

SATRA ESTATE DEVELOPMENT
PRIVATE LIMITED

AUDITED FINANCIALS
STATEMENT

FINANCIAL YEAR 2017-18

Independent Auditor's Report

To the Members of
Satra Estate Development Private Limited

Report on Indian Accounting Standards ("Ind AS") Financial Statements

We have audited the accompanying Ind AS financial statements of **Satra Estate Development Private Limited** ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including other comprehensive income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended and a summary of significant accounting policies and other explanatory information (hereinafter referred to as Financial Statements).

Management's Responsibility for the Ind AS 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 Ind AS financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the 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 control, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provision of the Act and the Rules made thereunder.

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 Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial 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 accounting policies used and the reasonableness of the accounting estimates made by the Company Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the financial position of the Company as at 31st March, 2018, and its financial performance including other comprehensive income, 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 the paragraph 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 purpose of our audit;
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. The Balance Sheet, the Statement of Profit and Loss(including other comprehensive income), and the Cash Flow Statement and statement of changes in Equity dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid Ind AS financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - e. On the basis of written representations received from the Directors as on March 31, 2018, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2018, from being appointed as a director in terms of Section 164 (2) of the Act.
 - f. With respect to the adequacy of the internal financial control over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "**Annexure B**"; and



- g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanation given to us:
- i. The company does not have any pending litigations which have an impact on its financial position or require disclosure in its Ind AS Financial statements as at March 31, 2018.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at March 31, 2018
 - iii. There were no amounts, which were required to be transferred, to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018
 - iv. The disclosures in the Ind AS Financials statement regarding holding as well as dealings in specified Bank notes during the period 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018

For **GMJ & Co.**
Chartered Accountants
Firm Registration Number: 103429W

Haridas Bhat
Partner
Membership Number: 039070



Mumbai
May 29th, 2018

Annexure A to the Independent Auditor's Report

The Annexure referred to in paragraph 1 of the Independent Auditors' under "Report on Other Legal and Regulatory Requirements" section of our report of even date to the members of Satra Estate Development Private Limited on the Ind AS financial statements as of and for the year ended March 31, 2018

- i. The Company does not have any fixed assets during the year, accordingly sub-clause (a) to (c) of clause 3 (i) of the order are not applicable.
- ii. The Company does not have any inventories during the year, accordingly clause 3 (ii) of the order is not applicable.
- iii. The Company has not granted any loan, secured or unsecured to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly sub-clause (a) to (c) of clause 3(iii) of the order are not applicable.
- iv. In our opinion and according to the information and explanations given to us and based on our examination of the records, the Company does not have any transactions to which provisions of section 185 and 186 of the Companies Act, 2013 apply. Therefore, paragraph 3(iv) of Order is not applicable.
- v. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 of the Act and relevant provisions of the Companies Act, 2013 with regard to the deposits accepted from the public are not applicable.
- vi. As informed to us, the maintenance of Cost Records has not been specified by the Central Government under sub-section (1) of Section 148 of the Act, in respect of the activities carried on by the company. Therefore, paragraph 3(vi) of Order is not applicable to the company.
- vii. a. According to the information and explanations given to us and on the basis of our examination of the records of the Company is generally regular in depositing with appropriate authority the amounts deducted/ accrued in the books of accounting respect of undisputed statutory dues including Profession Tax, Provident Fund, Employees State Insurance, Income-tax, sales-tax, Service-tax, Goods and Service Tax, cess, custom duty, excise duty and other statutory dues, as applicable. There are no undisputed amounts payable in respect of duty of customs, value added tax, cess and other statutory dues were outstanding as at March 31, 2018, for a period of more than six months from the date they became payable.

b. According to the information and explanations given to us, No dues are payable to appropriate authorities on account of dispute as at 31st March, 2018.
- viii. In our opinion and according to the information and explanations given to us, the Company does not have any loan or borrowings from any financial institution, bank or from the government or debentures holders during the year. Accordingly, paragraph 3(viii) of the order is not applicable.



- ix. The Company did not raise any money by way of initial public offer or further public offer (including debt instrument) and term loans during the year. Therefore, paragraph 3 (ix) of the Order is not applicable.
- x. According to the information and explanations given to us, no material fraud by the company or on the Company by its officer or employees has been noticed or reported during the course of our audit
- xi. According to the information and explanation give to us and based on our examination of the records of the Company, the Company has not paid/provided for managerial remuneration. Therefore, paragraph 3 (xi) of the Order is not applicable.
- xii. In our opinion and according to the information given to us, the Company is not a Nidhi Company. Therefore, paragraph 3(xii) of the Order is not applicable.
- xiii. According to the information and explanation give to us and based on our examination of the records of the Company, the transactions with related party which need approval as stated in section 177 are not applicable, further all related party transactions entered by the company are in compliance of section 188 of the Companies Act, 2013 wherever applicable and the details have been disclosed in the Ind AS Financial Statements, as required by the applicable accounting standards.
- xiv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the company.
- xv. According to the information and explanation give to us and based on our examination of the records, company has not entered into any non-cash transactions with the directors or persons connected with him under the provisions of section 192 of Companies Act, 2013. Therefore, paragraph 3(xv) of the Order is not applicable.
- xvi. The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore, paragraph 3(xvi) of the Order is not applicable.

For **GMJ & Co.**

Chartered Accountants

Firm Registration Number: 103429W



Haridas Bhat

Partner

Membership Number: 039070



Mumbai

May 29th, 2018

Annexure – B to the Auditor's Report**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of **Satra Estate Development Private Limited** ("the Company") as of March 31, 2018 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgments, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls Over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS 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 Ind AS 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 unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS Financial Statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st 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 Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **GMJ& Co.**

Chartered Accountants

Firm Registration Number: 103429W

Haridas Bhat

Partner

Membership Number: 039070



Mumbai

May 29th, 2018

SATRA ESTATE DEVELOPMENT PRIVATE LIMITED
BALANCE SHEET AS AT MARCH 31, 2018

(Amount in INR Lakhs)

Particulars	Notes	March 31, 2018	March 31, 2017	April 1, 2016
ASSETS				
Current assets				
(a) Financial assets				
(i) Cash and cash equivalents	5	1.46	3.79	3.41
(ii) Other financial assets	4	0.01	-	-
(b) Other current assets	6	47.52	47.52	50.52
TOTAL		48.99	51.31	53.93
EQUITY AND LIABILITIES				
Equity				
(a) Equity share capital	8	4.00	4.00	4.00
(b) Other equity	9	(65.77)	(58.14)	(40.58)
		(61.77)	(54.14)	(36.58)
Liabilities				
Current liabilities				
(a) Financial liabilities				
(i) Borrowings	10	87.82	86.82	77.82
(ii) Trade payables	12			
Micro, small and medium enterprises		-	-	-
Others		1.37	2.42	1.36
(iii) Other financial liabilities	11	20.83	15.11	6.64
(b) Other current liabilities	13	0.74	1.10	4.69
		110.76	105.45	90.51
TOTAL		48.99	51.31	53.93

Significant Accounting Policies and Notes forming part of the Financial Statements 1 to 28

As per our report of even date attached

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

Haridas Bhat
Partner
Membership No. 039070

Mumbai, 29 May 2018



For and on behalf of the Board of Directors
Satra Estate Development Private Limited

Praful N. Satra
Director
(DIN:00053900)

Rushabh P. Satra
Director
(DIN:06608627)

Mumbai, 29 May 2018



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

(Amount in INR Lakhs)

Particulars	Notes	2017-18	2016-17
REVENUE			
Other income	14	0.01	-
Total Revenue (I)		0.01	-
EXPENSES			
Employee benefits expense	15	-	2.28
Finance costs	16	7.43	10.85
Other expenses	17	0.21	4.43
Total Expenses (II)		7.64	17.56
Loss before tax (I-II)		(7.63)	(17.56)
Tax expense:			
Current tax		-	-
Adjustment of tax relating to earlier periods		-	-
Deferred tax		-	-
Loss for the year		(7.63)	(17.56)
OTHER COMPREHENSIVE INCOME			
A. Other Comprehensive income not to be reclassified to profit and loss in subsequent periods:			
B. Other Comprehensive income to be reclassified to profit and loss in subsequent periods:			
Other Comprehensive income for the year, net of tax		-	-
TOTAL COMPREHENSIVE INCOME FOR THE YEAR, NET OF TAX		(7.63)	(17.56)
Earnings per share (EPS) for profit attributable to equity shareholders	18		
Basic and diluted		(19.08)	(43.91)

Significant Accounting Policies and Notes forming part of 1 to 28 the Financial Statements

As per our report of even date attached

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

Haridas Bhat
Partner
Membership No. 039070

Mumbai, 29 May 2018



For and on behalf of the Board of Directors
Satra Estate Development Private Limited

Praful N. Satra
Director
(DIN:00053900)

Rushabh P. Satra
Director
(DIN:06608627)

Mumbai, 29 May 2018



SATRA ESTATE DEVELOPMENT PRIVATE LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED MARCH 31, 2018

(Amount in INR Lakhs)

Particulars	2017-18	2016-17
CASH FLOWS FROM OPERATING ACTIVITIES:		
Profit/(Loss) before income tax	(7.63)	(17.56)
Adjustments for:		
Finance costs	7.43	10.85
Change in operating assets and liabilities:		
Increase/(decrease) in trade payables	(1.06)	1.07
(Increase)/decrease in other financial assets	0.01	-
(Increase)/decrease in other non-current assets	-	3.00
Increase/(decrease) in other liabilities	(0.36)	(3.59)
Cash generated from operations	(1.61)	(6.23)
Less: Income taxes paid	-	-
Net cash inflow from operating activities	(1.61)	(6.23)
CASH FLOWS FROM FINANCING ACTIVITIES:		
Proceeds from borrowings	159.03	25.00
Repayment of borrowings	(158.03)	(16.00)
Interest paid	(1.72)	(2.39)
Net cash inflow (outflow) from financing activities	(0.72)	6.61
Net increase (decrease) in cash and cash equivalents	(2.33)	0.38
Cash and Cash Equivalents at the beginning of the financial year	3.79	3.41
Cash and Cash Equivalents at end of the year	1.46	3.79
Reconciliation of cash and cash equivalents as per the cash flow statement:		
Cash and cash equivalents as per above comprise of the following:		
Balances with banks on current accounts	0.40	2.43
Cash on hand	1.06	1.36
Balances as per statement of cash flows	1.46	3.79

Notes:

- 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'.
- 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 28

As per our report of even date attached

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

Haridas Bhat
Partner
Membership No. 039070

Mumbai, 29 May 2018



For and on behalf of the Board of Directors
Satra Estate Development Private Limited

Praful N. Satra
Director
(DIN:00053900)

Rushabh P. Satra
Director
(DIN:06608627)

Mumbai, 29 May 2018



SATRA ESTATE DEVELOPMENT 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
March 31, 2017			
Numbers	40,000	-	40,000
Amount	4.00	-	4.00
March 31, 2018			
Numbers	40,000	-	40,000
Amount	4.00	-	4.00

B Other Equity (Amount in INR Lakhs)

Reserves and surplus		
Particulars	Retained earnings	Total
As at April 1, 2016	(40.58)	(40.58)
Profit for the period	(17.56)	(17.56)
Other comprehensive income	-	-
Total comprehensive income for the year	(17.56)	(17.56)
As at March 31, 2017	(58.14)	(58.14)
Profit for the period	(7.63)	(7.63)
Other comprehensive income	-	-
Total comprehensive income for the year	(7.63)	(7.63)
As at March 31, 2018	(65.77)	(65.77)

Significant Accounting Policies and Notes forming part of the Financial Statements

1 to 28

As per our report of even date attached

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

Haridas Bhat
Partner
Membership No. 039070

Mumbai, 29 May 2018



For and on behalf of the Board of Directors
Satra Estate Development Private Limited

Praful N. Satra
Director
(DIN:00053900)

Rushabh P. Satra
Director
(DIN:06608627)

Mumbai, 29 May 2018



SATRA ESTATE DEVELOPMENT PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

1 Corporate Information

These statements comprise financial statements of Satra Estate Development Private Limited (CIN: U45400MH2007PTC175318) for the year ended March 31, 2018. The company is a private company domiciled in India and is incorporated on October 23, 2007 under the provisions of the Companies Act applicable in India and the company is a Wholly Owned Subsidiary of Satra Properties (India) Limited.

The Company is principally engaged in the business of real estate, construction and development. 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.



SATRA ESTATE DEVELOPMENT PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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.

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.



SATRA ESTATE DEVELOPMENT PRIVATE LIMITED

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

(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.



SATRA ESTATE DEVELOPMENT PRIVATE LIMITED

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

(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.

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) 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.



SATRA ESTATE DEVELOPMENT PRIVATE LIMITED

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

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.

(f) 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.



SATRA ESTATE DEVELOPMENT PRIVATE LIMITED

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

(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.

(g) 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.



SATRA ESTATE DEVELOPMENT PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(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.

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.



SATRA ESTATE DEVELOPMENT PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

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.

(h) 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.

(i) 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.



SATRA ESTATE DEVELOPMENT PRIVATE LIMITED

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

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.

(j) 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.

(k) 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.

(l) 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.



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SATRA ESTATE DEVELOPMENT PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(m) 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.

(n) 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.

(o) 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.

(p) 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.



SATRA ESTATE DEVELOPMENT PRIVATE LIMITED

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

(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 ESTATE DEVELOPMENT PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

4. FINANCIAL ASSETS

(Amount in INR Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
OTHER FINANCIAL ASSETS			
Current			
Financial assets carried at amortised cost			
Other financial assets	0.01	-	-
Total	0.01	-	-

5. CASH AND CASH EQUIVALENTS

(Amount in INR Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Balances with banks on current accounts	0.40	2.43	2.93
Cash on hand	1.06	1.36	0.48
	1.46	3.79	3.41

6. OTHER ASSETS

(Amount in INR Lakhs)

Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Current			
Advances other than capital advances			
Advances to vendors	-	-	3.00
Other advances	47.52	47.52	47.52
Total	47.52	47.52	50.52

7. INCOME TAX

	March 31, 2018	March 31, 2017	April 1, 2016
Unrecognised deferred tax assets			
Unrecognised tax losses	16.42	16.76	11.92

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.



SATRA ESTATE DEVELOPMENT PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

8. SHARE CAPITAL

i. Authorised Share capital

	(Amount in INR Lakhs)	
	Number	Amount
At April 1, 2016	40,000	4.00
Increase/(decrease) during the year	-	-
At March 31, 2017	40,000	4.00
Increase/(decrease) during the year	-	-
At March 31, 2018	40,000	4.00

Terms/rights attached to equity shares

The company has only one class of equity shares having par value of INR 10 each. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends, if any in Indian rupees. The dividend proposed by the Board of Directors 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

	(Amount in INR Lakhs)	
	Number	Amount
Equity shares of INR 10 each issued, subscribed and fully paid		
At April 1, 2016	40,000	4.00
Issued during the year	-	-
At March 31, 2017	40,000	4.00
Issued during the year	-	-
At March 31, 2018	40,000	4.00

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

Out of equity and preference 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	40,000	40,000

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	40,000	100%	40,000	100%

Name of the shareholder	As at April 1, 2016	
	Number	% holding
Equity shares of INR 10 each fully paid		
Satra Properties (India) Limited	40,000	100%

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. Shares reserved for issue under options

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

9. OTHER EQUITY

Reserves and Surplus		(Amount in INR Lakhs)		
Particulars	March 31, 2018	March 31, 2017	April 1, 2016	
Retained Earnings	(65.77)	(58.14)	(40.58)	
Total	(65.77)	(58.14)	(40.58)	

Retained Earnings		(Amount in INR Lakhs)	
	March 31, 2018	March 31, 2017	
Opening balance	(58.14)	(40.58)	
Net Profit/(Loss) for the year	(7.63)	(17.56)	
Items of Other Comprehensive Income directly recognised in Retained Earnings	-	-	
Closing balance	(65.77)	(58.14)	



SATRA ESTATE DEVELOPMENT PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

10. BORROWINGS

(Amount in INR Lakhs)			
Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Current Borrowings			
Unsecured			
Loans from related parties	87.82	86.82	77.82
Total	87.82	86.82	77.82

(Amount in INR Lakhs)					
Particulars	Terms of Repayment	Coupon / Interest Rate	March 31, 2018	March 31, 2017	April 1, 2016
Current Borrowings					
Unsecured					
Loans from related parties	Repayable on demand	9%	87.82	86.82	77.82

Net debt Reconciliation

This section sets out an analysis of net debt and the movements in net debt for each of the periods specified :

(Amount in INR Lakhs)	
Particulars	Liabilities from financing activities
	Current Borrowings
Net Debt as at April 1, 2016	84.46
Cash inflows	25.00
Cash outflows	(16.00)
Interest expense	10.84
Interest paid	(2.36)
Net Debt as at March 31, 2017	101.94
Cash inflows	159.03
Cash outflows	(158.03)
Interest expense	6.69
Interest paid	(0.98)
Net Debt as at March 31, 2018	108.65



SATRA ESTATE DEVELOPMENT PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

11. OTHER FINANCIAL LIABILITIES			
(Amount in INR Lakhs)			
Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Current			
Financial Liabilities at amortised cost			
Interest accrued and due on borrowings from related parties	20.83	15.11	6.64
Total	20.83	15.11	6.64

12. TRADE PAYABLES			
(Amount in INR Lakhs)			
Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Current			
Trade payables to micro, small and medium enterprises (Refer Note 25)	-	-	-
Trade payables to others	1.37	2.42	1.36
Total	1.37	2.42	1.36

13. OTHER LIABILITIES			
(Amount in INR Lakhs)			
Particulars	March 31, 2018	March 31, 2017	April 1, 2016
Current			
Statutory liabilities	0.74	1.10	-
Other liabilities	-	-	4.70
Total	0.74	1.10	4.70



SATRA ESTATE DEVELOPMENT PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

14. OTHER INCOME

(Amount in INR Lakhs)		
Particulars	2017-18	2016-17
Interest income on loans to others	0.01	-
Total	0.01	-

15. EMPLOYEE BENEFITS EXPENSE

(Amount in INR Lakhs)		
Particulars	2017-18	2016-17
Salaries, wages and bonus	-	2.28
Total	-	2.28

16. FINANCE COST

(Amount in INR Lakhs)		
Particulars	2017-18	2016-17
Interest expense on debts and borrowings	7.43	10.84
Interest on delayed payment of statutory dues	-	0.01
Total	7.43	10.85

17. OTHER EXPENSES

(Amount in INR Lakhs)		
Particulars	2017-18	2016-17
Payments to auditors (Refer note below)	0.14	0.14
Legal and professional fees	-	4.15
Rates and taxes	0.03	0.04
Bank charges	0.04	-
Printing and stationary	-	0.02
Miscellaneous expenses	-	0.08
Total	0.21	4.43

Details of Payments to auditors

(Amount in INR Lakhs)		
	2017-18	2016-17
As auditor		
Statutory audit fee	0.14	0.14
Total	0.14	0.14

18. EARNINGS PER SHARE

(Amount in INR Lakhs)		
Particulars	March 31, 2018	March 31, 2017
(a) Basic and Diluted earnings per share (In INR)	(19.08)	(43.91)
(b) Nominal Value per share (INR)	10	10
(c) Earnings used in calculating earnings per share		
Profit attributable to the equity holders of the company used in calculating basic earnings per share	(7.63)	(17.56)
(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	40,000	40,000

19. COMMITMENTS AND CONTINGENCIES

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



SATRA ESTATE DEVELOPMENT PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

(Amount in INR Lakhs)

20. 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
Holding Company	
Satra Properties (India) Limited	India
Fellow Subsidiary	
Satra Property Developers Private Limited	India
Satra Buildcon Private Limited	India
Satra Infrastructure and Land Developers Private Limited	India
Satra Lifestyles Private Limited	India
Satra International Realtors Limited	UAE

Key Managerial Personnel

Mr. Praful N. Satra-Director
Mrs. Minaxi P. Satra-Director (upto 31.05.2017)
Mr. Rushabh P. Satra-Director
Mr. Karim H. Kalayani - Director (w.e.f 01-06-17)
Mr. Manoj H. Doshi - Director (w.e.f 01-06-17 till 16-10-17)

(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	Loan Taken	80.00	25.00
	Interest Expenses	7.43	9.75
Praful N. Satra	Loan Taken	79.00	-
	Interest Expenses	-	1.08

(iii) Loans to/from related parties

(Amount in INR Lakhs)

Name	Particulars	March 31, 2018	March 31, 2017
Loans from related parties			
Satra Properties (India) Limited	Beginning of the year	100.96	67.18
	Loans received	80.00	25.00
	Loan repayments made	(79.00)	-
	Interest charged	6.69	8.78
	Interest paid	-	-
	End of the year	108.65	100.96
Praful N Satra	Beginning of the year	0.98	16.86
	Loans received	79.00	-
	Loan repayments made	(79.00)	(16.86)
	Interest charged	-	0.98
	Interest paid	(0.98)	-
	End of the year	0.00	0.98

(iv) Terms and conditions of transactions with related parties

The sales to and purchases from related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year end are unsecured and interest bearing and settlement occurs in cash. 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.

21. 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 ESTATE DEVELOPMENT PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

22. FAIR VALUE MEASUREMENTS

i. Financial Instruments by Category

(Amount in INR Lakhs)

Particulars	Carrying Amount			Fair Value		
	March 31, 2018	March 31, 2017	April 1, 2016	March 31, 2018	March 31, 2017	April 1, 2016
FINANCIAL ASSETS						
Amortised cost						
Cash and cash equivalents	1.46	3.79	3.41	1.46	3.79	3.41
Other financial assets	0.01	-	-	0.01	-	-
Total	1.47	3.79	3.41	1.47	3.79	3.41
FINANCIAL LIABILITIES						
Amortised cost						
Borrowings	87.82	86.82	77.82	87.82	86.82	77.82
Trade payables	1.37	2.42	1.36	1.37	2.42	1.36
Other financial liabilities	20.83	15.11	6.64	20.83	15.11	6.64
Total	110.02	104.35	85.82	110.02	104.35	85.82

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 - 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, the instrument is included in level 2.

Level 3 - If one or more of the significant inputs are not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity shares, contingent consideration and indemnification assets included in level 3.

ii. Valuation technique used to determine fair value

Specific Valuation techniques used to value financial instruments include:

- the fair value of 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 ESTATE DEVELOPMENT PRIVATE LIMITED
NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018

23. FINANCIAL RISK MANAGEMENT

The company's activities exposes it to market risk, credit risk and liquidity risk. The Company's management oversees the management of these risks and ensures that the Company's financial risk activities are governed by appropriate policies and procedures and that financial risks are identified, measured and managed in accordance with the Company's policies and risk objectives.

(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.

(iii) Commodity/real estate price 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.

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 1.47 Lakhs (March 31, 2017: INR 3.79 Lakhs, April 1, 2016: INR 3.41 Lakhs). The company does not expect any credit loss on these financial assets.



SATRA ESTATE DEVELOPMENT 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		(Amount in INR Lakhs)		
Particulars	Carrying Amount	Less than 1 year	1 to 5 years	More than 5 years
March 31, 2018				
Borrowings	87.82	87.82	-	-
Trade payables	1.37	1.37	-	-
Other financial liabilities	20.83	20.83	-	-
Total financial liabilities	110.02	110.02	-	-
March 31, 2017				
Borrowings	86.82	86.82	-	-
Trade payables	2.42	2.42	-	-
Other financial liabilities	15.11	15.11	-	-
Total financial liabilities	104.35	104.35	-	-
April 1, 2016				
Borrowings	77.82	77.82	-	-
Trade payables	1.36	1.36	-	-
Other financial liabilities	6.64	6.64	-	-
Total financial liabilities	85.82	85.82	-	-



SATRA ESTATE DEVELOPMENT PRIVATE LIMITED**NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2018****24. 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.

	(Amount in INR Lakhs)		
	March 31, 2018	March 31, 2017	April 1, 2016
Borrowings	87.82	86.82	77.82
Trade payables	1.37	2.42	1.36
Other payables	20.83	15.11	6.64
Less: cash and cash equivalents	(1.46)	(3.79)	(3.41)
Net Debt	108.56	100.56	82.41
Equity	(61.77)	(54.14)	(36.58)
Total Capital	(61.77)	(54.14)	(36.58)
Capital and net debt	46.79	46.42	45.83
Gearing ratio	232.04	216.65	179.81

In order to achieve the objective of maximize shareholders value, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing borrowings that define capital structure requirements.



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

(Amount in INR Lakhs)

25. 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			

26. 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.

27. 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.

Ind AS optional exemptions**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.

B. Reconciliations between previous GAAP and Ind AS

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for date of transition and comparative year. However, there are no impact in the financial statements presented under previous GAAP and hence reconciliations of equity, total comprehensive income and cash flows from previous GAAP to Ind AS are not applicable to the Company.

28. The previous GAAP figures have been reclassified to confirm to Ind AS presentation requirements for the purpose of this note.

Significant Accounting Policies and Notes forming
part of the Financial Statements 1 to 28

As per our report of even date attached

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

Haridas Bhat
Partner
Membership No. 039070

Mumbai, 29 May 2018



For and on behalf of the Board of Directors
Satra Estate Development Private Limited

Praful N. Satra
Director
(DIN:00053900)

Rushabh P. Satra
Director
(DIN:06608627)

Mumbai, 29 May 2018