

INDEPENDENT AUDITORS' REPORT**To****The Members of Satra Estate Development Private Limited****Report on the Financial Statements**

We have audited the accompanying financial statements of Satra Estate Development 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

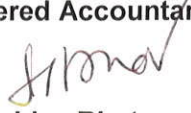
In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:-

- 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. (FR No. 103429W)
Chartered Accountants


CA Haridas Bhat
Partner
M. No. 039070



Mumbai
28th May, 2015

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT of Satra Estate Development 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

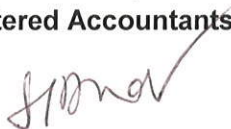
We report that

- i.
 - a) The Company does not have any fixed asset during the year, accordingly sub-clause (a) to (b) of clause 3 (i) of the order are not applicable.
- ii.
 - a) The Company does not have any inventory during the year ,accordingly sub-clause (a) to (c) of clause 3 (ii) of the order are not applicable
- iii. The Company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Act.
- 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 goods and services .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) Undisputed statutory dues including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, duty of customs, duty of excise, value added tax, cess and others as applicable have generally been regularly deposited with the appropriate authorities. There are no undisputed amounts payable in respect of aforesaid dues outstanding 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, No dues are payable to concerned authorities on account of dispute as at 31st March, 2015.
 - c) According to the information and explanations given to us, 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 has accumulated losses at the end of the financial year and has incurred cash loss during the financial year and in the immediately preceding financial year.
- ix. According to the information and explanations given to us the company has not defaulted in repayment of dues to a financial institution, bank or debenture holders.
- x. According to the information and explanations given to us, the Company has not given any guarantees for loan taken by others from banks or financial institutions.
- xi. According to the information and explanations given to us, Company has not raised any term loan during the year.
- 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. (FR No. 103429W)
Chartered Accountants



CA Haridas Bhat
Partner
M. No. 039070



Mumbai
28th May, 2015

Satra Estate Development Private Limited

Balance Sheet

as at 31 March, 2015

(Currency: Indian Rupees)

	Notes	2015	2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3	4,00,000	1,00,000
Reserves and surplus	4	(2,01,661)	(1,19,697)
		<u>1,98,339</u>	<u>(19,697)</u>
Current liabilities			
Short-term borrowings	5	2,00,000	1,02,00,000
Trade payables	6	14,638	11,236
Other current liabilities	7	19,825	-
		<u>2,34,463</u>	<u>1,02,11,236</u>
Total		<u><u>4,32,802</u></u>	<u><u>1,01,91,539</u></u>
ASSETS			
Current assets			
Short-term loans and advances	8	-	1,01,00,000
Cash and cash equivalents	9	4,32,802	91,539
		<u>4,32,802</u>	<u>1,01,91,539</u>
Total		<u><u>4,32,802</u></u>	<u><u>1,01,91,539</u></u>
Significant accounting policies	2		
Notes to the financial statements	3-24		

The notes referred to above form 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

Mumbai: 28 May 2015

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

Praful N. Satra
Director

Mumbai: 28 May 2015

Prasad Kamtekar
Whole Time Director



Satra Estate Development Private Limited

Statement of Profit and Loss

for the year ended 31 March, 2015

		(Currency: Indian Rupees)	
	Notes	2015	2014
Income			
Revenue from operation		-	-
Other income		-	-
Total revenue		-	-
Expenses			
Other expenses	10	62,139	13,957
Finance expenses	11	19,825	-
Total expenses		81,964	13,957
Profit / (loss) before tax		(81,964)	(13,957)
Tax expense			
Current tax		-	-
Deferred tax		-	-
Profit/ (loss) for the year		(81,964)	(13,957)
Earning per Equity Share:(in Rs.)			
Basic and diluted (Face value of Rs.10 per share)		(7.87)	(1.40)
Significant accounting policies	2		
Notes to the financial statements	3-24		

The notes referred to above form 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

Mumbai: 28 May 2015

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

Praful N. Satra

Director

Mumbai: 28 May 2015

Prasad Kamtekar

Whole Time Director



Satra Estate Development Private Limited

Cash Flow Statement

for the year ended 31 March, 2015

(Currency: Indian Rupees)

	2015	2014
Cash flow from operating activities		
Net profit/(loss) before taxation	(81,964)	(13,957)
Operating profit/(loss) before working capital changes	(81,964)	(13,957)
Adjustment for working capital changes:		
(Increase) / decrease in current assets	1,01,00,000	-
Increase / (decrease) in trade payables	3,402	-
Increase / (decrease) in current liabilities	19,825	(11,030)
	1,01,23,227	(11,030)
Cash flow generated from operations	1,00,41,263	(24,987)
Less: taxes paid	-	-
Net cash generated from / (used in) operating activities	A	(24,987)
Cash flows from investing activities		
Net cash (used) in investing activities	B	-
Cash flows from financing activities		
Equity shares issued	3,00,000	-
Proceeds from short term borrowings	17,00,000	1,02,00,000
Repayment of short term borrowings	(1,17,00,000)	(1,02,00,000)
Net cash flows from financing activities	C	-
Net increase/(decrease) in cash and cash equivalents	A+B+C	(24,987)
Cash and cash equivalents at the beginning of year	91,539	1,16,526
Cash and cash equivalents at the end of year	4,32,802	91,539
Cash and cash equivalents		
Balance with banks		
- in current accounts	3,84,634	83,272
Cash in hand	48,168	8,267
	4,32,802	91,539

Note:

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

As per our report of even date attached

For GMJ & Co.

Chartered Accountants

Firm Registration No.: 103429W

Haridas Bhat

CA. Haridas Bhat

Partner

Membership No.: 39070

Mumbai: 28 May 2015



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

Praful N. Satra

Praful N. Satra
Director

Prasad Kamtekar

Prasad Kamtekar
Whole Time Director

Mumbai: 28 May 2015



Satra Estate Development Private Limited

Notes to the financial statements for the year ended 31 March, 2015

(Currency: Indian Rupees)

1. Background:

The company was incorporated on October 23, 2007 as Satra Estate Development Private Limited and the company is a Wholly Owned Subsidiary of Satra Properties (India) Limited. The company is engaged in the business of real estate, construction and development.

2. Significant Accounting Policies:

2.1 Basis of preparation:

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 Schedule III to the Act requires assets and liabilities to be classified as either Current or Non-current.

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

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

All other assets are classified as non-current.

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

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

All other liabilities are classified as non-current.



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Satra Estate Development Private Limited

Notes to the financial statements for the year ended 31 March, 2015

(Currency: Indian Rupees)

2.3 Use of Estimates

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

2.4 Revenue Recognition:

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

2.5 Employee benefits

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

2.6 Taxation:

Tax on current income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the Income-tax Act, 1961.

Deferred tax for timing differences between tax profits and book profits is accounted for using the tax rates and laws that have been enacted or substantially enacted as at the Balance Sheet date. Deferred tax assets are recognized to the extent there is virtual certainty that these assets can be realized in future.

2.7 Impairment of assets:

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. The recoverable amount is the greater of the net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value based on an appropriate discount factor. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss. If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount subject to a maximum of depreciable historical cost.



Satra Estate Development Private Limited

Notes to the financial statements for the year ended 31 March, 2015

(Currency: Indian Rupees)

2.8 Earnings per share (EPS)

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

2.9 Provision and Contingent Liabilities:

Provision is recognized as present obligation for past event. When it is probable that an outflow of resources embodying benefit will be required to settle the obligation and reliable estimate can be made of the amount of the obligation.

Contingent liabilities, if any, are disclosed after a careful evaluation of facts and legal aspects of the matter involved.

2.10 Miscellaneous expenditure:

Preliminary expenses are written off in the period it is incurred.



Satra Estate Development Private Limited

Notes to the financial statements

as at 31 March, 2015

(Currency: Indian Rupees)

Note: 3

Share capital

	2015	2014
Authorised share capital		
40,000 (2014 : 10000) equity shares of Rs.10/- each	400,000	100,000
	<u>400,000</u>	<u>100,000</u>
Issued, subscribed and paid up capital		
40,000 (2014 : 10000) equity shares of Rs.10/- each, fully paid up	400,000	100,000
	<u>400,000</u>	<u>100,000</u>

1. Reconciliation of shares outstanding as at the beginning and at the end of the reporting period:

Equity Shares	31 March 2015		31 March 2014	
	Number of equity shares (units)	Amount	Number of equity shares (units)	Amount
Shares outstanding at the beginning of the year	10,000	100,000	10,000	100,000
Shares issued during the year	30,000	300,000	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	40,000	400,000	10,000	100,000

2. Rights, preferences and restrictions attached to shares

Equity shares :

The Company has only one class of equity shares having a face value of Rs 10 each. Each holder of equity share 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, if any is subject to the approval of the shareholders in the ensuing Annual General Meeting.

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

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

	Nature of relationship	2015	2014
Equity shares			
Satra Properties (India) Limited	Holding Company	40,000	10,000
Total no. of equity shares		40,000	10,000

4. Details of share holders holding more than 5% shares in the company

	2015		2014	
	No. of Shares	% of Holding	No. of Shares	% of Holding
Satra Properties (India) Limited	40,000	100	10,000	100



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Satra Estate Development Private Limited

Notes to the financial statements

as at March 31, 2015

(Currency: Indian Rupees)

	2015	2014
Note : 4		
Reserves and surplus		
<u>Deficit in the Statement of profit and loss</u>		
At the commencement of the year	(119,697)	(105,740)
Add: Net loss for the current year	(81,964)	(13,957)
Net deficit in the Statement of profit and loss	(201,661)	(119,697)
	(201,661)	(119,697)
Note : 5		
Short-term borrowings		
Loan from related party* [refer note 19]	200,000	10,200,000
	200,000	10,200,000
* Loans are repayable on demand		
Note : 6		
Trade payables		
Due to Micro, small & medium enterprises [refer note 15]	-	-
Other liabilities	14,638	11,236
	14,638	11,236
Note : 7		
Other current liabilities		
Other payables	1,983	-
Interest accrued and due on borrowing		
- Others	17,842	-
	19,825	-
Note : 8		
Short-term loans and advances		
(Unsecured and considered good)		
Other advances	-	10,100,000
	-	10,100,000
Note : 9		
Cash and cash equivalents		
Cash in hand	48,168	8,267
<u>Balance with Banks :</u>		
- in current accounts	384,634	83,272
	432,802	91,539
Note : 10		
Other expenses		
Advertisement expenses	25,000	-
Printing and stationary	1,780	-
Bank charges	3,876	286
Rates and taxes	1,500	435
Professional and legal fees	16,500	2,000
<u>Auditor's remuneration</u>		
Statutory audit fees (including service tax)	13,483	11,236
	62,139	13,957
Note : 11		
Finance expenses		
Interest on loan	19,825	-
	19,825	-



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Satra Estate Development Private Limited

Notes to the financial statements for the year ended 31 March, 2015

(Currency: Indian Rupees)

12. In the opinion of the Directors there were no contingent liabilities as at the Balance Sheet date.
13. 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.
14. 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.
15. There are no Micro, Small and Medium Enterprises, as defined in the Micro, Small and Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.

16. Other matters

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.

17. Employee benefits:

As the Company did not have any employees, provision towards gratuity or leave encashment or similar employee benefits is Rs. NIL.

18. Segment reporting

The Company is operating in the real estate and construction industry. Further during the year there were no sales of goods or services. Therefore, the Company has only one reportable business segment, which is real estate development and only one reportable geographical segment. Accordingly, these financial statements are reflective of the information required by the Accounting Standard 17 on "Segment reporting".

19. Related Party Disclosures:

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

a) List of related parties:

Holding Company

Satra Properties (India) Limited

Fellow Subsidiary Company

Satra Property Developers Private Limited

Satra Buildcon Private Limited

Satra Infrastructure and Land Developers Private Limited

Satra Lifestyles Private Limited

Satra International Realtors Limited, UAE



Satra Estate Development Private Limited

Notes to the financial statements for the year ended 31 March, 2015

(Currency: Indian Rupees)

Key Management Personnel:

Mr. Praful N Satra, Director

Mrs. Minaxi P. Satra, Director

Mr. Rajan P. Shah, Director

b) Transactions with related party :

Sr. No.	Nature of Transaction	2015	2014
1	Loan taken Praful N. Satra Satra Properties (India) Limited	- 17,00,000	1,02,00,000 Nil
2	Interest expenses Satra Properties (India) Limited	19,825	-
3	Equity shares issued Satra Properties (India) Limited	3,00,000	-
1	Outstanding balance payable Loans payable including net interest Praful N. Satra Satra Properties (India) Limited	1,00,000 1,17,842	1,02,00,000 -

20. Leases:

The company has not taken any asset on lease.

21. Earnings per share :

For the purpose of calculation of Basic and Diluted Earnings per Share, the following amounts are considered.

Particulars	2015	2014
Basic and diluted earnings per share		
Net profit after tax attributable to equity shareholders (A)	(81,964)	(13,957)
Number of equity shares at the beginning of the year	10,000	10,000
Number of equity shares outstanding at the end of the year (B)	40,000	10,000
Weighted average number of equity shares outstanding during the year (based on date of issue of shares) (C)	10,411	10,000
Basic and diluted earnings (in rupees) per share of face value Rs 2 (A)/(C)	(7.87)	(1.40)

22. Deferred tax asset (net of deferred tax liability) on account of business loss is not recognized in view of prudent accounting policy.

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



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Satra Estate Development Private Limited

Notes to the financial statements for the year ended 31 March, 2015

(Currency: Indian Rupees)

24. Prior year comparatives

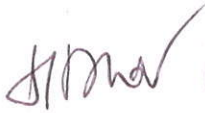
Previous year's figures have been regrouped / reclassified wherever necessary, to conform to current years classification.

As per our report of even date attached

For GMJ & Co.

Chartered Accountants

Firm Registration No.: 103429W



CA. Haridas Bhat

Partner

Membership No.: 39070

Mumbai: 28 May, 2015



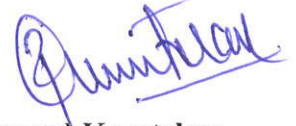
**For and on behalf of the Board of Directors of
Satra Estate Development Private Limited**



Praful N. Satra

Director

Mumbai: 28 May, 2015



Prasad Kamtekar

Whole Time Director

