

**INDEPENDENT AUDITORS' REPORT**

To  
The Members of  
Satra Property Developers Private Limited

**Report on the Financial Statements**

We have audited the accompanying financial statements of Satra Property Developers Private Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2015, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

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

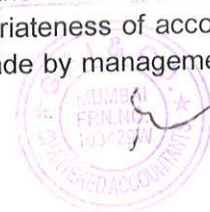
Management is responsible for the matters stated in Section 134(5) of the Companies Act 2013 (the 'Act') with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in section 133 of the Act read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We have 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 disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's Internal Control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.



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

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the 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:-

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2015;
- b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- c) in the case of the Cash Flow Statement, of the 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, 2015 ("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 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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - d) in our opinion, the aforesaid 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, 2015 and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015, from being appointed as a director in terms of section 164 (2) of the Act.
  - f) with respect to 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 the best of our information and according to explanation given to us :
    - i. Company has disclosed the amount of pending litigations on its financial position in its Financial Statements which is in the nature of contingent liability being not required to be provided in the accounts.
    - ii. The Company does not anticipate any material foreseeable losses, on long- term contracts.
    - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

For GMJ & Co.

Chartered Accountants

Firm's Regn. No. 103429W

  
CA Haridas Bhat  
Partner

M. No. 039070



Mumbai  
10<sup>th</sup> April, 2015



**Annexure to the Independent Auditors' Report of Satra Property Developers Private Limited**

**The Annexure referred to in our Independent Auditors' Report to the members of company on the financial statement for the year ended 31 March 2015, in Paragraph 1 under the heading of "report on other legal and regulatory requirements" of even date**

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**We report that**

- i. a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.  
b) The Fixed assets of the Company have been physically verified by the management which in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies have been noticed on such verification.
- ii. a) In our opinion, physical verification of inventory lying with the company has been conducted at reasonable intervals by the management.  
b) In our opinion, the procedures of physical verification of inventory followed by the management are adequate in relation to the size of the Company and the nature of its business.  
c) The Company has maintained proper records of inventory. No material discrepancies have been noticed on physical verification between physical stock and book records.
- iii. In respect of loans, secured or unsecured to/from companies, firms or other parties covered the register maintained under Section 189 of the Companies Act, 2013.  
a) In the case of the loans granted to the bodies corporate, the borrowers have been regular in the payment of the interest as stipulated. The terms of arrangements do not stipulate any repayment schedule and the loans are repayable on demand. Accordingly, this paragraph is not applicable to the Company in respect of repayment of the principal amount.  
b) There are no overdue amounts of more than rupees one lakh in respect of the loans granted to the bodies corporate.
- iv. In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of fixed assets, Inventory and sale of commercial/residential Premises. We have not observed any major weakness in the internal control system during the course of the audit.
- v. In our opinion, and according to the information and explanations given to us, the company has not accepted any deposits during the year under audit.



Vi We have broadly reviewed the books of account maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 148(1) of the Act and are of the opinion that *prima facie*, the prescribed accounts and records have been made and maintained.

vii. a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues of Wealth tax, Profession tax, Provident fund, Customs duty and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities, *except for dues in respect of Dividend distribution tax, Value added tax, TDS and Income-tax which have generally been regularly deposited during the year by the Company with the appropriate authorities, and there have been significant delays in few cases.* As explained to us, the Company did not have any dues on account of Employees' state insurance, Excise duty, cess and Investor education and Protection fund.

According to the information and explanations given to us, *except for Rs 1,68,81,654 /- on account of Dividend distribution tax, Rs 13,58,68,467/- on account of Income-tax, Rs 10,63,00,584/- on account of Value added tax*, no undisputed amounts payable in respect of Wealth tax, Profession tax, Customs duty, Provident fund, Works contract tax, Cess, Service tax and other material statutory dues were in arrears as at 31 March 2015 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, following dues have not been deposited with the concerned authorities on account of dispute as at 31st March, 2015

Name of the Statute	Nature of the Due	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
<i>Income Tax Act, 1961</i>	<i>Income Tax</i>	<i>1,71,800</i>	<i>Asst. Yr. 2011-12</i>	<i>Commissioner of Income Tax (Appeals)</i>

c) According to the information and explanations given to us, there were no amounts which were required to be transferred to the investor education and protection fund in accordance with the relevant provision of the Act and rules there under.

viii. The company does not have any accumulated losses at the end of the financial year and has incurred cash loss during the financial year. Company has not incurred any cash loss in the immediately preceding financial year.

ix. In our opinion and according to the information and explanation given to us, *the Company has defaulted in repayment of dues to its banker at various dates during the year which have been made good as at the year end.*

The company did not borrow any money by way of debenture issues. The company had not taken loans from any financial institution during the year.



- x. According to the information and explanation given to us, the company has not given any guarantee for loan taken by others from a bank or financial institution.
- xi. In our opinion, the term loans have been used for the purpose for which the same were obtained.
- xii. According to the information and explanation given to us , no material fraud on or by the company has not been noticed or reported during the year nor we have been informed of any such case by the management that causes the financial statements to be materially misstated.

**For GMJ & Co.**  
**Chartered Accountants**  
**Firm's Regn. No. 103429W**

  
**CA Haridas Bhat**  
**Partner**  
**M. No. 039070**



**Mumbai**  
**10<sup>th</sup> April, 2015**

# Satra Property Developers Private Limited

## Balance sheet

as at 31 March 2015

(Currency: Indian Rupees)

	Notes	2015	2014
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE HOLDERS' FUNDS</b>			
Share capital	3	146,039,000	146,039,000
Reserves and surplus	4	573,432,247	731,010,454
		<u>719,471,247</u>	<u>877,049,454</u>
<b>NON - CURRENT LIABILITIES</b>			
Long-term borrowings	5	5,765,851	8,892,198
Long-term provisions	6	1,211,021	1,231,753
		<u>6,976,872</u>	<u>10,123,951</u>
<b>CURRENT LIABILITIES</b>			
Short-term borrowings	7	1,500,333,672	1,480,612,469
Trade payables	8	36,342,669	25,173,680
Other current liabilities	9	800,695,077	726,323,961
Short-term provisions	10	161,305,660	179,997,450
		<u>2,498,677,078</u>	<u>2,412,107,560</u>
<b>TOTAL</b>		<u><u>3,225,125,197</u></u>	<u><u>3,299,280,965</u></u>
<b>ASSETS</b>			
<b>NON - CURRENT ASSETS</b>			
Fixed assets			
-Tangible assets	11	11,487,649	21,077,268
Non-current investments	12	5,869,900	5,960,520
Deferred tax assets	13	-	1,283,551
Other non-current assets	14	-	778,540
		<u>17,357,549</u>	<u>29,099,879</u>
<b>CURRENT ASSETS</b>			
Inventories	15	1,543,912,010	1,420,732,196
Trade receivables	16	89,202,481	81,300,122
Cash and bank balances	17	35,327,951	36,794,440
Short-term loans and advances	18	1,449,954,486	1,586,930,079
Other current assets	19	89,370,720	144,424,249
		<u>3,207,767,648</u>	<u>3,270,181,086</u>
<b>TOTAL</b>		<u><u>3,225,125,197</u></u>	<u><u>3,299,280,965</u></u>

Significant accounting policies

2

Notes to the financial statements

3-41

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

As per our report of even date attached

For GMJ & Co.

Chartered Accountants

Firm Registration No. 103429W

CA. Haridas Bhat

Partner

Membership No. 39070



For and on behalf of the Board of Directors of  
Satra Property Developers Private Limited



Minaxi P. Satra  
Director

Tukaram K. Patil  
Chief Financial Officer  
cum Whole Time Director

Praful N. Satra  
Managing Director

Urmi C. Shah  
Company Secretary

Mumbai, 10 April 2015

Mumbai, 10 April 2015



# Satra Property Developers Private Limited

## Statement of Profit and Loss

for the year ended on 31 March, 2015

(Currency: Indian Rupees)

	Notes	2015	2014
<b>INCOME</b>			
Revenue from operations	20	11,869,839	23,153,625
Other income	21	33,058,887	93,305,979
<b>Total revenue</b>		<b>44,928,726</b>	<b>116,459,604</b>
<b>EXPENSES</b>			
Cost of construction	22	6,860,159	13,544,850
Employee benefits expenses	23	11,144,205	16,508,941
Finance costs	24	45,587,106	51,356,613
Depreciation and amortization expenses	11	4,644,779	4,459,032
Other expenses	25	10,238,412	10,408,450
Prior period expenses	26	117,803,462	-
<b>Total expenses</b>		<b>196,278,123</b>	<b>96,277,886</b>
<b>Profit / (loss) before tax</b>		<b>(151,349,397)</b>	<b>20,181,718</b>
<b>Tax expenses:</b>			
- Current tax		-	12,500,000
- Prior year charge of current tax		-	1,064,017
- Deferred tax	13	2,873,356	(734,846)
<b>Profit / (loss) for the year</b>		<b>(154,222,753)</b>	<b>7,352,547</b>
<b>Earnings per equity share (Rs.)</b>			
Basic and diluted (face value of Rs.10 per share)	38	(10.56)	0.50
<b>Significant accounting policies</b>	2		
<b>Notes to the financial statements</b>	3-41		

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

As per our report of even date attached

For GMJ & Co.

Chartered Accountants

Firm Registration No. 103429W

CA. Haridas Bhat

Partner

Membership No. 39070



For and on behalf of the Board of Directors of  
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Chief Financial Officer  
cum Whole Time Director

Urmi C. Shah

Company Secretary

Mumbai, 10 April 2015

Mumbai, 10 April 2015

# Satra Property Developers Private Limited

## Cash flow statement

for the year ended 31 March 2015

	2015	2014
<b>Cash flows from operating activities :</b>		
Profit before tax	(151,349,397)	20,181,718
<i>Adjusted for:</i>		
Depreciation/amortisation	4,644,779	4,459,032
Loss on sale of shares	59,697	-
Interest income	(28,353,807)	(93,305,979)
Financial expenses	45,587,106	51,356,613
	<u>21,937,775</u>	<u>(37,490,334)</u>
<b>Operating profit / (loss) before working capital changes</b>	<u>(129,411,622)</u>	<u>(17,308,616)</u>
<b>Changes in working capital</b>		
(Increase)/ decrease in inventories	(44,560,494)	(968,301,937)
(Increase)/ decrease in trade and other receivables	(7,123,819)	2,113,892
(Increase)/ decrease in short-term advances	167,027,139	180,680,975
(Increase)/ decrease in other current assets	58,234,992	-
Increase/ (decrease) in long term provisions	(20,732)	1,157,658
Increase/ (decrease) in trade payables and other liabilities	77,730,039	73,094,584
Increase/ (decrease) in short term provisions	6,794,421	-
	<u>258,081,546</u>	<u>(711,254,828)</u>
<b>Cash generated from / (used in) operations</b>	<u>128,669,924</u>	<u>(728,563,444)</u>
Taxes paid (net of refund)	(40,500,000)	(45,555,774)
<b>Net cash generated from / (used in) operating activities</b>	<u><b>A</b> 88,169,924</u>	<u>(774,119,218)</u>
<b>Cash flows from investing activities :</b>		
Purchase of fixed assets	(619,739)	(8,055,619)
Loan given	(31,422,976)	(63,150,000)
Loan received back	1,371,430	19,150,000
(Increase)/decrease in investment in fixed deposits (including earmarked balances)	2,164,253	(12,238,816)
Investment made / sold	30,923	(5,087,500)
Interest received	25,172,344	21,954,361
<b>Net cash generated from / (used in) investing activities</b>	<u><b>B</b> (3,303,765)</u>	<u>(47,427,574)</u>
<b>Cash flows from financing activities :</b>		
Proceeds from long-term borrowings	442,346	6,900,000
Repayment of long-term borrowings	(3,246,328)	(2,995,410)
Proceeds from short-term borrowings	749,888,237	2,071,461,903
Repayment of short-term borrowings	(730,167,034)	(1,188,534,871)
Financial expenses paid	(101,085,616)	(69,080,436)
<b>Net cash generated from / (used in) financing activities</b>	<u><b>C</b> (84,168,395)</u>	<u>817,751,186</u>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(A+B+C) 697,764</b>	<b>(3,795,606)</b>
Cash and cash equivalents, beginning of the year	1,884,109	5,679,715
Cash and cash equivalents, end of the year	<u>2,581,873</u>	<u>1,884,109</u>





# Satra Property Developers Private Limited

## Cash flow statement

for the year ended 31 March 2015

	2015	2014
Cash and cash equivalents, at the end of year comprise of :		
Cash on hand	655,230	746,549
Balance with bank		
- in current accounts	1,926,643	1,137,560
	-	-
	<u>2,581,873</u>	<u>1,884,109</u>

Note:

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

As per our report of even date attached

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

CA. Haridas Bhat  
Partner  
Membership No. 39070



For and on behalf of the Board of Directors of  
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Chief Financial Officer  
cum Whole Time Director

Urmi C. Shah  
Company Secretary

Mumbai, 10 April 2015

Mumbai, 10 April 2015

# Satra Property Developers Private Limited

## Notes to the financial statements

for the year ended 31 March 2015

(Currency: Indian Rupees)

### 1. Company overview:

The Company was incorporated on 1 May 2000 as Henry Hill Impex Private Limited. The name of the Company was changed to Satra Property Developers Private Limited on 17 September 2004. It became a Wholly-owned subsidiary of Satra Properties (India) Limited on 2 July 2007. The Company is engaged in the business of real estate, construction and redevelopment.

### 2. Summary of Significant accounting policies:

#### 2.1. Basis of preparation of financial statements

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

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

The assets and liabilities are classified into Current or Non-current.

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

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

All other assets are classified as non-current.

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

- (a) it is expected to be settle in, the entity's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within twelve months after the balance sheet date; or
- (d) the Company does not have an unconditional right to defer settlement of the liability for atleast twelve months after the balance sheet date.

All other liabilities are classified as non- current.





# Satra Property Developers Private Limited

## Notes to the financial statements (*continued*)

for the year ended 31 March 2015

(Currency: Indian Rupees)

### *Operating cycle*

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

### **2.3. Use of Estimates**

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

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

#### *Tangible assets*

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

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

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

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

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



# Satra Property Developers Private Limited

## Notes to the financial statements (*continued*)

for the year ended 31 March 2015

(Currency: Indian Rupees)

### 2.5. *Impairment of assets*

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

### 2.6. *Investments*

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

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

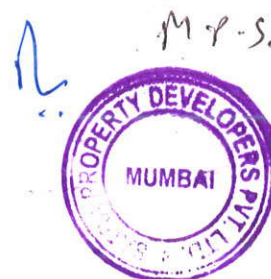
Any reductions in the carrying amount and any reversals of such reductions are charged or credited to the Statement of Profit and Loss.

### 2.7. *Inventories*

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

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

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





# Satra Property Developers Private Limited

## Notes to the financial statements (*continued*)

for the year ended 31 March 2015

(Currency: Indian Rupees)

### 2.8. Revenue recognition

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

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

Determination of revenues under the Percentage of Completion Method necessarily involves making estimates by the Company, some of which are of technical nature, concerning, where relevant, the percentages of completion, costs to completion, the expected revenues from the project / activity and the foreseeable losses to completion. The estimates of cost are periodically reviewed by the Management and the effect of changes in estimates is recognised in the period such changes are recognised. When the total project cost is estimated to exceed total revenues from the project, the loss is recognised immediately.

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

Interest income is recognized on time proportion basis.

Dividend income is recognized when the right to receive dividend is established.

### 2.9. Borrowing costs:

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

### 2.10. Employment benefits:

#### (a) Short term employee benefits

All employee benefits payable wholly within twelve months from the Balance Sheet date are classified as short-term employee benefits. Benefits such as salaries and wages, leave



# Satra Property Developers Private Limited

## Notes to the financial statements (*continued*)

for the year ended 31 March 2015

(Currency: Indian Rupees)

salary etc. and the expected cost of ex-gratia are recognized in the period in which the employee renders the related service.

### (b) Post-employment benefits

#### *Defined benefit plan:*

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

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

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

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

Actuarial gains and losses are recognized immediately in the Statement of Profit and Loss.

### 2.11. Taxation

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

Provision for current tax is made, based on the tax payable under the Income Tax Act, 1962.

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



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# Satra Property Developers Private Limited

## Notes to the financial statements (*continued*)

for the year ended 31 March 2015

(Currency: Indian Rupees)

### 2.12. Foreign currency transactions

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

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

### 2.13. Operating lease

Lease rentals in respect of assets acquired on operating leases are recognized in the Statement of Profit and Loss on a straight line basis over the lease term.

### 2.14. Earnings per share (EPS)

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

### 2.15. Provision and contingent liabilities

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

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



# Satra Property Developers Private Limited

## Notes to the financial statements (continued)

for the year ended on 31 March, 2015

(Currency: Indian Rupees)

2015 2014

### 3 SHARE CAPITAL

#### Authorised capital:

1,50,00,000 (2014 : 1,50,00,000) equity shares of Rs. 10 each

15,00,00,000 15,00,00,000

15,00,00,000 15,00,00,000

#### Issued, subscribed and paid up:

1,46,03,900 (2014 : 1,46,03,900) equity shares of Rs.10 each fully paid up

14,60,39,000 14,60,39,000

14,60,39,000 14,60,39,000

#### Sub-notes:

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

Equity shares	31 March 2015		31 March 2014	
	Number of equity shares (units)	Amount	Number of equity shares (units)	Amount
At the beginning of the year	1,46,03,900	14,60,39,000	1,46,03,900	14,60,39,000
Add: issued during the year	-	-	-	-
At the end of the year	1,46,03,900	14,60,39,000	1,46,03,900	14,60,39,000

- b) Rights, preferences and restrictions attached to shares

#### Equity shares :

The Company has only one class of equity shares. Each holder of equity share is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. During the year ended 31 March 2015, the company has not proposed equity dividend (2014: Nil per equity share). In the event of liquidation of the Company, the holders of the equity shares will be entitled to receive remaining assets of the Company. The distribution will be in proportion of the shares held by the shareholder.

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

Particulars	Status	31 March 2015		31 March 2014	
		No. of shares held	Amount	No. of shares held	Amount
Equity shares					
Satra Properties (India) Limited	Holding Company	1,46,03,900	14,60,39,000	1,46,03,900	14,60,39,000
<b>Total number of equity shares</b>		<b>1,46,03,900</b>	<b>14,60,39,000</b>	<b>1,46,03,900</b>	<b>14,60,39,000</b>

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

Name of shareholders	As at 31 March 2015		As at 31 March 2014	
	No. of shares	% of holding	No. of shares	% of holding
Equity shares				
Satra Properties (India) Limited	1,46,03,900	100	1,46,03,900	100



# Satra Property Developers Private Limited

## Notes to the financial statements (continued)

for the year ended on 31 March, 2015

(Currency: Indian Rupees)

	2015	2014
<b>4 RESERVES AND SURPLUS</b>		
Securities premium reserve (at the commencement and end of the year)	22,58,40,000	22,58,40,000
General Reserve (at the commencement and end of the year)	3,42,85,345	3,42,85,345
<b>Surplus in the statement of profit and loss</b>		
At the commencement of the year	47,08,85,109	46,35,32,562
Less: adjustment relating to fixed assets [refer note 11(ii)]	(33,55,454)	-
Add: Profit / (loss) for the year transferred	(15,42,22,753)	73,52,547
<b>Net surplus in the statement of profit and loss</b>	<b>31,33,06,902</b>	<b>47,08,85,109</b>
	<b>57,34,32,247</b>	<b>73,10,10,454</b>
<b>5 LONG-TERM BORROWINGS</b>		
<b>Secured borrowings</b>		
From banks		
- vehicle loans [refer note 5(i)]	24,51,637	42,50,102
From others		
- vehicle loans [refer note 5(i)]	33,14,214	46,42,096
	<b>57,65,851</b>	<b>88,92,198</b>
<b>Details of security on loans</b>		
(i) Vehicle loans are secured by hypothecation of the respective vehicles purchased. The loans are repayable in equated monthly installments of Rs 39,068, Rs.1,74,988, Rs. 1,51,749 and Rs. 9,749 beginning from the month subsequent to the taking of the loan. The last installment for the loans are due in December 2015, April 2017, April 2018 and May 2019 respectively.		
<b>6 LONG-TERM PROVISIONS</b>		
Provision for employee benefits		
Provision for gratuity [refer note 33]	12,11,021	12,31,753
	<b>12,11,021</b>	<b>12,31,753</b>
<b>7 SHORT-TERM BORROWINGS</b>		
<b>Secured borrowings</b>		
From banks		
- bank overdraft [refer note 7(i)]	45,90,829	21,11,903
From others		
- term loans [refer note 7(ii), 7(iii) & 32(ii)]	1,07,50,00,000	1,07,50,00,000
<b>Unsecured borrowings</b>		
From banks		
-term loan [refer note 7(iv)]	-	7,49,00,000
From related parties [refer note 7(v) & note 36]	10,57,42,843	1,66,00,566
From others [refer note 7(v)]	31,50,00,000	31,20,00,000
	<b>1,50,03,33,672</b>	<b>1,48,06,12,469</b>





# Satra Property Developers Private Limited

## Notes to the financial statements (continued)

for the year ended on 31 March, 2015

(Currency: Indian Rupees)

2015 2014

### Details of security on loans

- (i) Overdraft facility from bank of Rs. 45.90 lakhs (2014: Rs. 21.12 lakhs) is secured against fixed deposit of Rs. 56.29 lakhs with the same bank.
- (ii) Loan of Rs. 75 crores is secured by way of mortgage of the property situated at Matunga, Mumbai by way of deposit of title deed. Principal is repayable within 36 months from the date of each disbursement starting June, 2016. Last installement is due in December, 2016.
- (iii) Rs. 32.50 crore is secured against registered mortgage on sale component to be generated on consumption of free sale FSI in slum rehabilitation project at Ghatkopar, Mumbai, except area coming to the share of joint venture partners alongwith charge on scheduled & additional receivables, insurance receipts from the project and escrow account of receivables. The loan carries an interest rate of 24% p.a. payable on quarterly basis. Repayable in 6 equal quarterly installments of Rs 5.42 crores each starting from June 2015 quarter. The loan is further secured by personal guarantee of Managing Director, Mr. Praful N. Satra.
- (iv) The term loan of Nil (2014: Rs.7.49 Crores) was repayable in 8 equated quarterly installments of Rs 1 Crore beginning from October, 2013 and last installment of Rs. 0.50 Crores was due in October 2015. Mr. Praful N. Satra, Managing Director had given personal guarantee for the loan. The said term loan has been repaid before the agreed repayment schedule.
- (v) Other loans and loan from related parties are repayable on demand carrying interest rates ranging between 12 % p.a. to 15% p.a.

## 8 TRADE PAYABLES

Dues to micro small and medium enterprises [refer note 30]  
Others

-	-
3,63,42,669	2,51,73,680
<b>3,63,42,669</b>	<b>2,51,73,680</b>

## 9 OTHER CURRENT LIABILITIES

### Current maturities of long-term borrowings

From banks (Secured)

-vehicle loans [refer note 5(i)]

21,88,407	20,11,948
-----------	-----------

From others (Secured)

-vehicle loan [refer note 5(i)]

13,49,162	12,03,256
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Interest accrued and due on borrowings

3,19,42,013	3,25,42,798
-------------	-------------

Other payables

-advance received against property

59,14,10,489	57,37,21,867
--------------	--------------

-refundable advances

1,60,00,000	1,80,00,000
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-other liabilities \*

15,78,05,006	9,88,44,092
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<b>80,06,95,077</b>	<b>72,63,23,961</b>
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\* includes amounts payable on account of statutory dues, employee benefits, interest payable to vendors, other creditors and other payables.

## 10 SHORT-TERM PROVISIONS

### Provision for employee benefits

Provision for gratuity [refer note 33]

2,87,935	2,87,935
----------	----------

### Other provisions

Provision for taxation [net of advance tax and tax deducted at sources Rs. 16,78,91,944 (2014: 13,96,72,785)]

14,26,44,151	16,28,11,941
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Provision for wealth tax

29,500	15,920
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Tax on dividend on equity shares

1,83,44,074	1,68,81,654
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<b>16,13,05,660</b>	<b>17,99,97,450</b>
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# Satra Property Developers Private Limited

Notes to the financial statements(Continued)  
for the year ended on 31 March, 2015

(Currency: Indian Rupees)

## 11 FIXED ASSETS

	GROSS BLOCK				ACCUMULATED DEPRECIATION/AMORTISATION				NET BLOCK
	As at 1 April 2014	Additions	Deletions/ Disposals	As at 31 March 2015	As at 1 April 2014	For the year	On Deletions/ Disposals	As at 31 March 2015	
<b>Owned Assets</b>									
<b>Tangible assets</b>									
Plant and machinery	1,73,09,303	-	-	1,73,09,303	1,24,29,279	48,80,024	1,73,09,303	-	-
Computer and printer	9,50,268	-	-	9,50,268	6,57,779	2,47,711	-	9,05,490	44,778
Furniture and fixture	15,61,217	-	-	15,61,217	12,48,124	1,35,192	-	13,83,316	1,77,901
Office equipment	8,00,313	1,05,969	-	9,06,282	2,89,450	3,89,307	-	6,78,757	2,27,525
Vehicles	2,33,58,820	5,13,770	-	2,38,72,590	1,04,60,233	44,50,405	-	1,49,10,638	89,61,952
Building	26,33,240	-	-	26,33,240	4,51,028	1,06,719	-	5,57,747	20,75,493
<b>Total</b>	<b>4,66,13,161</b>	<b>6,19,739</b>	<b>1,73,09,303</b>	<b>2,99,23,597</b>	<b>2,55,35,893</b>	<b>1,02,09,358</b>	<b>-</b>	<b>1,84,35,948</b>	<b>1,14,87,649</b>

Notes:

(i) Depreciation amounting to Rs. 6,19,320 (2014: Rs.10,60,286) has been transferred to construction work-in-progress.

(ii) Pursuant to the enactment of Companies Act 2013, the company has applied the estimated useful lives as specified in Schedule II. Accordingly the unamortised carrying value is being depreciated / amortised over the revised/ remaining useful lives. The written down value of Fixed Assets whose lives have expired as at 1st April 2014 have been adjusted, in the opening balance of Profit and Loss Account amounting to Rs.33,55,454 (net of tax of Rs.15,89,805).

	GROSS BLOCK				ACCUMULATED DEPRECIATION/AMORTISATION				NET BLOCK
	As at 1 April 2013	Additions	Deletions/ Disposals	As at 31 March 2014	As at 1 April 2013	For the year	On Deletions/ Disposals	As at 31 March 2014	
<b>Owned Assets</b>									
<b>Tangible assets</b>									
Plant and machinery	1,73,09,303	-	-	1,73,09,303	1,16,40,789	7,88,490	-	1,24,29,279	48,80,024
Computer and printer	7,30,768	2,19,500	-	9,50,268	4,89,113	1,68,666	-	6,57,779	2,92,489
Furniture and fixture	15,49,067	12,150	-	15,61,217	11,79,078	69,046	-	12,48,124	3,13,093
Office equipment	5,91,344	2,08,969	-	8,00,313	2,27,753	61,697	-	2,89,450	5,10,863
Vehicles	1,57,43,820	76,15,000	-	2,33,58,820	61,43,667	43,16,566	-	1,04,60,233	1,28,98,587
Building	26,33,240	-	-	26,33,240	3,36,175	1,14,853	-	4,51,028	21,82,212
<b>Total</b>	<b>3,85,57,542</b>	<b>80,55,619</b>	<b>-</b>	<b>4,66,13,161</b>	<b>2,00,16,575</b>	<b>55,19,318</b>	<b>-</b>	<b>2,55,35,893</b>	<b>2,10,77,268</b>

Notes:

(i) Depreciation amounting to Rs. 10,60,286 (2013: Rs.12,05,858) has been transferred to construction work-in-progress.



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# Satra Property Developers Private Limited

## Notes to the financial statements (continued)

for the year ended on 31 March, 2015

(Currency: Indian Rupees)

	2015	2014
<b>12 NON-CURRENT INVESTMENTS (at cost)</b>		
<b>Trade investments : unquoted</b>		
(face value of Rs. 10 each and fully paid-up, unless otherwise stated)		
<i>In subsidiaries</i>		
50,000 (2014: 50,000) Equity Shares of Satra Realty and Builders Limited [refer note 12(i)]	52,50,000	52,50,000
8,750 (2014: 8,750) Equity Shares of RRB Realtors Private Limited	87,500	87,500
<i>In associates</i>		
Nil (2014: 2,600) Equity Shares of Deepmala Infrastructure Private Limited	-	26,000
<b>Non-trade investments : quoted</b>		
Nil (2014: 718 ) Equity Shares of SEL Manufacturing Company Limited [market value: Rs. NIL (2014: Rs. 2.98 per share)]	-	64,620
<b>Unquoted</b>		
324 (2014: 324) Equity Shares of The Cosmos Co-operative Bank Limited of Rs. 100 each, fully paid up	32,400	32,400
20,000 (2014: 20,000) Equity Shares of The Greater Bombay Co-operative Bank Ltd of Rs. 25 each, fully paid up	5,00,000	5,00,000
	<b>58,69,900</b>	<b>59,60,520</b>
Aggregate amount of unquoted investment	58,69,900	58,95,900
Aggregate amount of quoted investment	-	64,620
Aggregate market value of quoted investment	-	2,168
(i) 37,500 (2014 : 37,500) of the 50,000 shares are pledged for loan facility availed by the subsidiary.		

## 13 DEFERRED TAX ASSETS (net)

The components of deferred tax balances are as follows:-

- Difference between book depreciation and depreciation as per Income Tax Act, 1961	28,09,367	7,90,488
- On provision allowable on a payment basis under the Income Tax Act, 1961	4,63,177	4,93,063
- Business loss and unabsorbed depreciation	2,05,97,044	-
Less: differential deferred tax assets not recognised	(2,38,69,588)	-
	<b>-</b>	<b>12,83,551</b>

As a matter of prudence, no Deferred Tax Asset has been recognized in the current period in line with the accounting policy of the Company.

## 14 OTHER NON-CURRENT ASSETS

Other receivables*	-	7,78,540
	<b>-</b>	<b>7,78,540</b>

\* includes consideration receivable towards sale of Non trade investments.

## 15 INVENTORIES

Material-at-site	27,78,688	17,26,362
Construction work-in-progress	1,53,53,58,621	1,40,66,21,973
Finish goods	57,74,701	1,23,83,861
	<b>1,54,39,12,010</b>	<b>1,42,07,32,196</b>

## 16 TRADE RECEIVABLES

### Unsecured and considered good

On account of goods sold		
-Debts outstanding for a period exceeding six months from the date they are due for payment	8,92,02,481	8,05,89,219
-Other debts	-	7,10,903
	<b>8,92,02,481</b>	<b>8,13,00,122</b>



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# Satra Property Developers Private Limited

## Notes to the financial statements (continued)

for the year ended on 31 March, 2015

(Currency: Indian Rupees)

	2015	2014
<b>17 CASH AND BANK BALANCES</b>		
Cash on hand	6,55,230	7,46,549
Balance with banks		
- in current accounts	19,26,643	11,37,560
<b>Other bank balances</b>		
Deposits with original maturity of less than 12 months but more than 3 months [refer note 17(i), 17(ii), 17(iii)]	3,27,36,047	3,48,99,470
Bank accounts marked as lien	10,031	10,861
	<b>3,53,27,951</b>	<b>3,67,94,440</b>

### Notes:

- (i) Deposits amounting to Rs. 2.68 crores (2014: Rs.2.58 crores) are under lien for bank guarantee.
- (ii) Deposits amounting to Rs. 56.29 lakhs (2014: Rs.50 lakhs) are under lien for overdraft facility.
- (iii) Deposits amounting to Rs. Nil (2014: Rs.40.48 lakhs) are under lien for three months interest cover of unsecured loan.

## 18 SHORT-TERM LOANS AND ADVANCES

### Unsecured and considered good

Short term loans given to related parties [refer note 36]  
 Loans and advances given to other parties  
 Others \* #

	15,30,22,976	12,29,71,430
	1,19,76,76,752	1,36,35,76,752
	9,92,54,758	10,03,81,897
	<b>1,44,99,54,486</b>	<b>1,58,69,30,079</b>

\* includes Rs 11,50,000 (2014: Rs 11,50,000) rent deposit given to the Managing Director.

# includes advances given to employees, vendors, prepaid expenses and deposits.

## 19 OTHER CURRENT ASSETS

Interest accrued on fixed deposits with banks  
 Interest accrued and due  
 Prepaid taxes

	32,03,751	21,02,912
	8,33,74,394	14,23,21,337
	27,92,575	-
	<b>8,93,70,720</b>	<b>14,44,24,249</b>



# Satra Property Developers Private Limited

## Notes to the financial statements (continued)

for the year ended on 31 March, 2015

(Currency: Indian Rupees)

	2015	2014
<b>20 REVENUE FROM OPERATIONS</b>		
Revenue from sale of properties	1,03,12,000	2,23,41,100
Other operating revenues	15,57,839	8,12,525
	<u>1,18,69,839</u>	<u>2,31,53,625</u>
<b>21 OTHER INCOME</b>		
Interest income from		
-fixed deposit with banks	34,56,770	29,14,253
-others [refer note 36]	2,48,97,037	9,03,91,726
Liabilities written back to the extent no longer required	47,05,080	-
	<u>3,30,58,887</u>	<u>9,33,05,979</u>
<b>22 COST OF MATERIALS CONSUMED</b>		
<b>Inventory at the beginning of the year</b>		
Material-at-site	(A) 17,26,362	23,38,606
Construction work-in-progress	1,40,66,21,973	37,68,08,651
Finished goods	1,23,83,861	2,59,28,710
	<u>1,42,07,32,196</u>	<u>40,50,75,967</u>
<b>Incurred during the year</b>		
Land cost / development rights	-	94,51,27,840
Professional fees	90,15,963	90,60,893
Civil, electricals, contracting etc.	3,29,49,199	1,93,23,098
Admin and other expenses	45,84,117	67,58,356
Depreciation [refer note 11]	6,19,320	10,60,286
Financial expenses [refer note 24]	7,80,00,000	4,62,94,006
Statutory and other costs	46,20,374	15,76,600
Compensation paid	2,51,000	-
	<u>(B) 13,00,39,973</u>	<u>1,02,92,01,079</u>
<b>Inventory at the end of the year</b>		
Material-at-site	(C) 27,78,688	17,26,362
Construction work-in-progress	1,53,53,58,621	1,40,66,21,973
Finished goods	57,74,701	1,23,83,861
	<u>1,54,39,12,010</u>	<u>1,42,07,32,196</u>
<b>(A+B-C)</b>	<u>68,60,159</u>	<u>1,35,44,850</u>





# Satra Property Developers Private Limited

## Notes to the financial statements (continued)

for the year ended on 31 March, 2015

(Currency: Indian Rupees)

	2015	2014
<b>23 EMPLOYEE BENEFIT EXPENSES</b>		
Salaries, wages and bonus	55,90,286	1,01,74,626
Directors' remuneration	54,00,000	54,00,000
Staff welfare expenses	1,74,651	32,071
Gratuity	(20,732)	9,02,244
	<u>1,11,44,205</u>	<u>1,65,08,941</u>
<b>24 FINANCE COST</b>		
Interest cost		
-bank loans	1,13,89,479	1,91,08,243
-other loans	8,73,17,424	5,39,36,501
-others	2,37,98,739	1,78,40,098
Other borrowing cost	10,81,464	67,65,777
	<u>12,35,87,106</u>	<u>9,76,50,619</u>
Less: borrowing cost transferred to construction work-in-progress	7,80,00,000	4,62,94,006
	<u>4,55,87,106</u>	<u>5,13,56,613</u>
<b>25 OTHER EXPENSES</b>		
Advertisement and sales promotion expenses	3,58,573	14,12,301
Office rent	62,85,417	60,26,988
Insurance	1,78,992	2,28,935
Conveyance	2,72,370	1,64,633
Donation	-	39,999
Professional fees	5,50,075	9,04,317
Telephone expenses	4,88,891	2,20,663
Travelling expenses	3,43,922	2,63,397
Corporate Social Responsibility (CSR) expenditure	8,00,000	-
Repairs and maintainance		
- other	39,520	27,934
Auditor's remuneration		
- statutory audit fees	4,49,440	4,49,440
- taxation matter	1,81,088	1,12,360
Rates and taxes	38,037	86,520
Tender expenses	25,000	-
Loss on sale of shares	59,697	-
Miscellaneous expenses	1,67,390	4,70,963
	<u>1,02,38,412</u>	<u>1,04,08,450</u>
<b>26 PRIOR PERIOD EXPENSES</b>		
Interest on delay payment of MVAT	4,99,95,054	-
Interest income written off	6,78,08,408	-
	<u>11,78,03,462</u>	<u>-</u>



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# Satra Property Developers Private Limited

## Notes to the financial statements (continued)

for the year ended 31 March 2015

(Currency: Indian Rupees)

27. Contingent liabilities as at the balance sheet date were as follows:

Particulars	2015	2014
Bank Guarantee issued by Allahabad Bank	3.85 Crores	3.85 Crores
Income tax matter in dispute	0.02 Crores	-

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

28. In the opinion of the directors, current assets, loans and advances have the value at which they are stated in the balance sheet, if realized in the ordinary course of business. Sundry debtors, creditors and advances are subject to confirmation.
29. In the opinion of the directors, provision has been made for all known liabilities and the same is not in excess of the amounts considered reasonably necessary.
30. **Micro, Small and Medium Enterprises Development Act, 2006**

The Company has not received any information from the “suppliers” regarding their status under the Micro Small and Medium Enterprises Development Act, 2006 and hence disclosures, if any, relating to the amounts as at year end together with interest paid / payable as required under the said act have not been given.

31. **Expenditure in foreign currency**

Particulars	2015	2014
Travelling expenses	-	2,70,391
Professional fees	-	14,49,467
	-	17,19,858

32. **Other matters**

- i) Information with regard to other matters specified in Schedule III of the Act, is either nil or not applicable to the Company for the year.
- ii) The company has delayed in making payment of interest of Rs. 1,73,09,589 in respect of short term borrowing (term loan) from others, that was due on 31 March, 2015.

33. **Employee benefits**

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





# Satra Property Developers Private Limited

## Notes to the financial statements (continued)

for the year ended 31 March 2015

(Currency: Indian Rupees)

### Defined benefit plans

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

Sr. No.	Particulars	2015	2014
<b>I</b>	<b>Change in Benefit Obligation</b>		
	Liability at the beginning of the year	15,19,688	6,17,444
	Interest Cost	1,38,139	49,704
	Current Service Cost	3,91,167	4,81,795
	Benefit Paid	(36,346)	-
	Actuarial (gain)/ loss on obligation	(5,13,692)	3,70,745
	Liability at the end of the year	14,98,956	15,19,688
<b>II</b>	<b>Amount Recognised in the Balance Sheet</b>		
	Liability at the end of the year	14,98,956	15,19,688
	Fair Value of Plan Assets at the end of the year	-	-
	Difference	(14,98,956)	15,19,688
	Amount Recognised in the Balance Sheet	(14,98,956)	15,19,688
<b>III</b>	<b>Expenses recognised in the Statement of Profit and Loss</b>		
	Current Service Cost	3,91,167	4,81,795
	Interest Cost	1,38,139	49,704
	Benefit Paid	-	-
	Expected Return on Plan Assets	-	-
	Net Actuarial (gain)/loss to be recognized	(5,13,692)	3,70,745
	Expenses recognised in the Statement of Profit and Loss	15,614	9,02,244
<b>IV</b>	<b>Balance Sheet Reconciliation</b>		
	Opening Net Liability	15,19,688	6,17,444
	Expense as above	15,614	9,02,244
	Employers Contribution paid	(36,346)	-
	Amount Recognised in the Balance Sheet	14,98,956	15,19,688
<b>V</b>	<b>Actuarial Assumptions:</b>		
	Discount Rate	7.80%	9.20%
	Salary Escalation	6.00%	6.00%
<b>VI</b>	<b>Reconciliation of present value of obligation and the fair value of plan assets</b>	2015	2014
	Present value of defined benefit obligation	14,98,956	15,19,688
	Fair Value of the plan assets	-	-
	Liability recognised in the Balance Sheet	14,98,956	15,19,688
<b>VII</b>	<b>Experience adjustments on:</b>		
	Plan liabilities (gain)/loss	5,13,692	3,70,745
	Plan assets	-	-
<b>VII</b>	<b>Schedule VI Details</b>		
	Current Liability	1,49,217	2,87,935
	Non Current Liability	13,49,739	12,31,753



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# Satra Property Developers Private Limited

## Notes to the financial statements (*continued*)

for the year ended 31 March 2015

(Currency: Indian Rupees)

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

The Company's liability on account of gratuity is not funded and hence the disclosures relating to the planned assets are not applicable. The Company does not have any liability on account of long term / short term compensated absences.

### 34. Segment reporting

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

35. Details of loan given, investments made and guarantee given u/s 186(4) of the Companies Act, 2013 are given under their respective heads. (Refer note 39). The loans given, investments made and guarantee given are for business purpose.

### 36. Related party disclosure

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

#### (a) List of related parties:

- **Holding Company**

Satra Properties (India) Limited

- **Fellow Subsidiary Company**

Satra Buildcon Private Limited

Satra Estate Development Private Limited

Satra Infrastructure and Land Developers Private Limited

Satra Lifestyles Private Limited

Satra International Realtors Limited, U.A.E.

- **Subsidiary Company**

Satra Realty and Builders Limited (*Formally known as "Satra DLH Reality and Builders Limited"*)

RRB Realtors Private Limited



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# Satra Property Developers Private Limited

## Notes to the financial statements (*continued*)

for the year ended 31 March 2015

(Currency: Indian Rupees)

- **Entities over which key managerial personnel or their relatives exercise significance influence:** (*where transactions have taken place during the year*)

Satra Property Development Private Limited

- **Key managerial personnel**

Mr. Praful N. Satra, Managing Director

Mrs. Minaxi P. Satra, Director

Mr. Rajan P. Shah, Director

Mr. Tukaram Patil, Whole Time Director

- **Relatives of key managerial personnel**

Ms. Vrutika P. Satra



# Satra Property Developers Private Limited

## Notes to the financial statements (continued) for the year ended 31 March 2015

(Currency: Indian Rupees)

### (b) Summary of related parties transactions:

Sr. No.	Nature of Transaction	Holding Company		Subsidiary Company		Associates/ Joint Venture		Entities over which key managerial personnel or their relatives exercises significant influence		Key Managerial Personnel and their relative		Total	
		2015	2014	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
(A)	Transactions during the year:												
1	Loans taken	13,20,20,000	28,12,00,000	-	-	-	-	-	3,45,00,000	25,00,000	13,29,00,000	13,45,20,000	44,86,00,000
2	Loans given	-	-	3,10,00,000	6,31,50,000	-	-	-	-	-	-	3,10,00,000	6,31,50,000
3	Interest income	-	-	2,48,29,808	2,25,18,003	-	-	-	-	-	-	2,48,29,808	2,25,18,003
4	Interest expense	32,83,074	71,30,817	-	-	-	-	-	19,26,194	-	19,44,311	32,83,074	1,10,01,322
5	Receiving of services	-	-	-	-	-	-	1,20,19,090	22,20,401	62,85,417	60,26,988	1,83,04,507	82,47,389
6	Directors remuneration	-	-	-	-	-	-	-	-	54,00,000	54,00,000	54,00,000	54,00,000
7	Advance given for property	-	75,00,000	-	1,43,50,000	-	-	-	-	-	-	-	2,18,50,000
8	Advance received for property	-	-	-	-	-	-	-	37,25,000	5,85,000	5,40,000	5,85,000	37,25,000
9	Salary expenses	-	-	-	-	-	-	-	-	-	-	-	5,40,000
10	Investments in equity shares of company	-	-	-	50,00,000	-	-	-	-	-	-	-	50,00,000
11	Expenditure incurred on behalf of Company	-	-	-	-	-	-	-	2,00,000	-	-	-	2,00,000
(B)	Outstanding balances receivable												
1	Loans including net interest	-	-	17,53,69,803	14,32,37,633	-	-	-	-	-	-	17,53,69,803	14,32,37,633
2	Deposits	-	-	-	-	-	-	-	-	11,50,000	11,50,000	11,50,000	11,50,000
(C)	Outstanding balances payable												
1	Loans including net interest	11,51,15,340	1,59,40,575	-	-	-	-	-	88,11,296	-	14,89,628	11,51,15,340	2,62,41,499
2	Remuneration payable	-	-	-	-	-	-	-	-	3,45,800	2,66,800	3,45,800	2,66,800
3	Sundry creditors	-	-	-	-	-	-	1,17,78,708	21,75,993	20,53,168	18,55,639	1,38,31,876	40,31,632



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# Satra Property Developers Private Limited

## Notes to the financial statements (continued) for the year ended 31 March 2015

(Currency: Indian Rupees)

### (c) Disclosure of material transactions between the company and related parties and the status of outstanding balances:

Sr. No.	Nature of Transaction	Total	
		2015	2014
(A)	<b>Transactions during the year:</b>		
1	<b>Loans taken</b>		
	Praful N. Satra	25,00,000	12,27,00,000
	Satra Properties (India) Limited	13,20,20,000	28,12,00,000
2	<b>Loans given</b>		
	Satra Realty and Builders Limited	3,10,00,000	5,78,00,000
3	<b>Interest income</b>		
	Satra Realty and Builders Limited	2,41,37,051	2,20,48,030
4	<b>Interest expense</b>		
	Praful N. Satra	-	16,55,144
	Satra Property Development Private Limited	-	19,26,194
	Satra Properties (India) Limited	32,83,074	71,30,817
5	<b>Receiving of services</b>		
	Satra Property Development Private Limited	1,20,19,090	22,20,401
	Praful N. Satra	62,85,417	60,26,988
6	<b>Directors remuneration</b>		
	Tukaram K. Patil	12,00,000	12,00,000
	Praful N. Satra	42,00,000	42,00,000
7	<b>Advance given for property</b>		
	Satra Properties (India) Limited	-	75,00,000
	Satra Realty and Builders Limited	-	1,43,50,000
8	<b>Advance received for property</b>		
	Satra Property Development Private Limited	-	37,25,000
9	<b>Salary expenses</b>		
	Vrutika Satra	5,85,000	5,40,000
10	<b>Investments in equity shares of company</b>		
	Satra Realty and Builders Limited	-	50,00,000
11	<b>Expenditure incurred on behalf of Company</b>		
	Satra Property Development Private Limited	-	2,00,000



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# Satra Property Developers Private Limited

## Notes to the financial statements (continued)

for the year ended 31 March 2015

(Currency: Indian Rupees)

### (c) Disclosure of material transactions between the company and related parties and the status of outstanding balances (Continued):

Sr. No.	Nature of Transaction	Total	
		2015	2014
<b>(B)</b>	<b>Outstanding balances receivable:</b>		
<b>1</b>	<b>Loans including net interest</b>		
	Satra Realty and Builders Limited	16,89,73,346	13,74,64,657
<b>2</b>	<b>Deposits</b>		
	Praful N. Satra	11,50,000	11,50,000
<b>(C)</b>	<b>Outstanding balances payables:</b>		
<b>1</b>	<b>Loans including net interest</b>		
	Satra Property Development Private Limited	-	88,11,296
	Satra Properties (India) Limited	11,51,15,340	1,59,40,575
<b>2</b>	<b>Remuneration payable</b>		
	Tukaram Patil	45,800	66,800
	Praful N. Satra	3,00,000	2,00,000
<b>3</b>	<b>Sundry creditors</b>		
	Praful N. Satra	20,08,668	18,14,639
	Satra Property Development Private Limited	1,17,78,708	21,75,993

### 37. Leases

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

#### Operating lease

(a) The Company has taken commercial properties on cancellable operating lease.

	2015	2014
Payment of lease rentals under cancellable leases during the year	72,63,836	66,87,990

(b) The lease agreement does not provide for renewal of lease period at the end of lease. There are no exceptional / restrictive covenants in the lease agreements.





# Satra Property Developers Private Limited

## Notes to the financial statements (continued)

for the year ended 31 March 2015

(Currency: Indian Rupees)

### 38. Earnings per share

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

Particulars	2015	2014
Net Profit / (Loss) after tax attributable to shareholders (Rs.)	(15,42,22,753)	73,52,547
Weighted average number of equity shares (Nos.)	1,46,03,900	1,46,03,900
Basic Earnings Per Share (Rs. per share)	(10.56)	0.50
Diluted Earnings Per Share (Rs. per share)	(10.56)	0.50
Nominal Value per equity share (Rs.)	10	10

### 39. Disclosure as per clause 32 of the listing agreement as it is subsidiary of listed company

Name of the Company	Balance as at 31 March		Maximum Outstanding during the year	
	2015	2014	2015	2014
(i) Details of loans and advances given to holding company				
A. Advances				
1. Satra Properties (India) Limited	-	-	-	75,00,000
(ii) Particulars of loans and advances to companies in which director(s) is a director or member.				
A. Loans				
1. Satra Realty and Builders Limited	16,89,73,346	13,74,64,657	16,89,73,346	13,74,64,657
2. RRB Realtors Private Limited	63,96,457	57,72,976	63,96,457	57,72,976
B. Advances				
1. Satra Realty and Builders Limited	-	-	-	1,43,50,000
(iii) Particulars of loans and advances where there is no repayment schedule.				
A. Loans				
1. Deepmala Infrastructure Private Limited	81,44,54,319	87,54,81,886	87,54,81,886	87,54,81,886



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# Satra Property Developers Private Limited

## Notes to the financial statements (*continued*)

for the year ended 31 March 2015

(Currency: Indian Rupees)

### 40. Transfer pricing

Transactions with related parties are governed by transfer pricing regulations of the Indian Income-tax Act, 1961. The aggregate value of specified domestic transactions entered into by the Company with related parties during the year ended 31 March 2014 did not cross the minimum limit prescribed for the application of transfer pricing regulations. Management continues to believe that the Company's transactions with related parties post March, 2013 as well as March, 2014 are at arm's length and that the transfer pricing legislation will not have any impact on the financial statements, particularly on the amount of tax expense and that of provision for taxation.

### 41. Prior year comparatives

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

Signature to notes 1 to 41 forming part of financial statements

As per our report and even date attached

**For GMJ & Co.**

Chartered Accountants

Firm Registration No. 103429W



**CA. Haridas Bhat**

Partner

Membership No. 39070



**For and on behalf of the Board of Directors of**

**Satra Property Developers Private Limited**



**Minaxi P. Satra**

Director



**Praful N. Satra**

Managing Director



**Tukaram K. Patil**

Chief Financial Officer

cum Whole Time Director



**Urmi C. Shah**

Company Secretary

Mumbai, 10 April 2015

Mumbai, 10 April 2015