhs)			
Particulars	March 31, 2018	March 31, 2017	April 1, 2016
<b>Current</b>			
Trade Payables to Micro, Small and Medium Enterprises (Refer Note 33)	-	-	-
Trade Payables to Others	886.57	723.95	522.78
<b>Total</b>	<b>886.57</b>	<b>723.95</b>	<b>522.78</b>

## 16. OTHER LIABILITIES

(Amount in INR Lakhs)			
Particulars	March 31, 2018	March 31, 2017	April 1, 2016
<b>Current</b>			
Project Advances received	3,346.87	3,951.00	5,653.14
Statutory Liabilities *	286.86	117.84	432.04
<b>Total</b>	<b>3,633.73</b>	<b>4,068.84</b>	<b>6,085.18</b>

\* includes provision on account of tax deducted at source , value added tax, service tax and GST etc.

## 17. PROVISIONS

(Amount in INR Lakhs)			
Particulars	March 31, 2018	March 31, 2017	April 1, 2016
<b>Non Current</b>			
Provision for employee benefits			
Gratuity (Refer Note 26)	8.14	24.37	20.05
<b>Total</b>	<b>8.14</b>	<b>24.37</b>	<b>20.05</b>
<b>Current</b>			
Provision for employee benefits			
Gratuity (Refer Note 26)	5.13	0.81	0.60
<b>Total</b>	<b>5.13</b>	<b>0.81</b>	<b>0.60</b>





**SATRA BUILDCON PRIVATE LIMITED****NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018****18. REVENUE FROM OPERATIONS**

(Amount in INR Lakhs)		
Particulars	2017-18	2016-17
Revenue from sale of properties	1,611.31	4,030.01
	<b>1,611.31</b>	<b>4,030.01</b>

**19. OTHER INCOME**

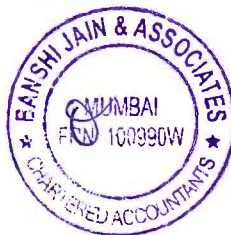
(Amount in INR Lakhs)		
Particulars	2017-18	2016-17
Interest income on Bank fixed deposits	25.45	26.02
Discount Received	0.20	-
Foreign Exchange Fluctuation Gain	21.13	-
Sale of Material	2.64	-
	<b>49.41</b>	<b>26.02</b>

**20. COST OF CONSTRUCTION**

(Amount in INR Lakhs)		
Particulars	2017-18	2016-17
<b>Opening inventory</b>		
Material at site	775.56	44.02
Construction work-in-progress	11,926.80	10,937.12
	<b>12,702.36</b>	<b>10,981.14</b>
<b>Incurred during the year</b>		
Professional and legal fees	171.32	95.78
Civil, electrical and contracting	2,710.20	3,634.22
Depreciation and amortisation	8.98	18.09
Administrative and other expenses	121.37	348.71
Borrowing costs	2,784.61	1,343.94
Statutory Dues	2.58	-
	<b>5,799.06</b>	<b>5,440.74</b>
<b>Less: Closing inventory</b>		
Material at site	527.11	775.56
Construction work-in-progress	14,083.65	11,926.80
	<b>14,610.76</b>	<b>12,702.36</b>
<b>Net Cost of construction</b>	<b>3,890.66</b>	<b>3,719.52</b>

**21. EMPLOYEE BENEFITS EXPENSE**

(Amount in INR Lakhs)		
Particulars	2017-18	2016-17
Salaries, wages and bonus	46.85	67.76
Staff welfare expenses	0.22	1.80
Gratuity Expense	-	10.77
	<b>47.07</b>	<b>80.33</b>



**SATRA BUILDCON PRIVATE LIMITED****NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018****22. FINANCE COST**

(Amount in INR Lakhs)		
Particulars	2017-18	2016-17
Interest on borrowings	2,818.48	1,356.81
Interest on delay payment of statutory due	-	37.39
Unwinding of discount on provisions	-	18.23
Guarantee Commission Expense	81.90	81.90
Others	34.46	19.46
Less : Borrowing costs transferred to construction work-in-progress	(2,784.62)	(1,343.94)
	<b>150.22</b>	<b>169.85</b>

**23. OTHER EXPENSES**

(Amount in INR Lakhs)		
Particulars	2017-18	2016-17
Advertisement	150.19	61.33
Payments to auditors (Refer note below)	6.00	6.00
Legal and professional fees	9.68	5.69
Rates and taxes	0.16	0.28
Rent	25.80	21.14
Allowance for doubtful debts and advances	293.82	451.47
Foreign exchange fluctuation loss	-	6.11
Miscellaneous expenses	17.90	8.11
<b>Total</b>	<b>503.55</b>	<b>560.13</b>

**Details of Payments to auditors**

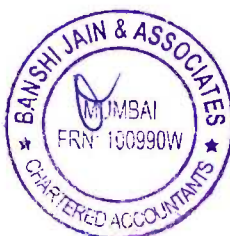
(Amount in INR Lakhs)		
	2017-18	2016-17
<b>As auditor</b>		
Statutory audit	4.00	4.00
<b>In other capacity</b>		
Taxation matters	2.00	2.00
	<b>6.00</b>	<b>6.00</b>

**24. EARNINGS PER SHARE**

(Amount in INR Lakhs)		
Particulars	2017-18	2016-17
(a) Basic and diluted earnings per share (INR)	(14,563.91)	(1,818.13)
(b) Nominal Value per share (INR)	10	10
(c) Reconciliations of earnings used in calculating earnings per share		
Profit attributable to the equity holders of the company used in calculating basic earnings per share	(2,855.55)	(356.48)
(d) Weighted average number of shares used as the denominator		
Weighted average number of equity shares used as the denominator in calculating basic earnings per share	19,607	19,607

**25. COMMITMENTS AND CONTINGENCIES**

In the opinion of the Directors there were no contingent liabilities as at the Balance Sheet date.



## 26. EMPLOYEE BENEFIT OBLIGATIONS

(Amount in INR Lakhs)

	March 31, 2018			March 31, 2017		
	Current	Non Current	Total	Current	Non Current	Total
Gratuity	5.13	8.14	13.27	0.81	24.37	25.18
<b>Total Employee Benefit Obligation</b>	<b>5.13</b>	<b>8.14</b>	<b>13.27</b>	<b>0.81</b>	<b>24.37</b>	<b>25.18</b>

## (i) Post Employment obligations

## (a) Gratuity

The company provides for gratuity for employees in India as per the Payment of Gratuity Act, 1972. Employees who are in continuous service for a period of five years are eligible for gratuity. The amount of gratuity payable on retirement/ termination is the employees last drawn basic salary per month computed proportionately for 15 days salary multiplied by number of years of service.

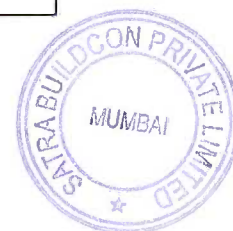
The gratuity plan is an unfunded plan.

The amount recognised in the balance sheet and the movement in the net defined benefit obligation over the period are as follows

	Present value of obligation
<b>As at April 1, 2016</b>	<b>20.64</b>
Current service cost	9.15
Interest expense/(income)	1.63
<b>Total amount recognised in profit or loss</b>	<b>10.78</b>
<i>Remeasurements</i>	
(Gain)/Loss from change in financial assumptions	1.45
Experience (gains)/losses	(7.23)
<b>Total amount recognised in other comprehensive income</b>	<b>(5.78)</b>
Benefit payments	(0.47)
<b>As at March 31, 2017</b>	<b>25.18</b>
Current service cost	1.76
Interest expense/(income)	1.86
<b>Total amount recognised in profit or loss</b>	<b>3.62</b>
<i>Remeasurements</i>	
(Gain)/Loss from change in financial assumptions	(0.30)
Experience (gains)/losses	(15.23)
<b>Total amount recognised in other comprehensive income</b>	<b>(15.53)</b>
<b>As at March 31, 2018</b>	<b>13.27</b>

The significant actuarial assumptions were as follows:

	March 31, 2018	March 31, 2017	April 1, 2016
Interest/Discount rate	7.67%	7.40%	8.00%
Rate of increase in compensation	6.00%	6.00%	6.00%
Expected average remaining service	17.47	16.85	
Retirement Age	58 years	58 years	58 years
Employee Attrition Rate	2% For All Ages	2% For All Ages	2% For All Ages





**SATRA BUILDCON PRIVATE LIMITED****NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

A quantitative sensitivity analysis for significant assumption as at March 31, 2017 is shown below:

Assumptions	Discount rate		Salary growth rate	
	1% increase	1% decrease	1% increase	1% decrease
<b>March 31, 2018</b>				
Impact on defined benefit obligation	(1.00)	1.19	1.18	(1.01)
% Impact	-7.56%	8.97%	8.91%	-7.64%
<b>March 31, 2017</b>				
Impact on defined benefit obligation	(2.35)	2.76	2.77	(2.40)
% Impact	-9.33%	10.95%	11.00%	-9.53%

The sensitivity analysis above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

The following payments are expected contributions to the defined benefit plan in future years:

	(Amount in INR Lakhs)	
	March 31, 2018	March 31, 2017
Expected Payout Year one	5.13	0.81
Expected Payout Year two	0.56	0.93
Expected Payout Year three	0.80	2.29
Expected Payout Year four	1.07	2.22
Expected Payout Year five	1.37	3.12
Expected Payout Year six to ten	7.77	24.26
<b>Total expected payments</b>	<b>16.70</b>	<b>33.62</b>

The average duration of the defined benefit plan obligation at the end of the reporting period is 17.47 years (March 31, 2017: 16.85 years).

**(ii) Defined contribution plans**

The company also has defined contribution plans. Contributions are made to provident fund in India for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the government. The obligation of the company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is INR 0.44 Lakhs (March 31, 2017: INR Nil).



## 27. RELATED PARTY TRANSACTIONS

(i) List of related parties as per the requirements of Ind-AS 24 - Related Party Disclosures

Name of Related Party	Country of Incorporation
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**Holding Company**

Satra Properties (India) Limited	India
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**Fellow Subsidiaries**

Satra Property Developers Private Limited	India
Satra Estate Development Private Limited	India
Satra Infrastructure and land Developers Private Limited	India
Satra Lifestyles Private Limited	India
Satra International Realtors Limited	UAE

**Key Managerial Personnel**

Praful N. Satra - Managing Director (changed Designation as Director w.e.f. 13-12-17)  
Rajan P. Shah - Whole Time Director  
Mayank J. Shah - Director  
Shreyans J. Shah - Director

**Relative of Key managerial personnel**

Rushabh P. Satra  
Shruti M. Shah

**Enterprises owned or significantly influenced by KMP**

Vidhi Research & Development LLP  
North Constructions  
Toyochem Laboratories  
Toyo Ventures Private Limited  
MJ Shah Realtors LLP

**(ii) Transactions with related parties**

The following transactions occurred with related parties

(Amount in INR Lakhs)

Name	Nature of Transaction	March 31, 2018	March 31, 2017
Satra Properties (India) Limited	Service received	76.08	2,308.60
Mayank J Shah	Borrowings	7,890.94	7,235.85
	Interest Expenses	1,630.20	-
Shreyans J Shah	Borrowings	-	30.25
	Sale of Property	63.72	118.68
	Interest Expenses	26.87	-
	Advance received	63.72	-
Praful N. Satra	Advance received	79.81	127.26
	Sale of Property	79.81	148.65
	Salary/ Director remuneration	-	89.00
Rajan P. Shah	Salary/ Director remuneration	-	74.00
Shruti M. Shah	Advance received	382.35	711.83
	Sale of property	382.35	(123.12)
Rushabh P. Shah	Salary/ Director remuneration	-	6.84
Vidhi Research & Development LLP	Advance received	200.00	-
North Construction	Supply of Material	2.64	-
Toyochem Laboratories	Material Received	387.94	-
Toyo Ventures Private Limited	Material Received	95.15	-
MJ Shah Realtors LLP	Reimbursement of Expenses	16.84	-



## (iii) Outstanding balances arising from sales/purchases of goods and services

Name	March 31, 2018	March 31, 2017	April 1, 2016
<b>Trade Receivables</b>			
Shruti M.Shah	-	-	809.95
<b>Trade Payables</b>			
Satra Properties (India) Limited	-	76.71	-
Toyochem Laboratories	370.51	0.22	0.22
Toyo Ventures Private Limited	109.00	-	-

## (iv) Loans from related parties

Name	Particulars	March 31, 2018	March 31, 2017
<b>Loans from related parties</b>			
<b>Mayank J Shah</b>	Beginning of the year	12,262.80	12,026.95
	Loans received	10,116.29	7,235.85
	Loan repayments made	(2,225.35)	(7,000.00)
	Interest charged	1,630.20	-
	Interest paid	(163.02)	-
	<b>End of the year</b>	<b>21,620.92</b>	<b>12,262.80</b>
<b>Shreyans J Shah</b>	Beginning of the year	223.94	166.00
	Loans received	-	30.25
	Loan repayments made	-	-
	Interest charged	26.87	27.69
	Interest paid	(2.69)	-
	<b>End of the year</b>	<b>248.12</b>	<b>223.94</b>
<b>Praful Nanji Satra</b>	Beginning of the year	2.95	2.00
	Loans received	-	-
	Loan repayments made	-	-
	Interest charged	-	0.95
	Interest paid	-	-
	<b>End of the year</b>	<b>2.95</b>	<b>2.95</b>
<b>Rajan P Shah</b>	Beginning of the year	-	-
	Loans received	3.65	-
	Loan repayments made	-	-
	Interest charged	-	-
	Interest paid	-	-
	<b>End of the year</b>	<b>3.65</b>	<b>-</b>





## (v) Other Outstanding Balances

Name	Particulars	March 31, 2018	March 31, 2017
Satra Properties (India) Limited	Security Deposits	26.92	2,255.50
Praful N. Satra	Salary/ Director remuneration payable	-	40.00
Rajan P. Shah	Salary/ Director remuneration payable	-	35.00
North Construction	Sale of materials	2.95	-

## (vi) Key management personnel compensation

	March 31, 2018	March 31, 2017
Short term employee benefits	-	169.84
Post-employment benefits *	-	-
Long term employee benefits *	-	-
	-	169.84

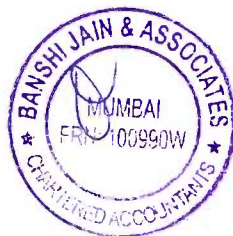
\* The amounts of post employment benefits and long term employee benefits cannot be separately identified from the composite amount advised by the actuary/valuer.

## (vii) Terms and conditions of transactions with related parties

The transactions with 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 settlement occurs as per the contractual terms. There have been no guarantees provided or received for any related party receivables and payables. For the year ended March 31, 2018, the group has not recorded any impairment of receivables relating to amount owed by related parties (March 31, 2017: NIL). This assessment is undertaken each financial year through examining the financial position of the related party and market in which the related party operates.

## 28. SEGMENT REPORTING

The company is exclusively engaged in the business of real estate development primarily in India. As per Ind AS 108 "Operating Segments" there are no reportable operating segment applicable to the Company.



**SATRA BUILDCON PRIVATE LIMITED**  
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

**29. FAIR VALUE MEASUREMENTS**

i. Financial Instruments by Category		(Amount in INR Lakhs)			
		Carrying Amount		Fair Value	
Particulars		March 31, 2018	March 31, 2017	March 31, 2018	April 1, 2016
<b>FINANCIAL ASSETS</b>					
Amortised cost					
Trade Receivables		3,915.09	4,170.55	3,915.09	4,669.79
Cash and Cash Equivalents		3,006.33	12.68	3,006.33	30.39
Other Financial Assets		7,947.93	10,160.21	7,947.93	12,170.25
<b>Total</b>		<b>14,869.35</b>	<b>14,343.44</b>	<b>14,869.35</b>	<b>16,870.42</b>
<b>FINANCIAL LIABILITIES</b>					
Amortised cost					
Borrowings		24,370.15	19,356.22	24,370.15	18,861.98
Trade Payables		886.57	723.95	886.57	522.78
Other financial liabilities		5,045.04	3,849.54	5,045.04	3,552.10
<b>Total</b>		<b>30,301.76</b>	<b>23,929.71</b>	<b>30,301.76</b>	<b>22,936.86</b>

The management assessed that the fair value of cash and cash equivalent, trade receivables, trade payables, and other current financial assets and liabilities approximate their carrying amounts largely due to the short term maturities of these instruments.

The fair values of non current borrowings are based on discounted cash flows using a current borrowing rate. They are classified as level 3 fair values in the fair value hierarchy due to the use of unobservable inputs, including own credit risk.

**Fair Value Measurement**

**Level 1** - Hierarchy includes financial instruments measured using quoted prices.

**Level 2** - The fair value of financial instruments that are not traded in an active market is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable,

**Level 3** - If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3.

**ii. Valuation technique used to determine fair value**

Specific Valuation techniques used to value financial instruments include:

- the use of quoted market prices or dealer quotes for similar instruments
- the fair value of the remaining financial instruments is determined using discounted cash flow analysis

**iii. Valuation processes**

The finance department of the company includes a team that performs the valuations of financial assets and liabilities required for financial reporting purposes, including level 3 fair values.



## **SATRA BUILDCON PRIVATE LIMITED**

### **NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

#### **30. FINANCIAL RISK MANAGEMENT**

##### **(A) Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market prices. Market risk comprises three types of risk: foreign currency risk, interest rate risk and other price risk such as equity price risk and commodity/real estate risk.

##### **(i) Foreign currency risk**

Currency risk is not material as the Company's primary business activities are within India and does not have significant exposure in foreign currency.

##### **(ii) Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of change in market interest rates. The management is responsible for the monitoring of the Company's interest rate position. Various variables are considered by the management in structuring the Company's borrowings to achieve a reasonable and competitive cost of funding.

However during the periods presented in the financial statements, the Company has primarily borrowed funds under fixed interest rate arrangements with banks and financial institutions and therefore the Company is not significantly exposed to interest rate risk.

The Company is affected by the price volatility of certain commodities/ real estate. Its operating activities require the ongoing development of real estate. The Company's management has developed and enacted a risk management strategy regarding commodity/ real estate price risk and its mitigation. The Company is subject to the price risk variables, which are expected to vary in line with the prevailing market conditions.

##### **(B) Credit risk**

Credit risk is the risk of loss that may arise on outstanding financial instruments if a counterparty default on its obligations. The Company's exposure to credit risk arises majorly from trade receivables/ unbilled revenue and other financial assets.

Other financial assets like security deposits, loans and bank deposits are mostly with employees, group companies, government bodies and banks and hence, the Company does not expect any credit risk with respect to these financial assets.

The carrying amount of financial assets represents the maximum credit exposure.

With respect to trade receivables/ unbilled revenue, the Company has constituted teams to review the receivables on periodic basis and to take necessary mitigations, wherever required. The Company creates allowance for all unsecured receivables based on lifetime expected credit loss under simplified approach model suggested by Ind AS 109.

As per simplified approach, the Company makes provision of expected credit losses on trade receivables using a provision matrix to mitigate the risk of default payments and makes appropriate provision at each reporting date wherever outstanding is for longer period and involves higher risk.

##### **Reconciliation of loss allowance provision - Trade receivables)**

(Amount in INR Lakhs)

Particulars	
Loss allowance on April 1, 2016	13.26
Changes in loss	451.47
Loss allowance on March 31, 2017	464.73
Changes in loss	293.82
Loss allowance on March 31, 2018	758.55

##### **Other financial assets**

The carrying amount of cash and cash equivalents, loans, deposits with banks and financial institutions and other financial assets represents the maximum credit exposure. The maximum exposure to credit risk is INR 10,954.26 Lakhs (March 31, 2017: INR 10,172.89 Lakhs, April 1, 2016: INR 12,200.64 Lakhs). The company does not expect any credit loss on these financial assets.





**SATRA BUILDCON PRIVATE LIMITED****NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018****(C) Liquidity risk**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of credit facilities to meet obligations when due. The Company's finance team is responsible for liquidity, funding as well as settlement management. In addition, processes and policies related to such risks are overseen by senior management. Management monitors the Company's liquidity position through rolling forecasts on the basis of expected cash flows.

The tables have been drawn up based on the undiscounted cash flows of financial liabilities based on the earliest date on which the Company can be required to pay. In the table below, borrowings include both interest and principal cash flows.

**Contractual maturities of financial liabilities**

Particulars	Carrying Amount	Less than 1 year	1 to 5 years	More than 5 years
<b>March 31, 2018</b>				
Borrowings	24,370.15	24,370.75	-	-
Trade payables	886.57	886.57	-	-
Other financial liabilities	5,045.04	5,045.04	-	-
<b>Total financial liabilities</b>	<b>30,301.76</b>	<b>30,302.37</b>	<b>-</b>	<b>-</b>
<b>March 31, 2017</b>				
Borrowings	19,356.22	30,447.98	0.60	-
Trade payables	723.95	723.95	-	-
Other financial liabilities	3,849.54	3,849.54	-	-
<b>Total financial liabilities</b>	<b>23,929.71</b>	<b>35,021.48</b>	<b>0.60</b>	<b>-</b>
<b>April 1, 2016</b>				
Borrowings	18,861.98	10,968.81	9,041.31	-
Trade payables	522.78	522.78	-	-
Other financial liabilities	3,552.10	3,552.10	-	-
<b>Total financial liabilities</b>	<b>22,936.86</b>	<b>15,043.69</b>	<b>9,041.31</b>	<b>-</b>



**SATRA BUILDCON PRIVATE LIMITED****NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**

(Amount in INR Lakhs)

**31. CAPITAL MANAGEMENT**

For the purpose of the company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the Company's capital management is to maximise the shareholder value.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The company includes within debt, interest bearing loans and borrowings, trade and other payables, less cash and cash equivalents and other bank balances.

	March 31, 2018	March 31, 2017	April 1, 2016
Borrowings	21,410.17	11,231.53	16,358.20
Trade payables	886.57	723.95	522.78
Other payables	3,633.73	4,068.84	6,085.18
Less: cash and cash equivalents	(3,006.33)	(12.68)	(30.39)
<b>Net Debt</b>	<b>22,924.14</b>	<b>16,011.64</b>	<b>22,935.77</b>
Equity Share Capital	1.96	1.96	1.96
Other Equity	(3,094.45)	(331.53)	(60.94)
<b>Total Capital</b>	<b>(3,092.49)</b>	<b>(329.57)</b>	<b>(58.98)</b>
<b>Capital and net debt</b>	<b>19,831.65</b>	<b>15,682.06</b>	<b>22,876.79</b>
<b>Gearing ratio</b>	<b>115.59</b>	<b>102.10</b>	<b>100.26</b>

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the borrowings that define capital structure requirements.

**32. ASSETS GIVEN AS COLLATERAL SECURITY**

The carrying amount of assets given as collateral security against current and non current borrowings are:

(Amount in INR Lakhs)

	March 31, 2018	March 31, 2017	April 1, 2016
<b>CURRENT ASSETS</b>			
<b>i. Financial Assets</b>			
Floating Charge	-	-	-
Cash and cash equivalents	-	-	-
Receivables	3,915.09	4,170.55	4,669.79
<b>ii. Non Financial Assets</b>			
First Charge	-	-	-
Inventories	14,610.76	12,702.36	10,981.14
<b>Total current assets</b>	<b>18,525.86</b>	<b>16,872.91</b>	<b>15,650.93</b>



(Amount in INR Lakhs)

**33. DETAILS OF DUES TO MICRO AND SMALL ENTERPRISES AS DEFINED UNDER MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006 (MSMED ACT, 2006)**

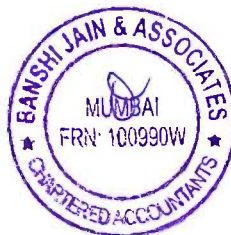
Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Principal amount due to suppliers under MSMED Act, 2006	-	-	-
Interest accrued and due to suppliers under MSMED Act, on the above amount	-	-	-
Payment made to suppliers ( other than interest ) beyond the appointed day, during the year	-	-	-
Interest paid to suppliers under MSMED Act, ( other than Section 16 )	-	-	-
Interest paid to suppliers under MSMED Act, ( Section 16 )	-	-	-
Interest due and payable to suppliers under MSMED Act, for payment already made	-	-	-
Interest accrued and remaining unpaid at the end of the year to suppliers under MSMED Act, 2006	-	-	-

**34. DISCLOSURES FOR CONSTRUCTION CONTRACTS**

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Contract revenue for the period	1,611.31	4,030.01	18,384.38
Method used to determine the contract revenue recognised as revenue in the period	Percentage of completion method	Percentage of completion method	Percentage of completion method
Method used to determine the stage of completion of contract in progress	Cost incurred	Cost incurred	Cost incurred
Aggregate amount of cost incurred and recognized profits to date less recognized losses up to the reporting date on contract under progress	4,137.54	3,950.08	18,307.60
Advances received from customer	3,346.87	3,951.00	5,653.14
The amount of work in progress and the value of inventories	14,610.76	12,702.36	10,981.14
Excess of revenue recognised over actual bills raised (unbilled revenue)	-	-	-
Excess of bills raised over revenue recognised (advance billing)	-	-	-

**35. STANDARDS ISSUED BUT NOT YET EFFECTIVE**
**Ind AS 115 - Revenue from contracts with customers**

Ind AS 115 was issued in February 2016 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115 revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This standard will come into force from accounting period commencing on or after April 1, 2018. The Company will adopt the new standard on the required effective date.





**36. FIRST TIME ADOPTION OF IND AS**

These are the company's first financial statements prepared in accordance with Ind AS. The accounting policies set out in Note 2 have been applied in preparing the financial statements for the year ended March 31, 2018, the comparative information presented in these financial statements for the year ended March 31, 2017 and in the preparation of an opening Ind AS balance sheet at April 1, 2016 (the Company's date of transition). In preparing its opening Ind AS balance sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the accounting standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP). An explanation of how the transition from previous GAAP to Ind AS has affected the company's financial position, financial performance and cash flows is set out in the following tables and notes.

**A. Exemptions and exceptions availed**

Set out below are the applicable Ind AS 101 optional exemptions and mandatory exceptions applied in the transition from previous GAAP to Ind AS.

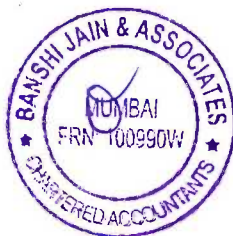
**i. Deemed cost**

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment and intangible assets covered by Ind AS 38 - Intangible Assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. Accordingly, the company has elected to measure all of its property, plant and equipment and intangible assets at their previous GAAP carrying value.

**ii. Estimates**

The estimates at April 1, 2016 and at March 31, 2017 are consistent with those made for the same dates in accordance with Indian GAAP (after adjustments to reflect any differences in accounting policies) apart from Impairment of financial assets based on expected credit loss model.

The estimates used by the company to present these amounts in accordance with Ind AS reflect conditions at April 1, 2016, the date of transition to Ind AS and as of March 31, 2017.



## 36. FIRST TIME ADOPTION OF IND AS

## B. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS.

## i. Reconciliation of equity as at date of transition (April 1, 2016)

(Amount in INR Lakhs)

Particulars	Notes	IGAAP	Ind-AS Adjustments	Ind-AS
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
(a) Property, Plant and Equipment		33.75	-	33.75
(b) Financial Assets				-
Other Financial Assets		260.00		260.00
(c) Deferred Tax Asset (Net)	1	47.44	(29.83)	17.61
(d) Other Non-Current Assets		206.45	-	206.45
		<b>547.64</b>	<b>(29.83)</b>	<b>517.81</b>
<b>Current assets</b>				
(a) Inventories		10,981.14	-	10,981.14
(b) Financial Assets				-
(i) Trade Receivables	2	4,683.05	(13.26)	4,669.79
(ii) Cash and Cash Equivalents		30.39	-	30.39
(iii) Other Financial Assets		11,910.25	-	11,910.25
(c) Other Current Assets		874.33	-	874.33
		<b>28,479.15</b>	<b>(13.26)</b>	<b>28,465.89</b>
<b>TOTAL</b>		<b>29,026.79</b>	<b>(43.09)</b>	<b>28,983.70</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share capital		1.96	-	1.96
(b) Other Equity	5	(127.65)	66.71	(60.94)
		<b>(125.69)</b>	<b>66.71</b>	<b>(58.98)</b>
<b>Liabilities</b>				
<b>Non Current Liabilities</b>				
(a) Financial Liabilities				
Borrowings	3	5,503.00	(109.80)	5,393.20
(b) Provisions		20.05	-	20.05
		<b>5,523.05</b>	<b>(109.80)</b>	<b>5,413.24</b>
<b>Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings		10,965.00	-	10,965.00
(ii) Trade Payables				-
Micro, Small and Medium Enterprises		-		-
Others		522.78		522.78
(iii) Other Financial Liabilities		6,055.88		6,055.88
(b) Other Current Liabilities		6,085.18		6,085.18
(c) Provisions		0.60	-	0.60
		<b>23,629.44</b>	<b>-</b>	<b>23,629.44</b>
<b>TOTAL</b>		<b>29,026.79</b>	<b>(43.09)</b>	<b>28,983.70</b>



## ii. Reconciliation of equity as at March 31, 2017

(Amount in INR Lakhs)

Particulars	Notes	IGAAP	Ind-AS Adjustments	Ind-AS
<b>ASSETS</b>				
<b>Non-Current Assets</b>				
(a) Property, Plant and Equipment		17.40	-	17.40
(b) Financial Assets				
(i) Other Financial Assets		260.00	-	260.00
(c) Deferred Tax Asset (Net)	1	32.75	122.22	154.97
(d) Other Non-Current Assets		215.22	-	215.22
		<b>525.36</b>	<b>122.22</b>	<b>647.58</b>
<b>Current assets</b>				
(a) Inventories		12,702.36	-	12,702.36
(b) Financial Assets		-		
(i) Trade Receivables	2	4,635.28	(464.73)	4,170.55
(ii) Cash and Cash Equivalents		12.68	-	12.68
(iii) Other Financial Assets		9,900.21	-	9,900.21
(c) Other Current Assets		260.77	-	260.77
		<b>27,511.30</b>	<b>(464.73)</b>	<b>27,046.57</b>
<b>TOTAL</b>		<b>28,036.66</b>	<b>(342.51)</b>	<b>27,694.15</b>
<b>EQUITY AND LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share capital		1.96	-	1.96
(b) Other Equity	5	(58.22)	(273.31)	(331.54)
		<b>(56.26)</b>	<b>(273.31)</b>	<b>(329.58)</b>
<b>Liabilities</b>				
<b>Non Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings		0.43	-	0.43
(b) Provisions		24.37	-	24.37
		<b>24.80</b>	<b>-</b>	<b>24.80</b>
<b>Current Liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings		11,231.10	-	11,231.10
(ii) Trade Payables		-	-	-
Micro, Small and Medium Enterprises		-	-	-
Others		723.95	-	723.95
(iii) Other Financial Liabilities	3	12,043.43	(69.19)	11,974.23
(b) Other Current Liabilities		4,068.84	-	4,068.84
(c) Provisions		0.81	-	0.81
		<b>28,068.12</b>	<b>(69.19)</b>	<b>27,998.93</b>
<b>TOTAL</b>		<b>28,036.66</b>	<b>(342.51)</b>	<b>27,694.15</b>



**SATRA BUILDCON PRIVATE LIMITED**
**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018**
**iii. Reconciliation of total comprehensive income for the year ended March 31, 2017**

(Amount in INR Lakhs)

Particulars	Notes	IGAAP	Adjustments	IND AS Balance
<b>REVENUE</b>				
Revenue from operations (net)		4,030.01	-	4,030.01
Other income		26.02	-	26.02
<b>Total Revenue (I)</b>		<b>4,056.03</b>	<b>-</b>	<b>4,056.03</b>
<b>EXPENSES</b>				
Cost of construction		3,719.52	-	3,719.52
Employee benefits expense	4	74.56	5.77	80.33
Finance costs	3	47.34	122.51	169.85
Other expenses	2	108.66	451.47	560.13
<b>Total Expenses (II)</b>		<b>3,950.08</b>	<b>579.75</b>	<b>4,529.83</b>
<b>Loss before exceptional items and tax (I-II)</b>		<b>105.94</b>	<b>(579.75)</b>	<b>(473.80)</b>
Exceptional Items				
<b>Loss before tax</b>		<b>105.94</b>	<b>(579.75)</b>	<b>(473.80)</b>
<b>Tax expense:</b>				
Current tax		21.82	-	21.82
MAT (entitlement)/ utilisation		(0.50)	-	(0.50)
Deferred tax	1	15.19	(153.84)	(138.65)
<b>Loss for the year</b>		<b>69.43</b>	<b>(425.91)</b>	<b>(356.48)</b>
<b>OTHER COMPREHENSIVE INCOME</b>				
<b>A. Other Comprehensive income not to be reclassified to profit and loss in subsequent periods:</b>				
Remeasurement of gains (losses) on defined benefit plans	6	-	5.77	5.77
Income tax effect		-	(1.78)	(1.78)
<b>B. Other Comprehensive income to be reclassified to profit and loss in subsequent periods:</b>				
<b>Other Comprehensive income for the year, net of tax</b>		<b>-</b>	<b>3.99</b>	<b>3.99</b>
<b>TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX</b>		<b>69.43</b>	<b>(421.93)</b>	<b>(352.49)</b>

\* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purpose of this note

**iv. Reconciliation of total equity as at March 31, 2017 and April 1, 2016**

(Amount in INR Lakhs)

Particulars	Note	March 31, 2017	April 1, 2016
<b>Total equity (shareholder's funds) as per previous GAAP</b>		(56.26)	(125.69)
<b>Adjustments:</b>			
Provision for expected credit losses on trade receivables	2	(464.73)	(13.26)
Transaction cost adjustments to long term borrowings	3	69.19	109.80
Tax effects of adjustments	1	122.22	(29.83)
<b>Total adjustments</b>		<b>(273.31)</b>	<b>66.71</b>
<b>Total equity as per Ind AS</b>		<b>(329.58)</b>	<b>(58.98)</b>

**v. Reconciliation of total comprehensive income for the year ended March 31, 2017**

(Amount in INR Lakhs)

Particulars	Note	March 31, 2017
<b>Profit after tax as per previous GAAP</b>		<b>69.43</b>
<b>Adjustments:</b>		
Provision for expected credit losses on trade receivables	2	(451.47)
Interest expenses accounted using effective interest rate	3	(122.51)
Remeasurements of post-employment benefit obligations	4	(5.77)
Tax effects of adjustments	1	153.84
<b>Total adjustments</b>		<b>(425.91)</b>
<b>Profit after tax as per Ind AS</b>		<b>(356.48)</b>
<b>Other comprehensive income</b>		<b>3.99</b>
<b>Total comprehensive income as per Ind AS</b>		<b>(352.49)</b>





**C. Notes to first-time adoption:****Note 1: Deferred tax**

Indian GAAP requires deferred tax accounting using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS 12 requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under Indian GAAP.

In addition, the various transitional adjustments lead to temporary differences. According to the accounting policies, the company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction in retained earnings.

**Note 2: Trade and Other Receivables**

Under Indian GAAP, the company has created provision for impairment of receivables consists only in respect of specific amount for incurred losses. Under Ind AS, impairment allowance has been determined based on Expected Loss model (ECL).

**Note 3: Borrowings**

Ind AS 109 requires transaction costs incurred towards origination of borrowings to be deducted from the carrying amount of borrowings on initial recognition. These costs are recognised in the profit or loss over the tenure of the borrowing as part of the interest expense by applying the effective interest rate method. Under previous GAAP, these transaction costs were charged to profit or loss as and when incurred.

**Note 4: Remeasurements of post-employment benefit obligations**

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year.

**Note 5: Retained earnings**

Retained earnings as at April 1, 2016 has been adjusted consequent to the above Ind AS transition adjustments.

**Note 6: Other comprehensive income**

Under Ind AS, all items of income and expense recognised in a period should be included in profit or loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the statement of profit and loss as 'other comprehensive income' includes remeasurements of defined benefit plans, foreign exchange differences arising on translation of foreign operations, effective portion of gains and losses on cash flow hedging instruments and fair value gains or (losses) on FVOCI equity instruments. The concept of other comprehensive income did not exist under previous GAAP.

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Significant Accounting Policies and Notes 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

Place : Mumbai  
Date : 29.05.2018**For and on behalf of the Board of Directors of  
Satra Buildcon Private Limited**Praful N. Satra  
Director  
DIN: 00053900Place : Mumbai  
Date : 29.05.2018Mayank J. Shah  
Director  
DIN: 00384641