

Independent Auditor's Report

To the Board of Directors of

M/s. Satra Properties (India) Limited,

Report in connection with Agreed upon procedures assignment related to Translation of Financial Statements of "M/s. Satra International Realtors Limited"

We have performed the procedures agreed with you enumerated below with respect to translation and reformatting of the accompanying Balance Sheet of "M/s. Satra International Realtors Limited" ("The Company") as at 31st March, 2015, the statement of Profit and Loss and also the Cash Flow Statement of the Company for the year ended on that date (Collectively referred to as "the Financial Statements"). Our engagement was undertaken in accordance with the Standards on Related Services on Engagements to perform Agreed upon procedures regarding financial information, issued by The Institute of Chartered Accountants Of India. In performing the procedures, we have relied upon the Financial Statements (In AED- Arab Emirates Dirhams) originally audited by the statutory auditors of the Company.

Management's Responsibility on Financial Statements

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

Summary of Basis of Translation:

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

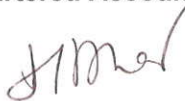
Auditors' Responsibility

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



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

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



CA Haridas Bhat
Partner
M. No. 039070



Mumbai, 28th May, 2015

Satra International Realtors Limited

Balance Sheet

as at 31 March 2015

Particulars	Notes	(Currency: INR)	(Currency: AED)	(Currency: INR)	(Currency: AED)
		March 31, 2015	March 31, 2015	March 31, 2014	March 31, 2014
EQUITY AND LIABILITIES					
SHARE HOLDERS' FUND					
Share capital	3	1,17,11,600	10,00,000	1,17,11,600	10,00,000
Reserve and surplus	4	(15,22,70,349)	(43,18,967)	(14,85,60,739)	(56,35,205)
		(14,05,58,749)	(33,18,967)	(13,68,49,139)	(46,35,205)
CURRENT LIABILITIES					
Short-term borrowings	5	33,86,74,158	1,98,96,495	33,46,56,081	2,05,75,103
Trade payables		1,27,664	7,500	1,21,988	7,500
Other current liabilities	6	23,92,23,252	1,40,53,934	23,92,23,252	1,47,07,764
		57,80,25,074	3,39,57,929	57,40,01,321	3,52,90,367
	TOTAL	43,74,66,325	3,06,38,962	43,71,52,182	3,06,55,162
ASSETS					
CURRENT ASSETS					
Inventories	7	42,44,72,496	2,98,75,598	42,44,72,496	2,98,75,598
Cash and bank balance	8	14,59,500	85,743	16,58,113	1,01,943
Loans and advances	9	1,15,34,329	6,77,621	1,10,21,573	6,77,621
		43,74,66,325	3,06,38,962	43,71,52,182	3,06,55,162
	TOTAL	43,74,66,325	3,06,38,962	43,71,52,182	3,06,55,162
Significant accounting policies	2				
Notes to the financial statements	3-15				

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

As per our report of even date attached

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

Haridas Bhat
Partner
Membership No. 39070

Mumbai, 28 May, 2015



For Satra International Realtors Limited

Praful N. Satra
Director

Mumbai, 28 May, 2015



Satra International Realtors Limited

Statement of Profit and Loss

for the year ended 31 March 2015

Particulars	Notes	(Currency: INR)	(Currency: AED)	(Currency: INR)	(Currency: AED)
		March 31, 2015	March 31, 2015	March 31, 2014	March 31, 2014
INCOME					
Foreign exchange fluctuation		-	13,32,438	-	30,11,280
		-	13,32,438	-	30,11,280
EXPENSES					
Administrative expenses	10	2,67,523	16,100	2,55,084	15,500
Financial expenses		1,662	100	4,937	300
Foreign exchange fluctuation		34,40,425	-	61,74,927	-
		37,09,610	16,200	64,34,948	15,800
Net Profit / (Loss) Before Tax		(37,09,610)	13,16,238	(64,34,948)	29,95,480
Tax Expense					
Current tax		-	-	-	-
Prior year charge		-	-	-	-
Profit (Loss) for the year		(37,09,610)	13,16,238	(64,34,948)	29,95,480
Basic/ Diluted EPS		(37,096)	13,162	(64,349)	29,955
Significant accounting policies	2				
Notes to the financial statements	3-15				

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

As per our report of even date attached

For GMJ & Co.

Chartered Accountants

Firm Registration No. 103429W

Haridas Bhat

Partner

Membership No. 39070

Mumbai, 28 May, 2015



For Satra International Realtors Limited

Praful N. Satra

Director

Mumbai, 28 May, 2015



Satra International Realtors Limited

Cash Flow Statement

for the year ended 31 March 2015

Particulars	(Currency: INR)		(Currency: AED)	
	March 31, 2015	March 31, 2015	March 31, 2014	March 31, 2014
Cash flow from operating activities				
Net profit/(loss) before taxation	(37,09,610)	13,16,238	(64,34,948)	29,95,480
Adjustment for :				
Net foreign exchange fluctuation	34,40,425	(13,32,438)	61,74,927	(32,95,067)
Financial charges	1,662	100	4,937	300
Operating profit/(loss) before working capital changes	(2,67,523)	(16,100)	(2,55,084)	(2,99,287)
Increase / Decrease in Working Capital				
(Increase) / decrease Loans and advances	(5,12,756)	-	(8,78,153)	8,000
Increase / (decrease) Current liabilities and provisions	5,675	-	(46,59,754)	-
Net cash generated from / (used in) Operating activities	A	(7,74,604)	(16,100)	(57,92,991)
Cash flows from Investing activities	B	-	-	-
Cash flows from Financing activities				
Proceeds from short term borrowings	40,18,077	-	1,20,40,113	2,86,000
Foreign exchange fluctuation	(34,40,425)		(61,74,927)	
Financial charges	(1,662)	(100)	(4,937)	(300)
Net Cash from Financing activities	C	5,75,990	(100)	58,60,249
Net increase / (decrease) in cash and cash equivalents	A+B+C	(1,98,614)	(16,200)	67,258
Cash and cash equivalents at the beginning of period		16,58,113	1,01,943	15,90,855
Cash and cash equivalents at the end of period		14,59,500	85,743	16,58,113
Cash and cash equivalents				
Balance with Banks				
- in current accounts	8,84,163	51,943	8,46,485	52,043
cash on hand	5,75,337	33,800	8,11,628	49,900
	14,59,500	85,743	16,58,113	1,01,943

Note:

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

As per our report of even date attached

For GMJ & Co.

Chartered Accountants

Firm Registration No. 103429W

Haridas Bhat

Partner

Membership No. 39070

Mumbai, 28 May, 2015



For Satra International Realtors Limited

Praful N. Satra
Director

Mumbai, 28 May, 2015



Satra International Realtors Limited

Notes to the financial statement (*Continued*)

for the period ended 31 March 2015

(Currency: Indian Rupees)

1. Background:

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

2. Significant Accounting Policies:

2.1 Basis of preparation:

- i. The financial statements are prepared in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on accrual basis. GAAP comprises mandatory accounting standards as prescribed u/s 133 of Companies Act, 2013 (the Act) read with rule 7 of the Companies (Accounts) Rules, 2014, the provision of the Act (to the extent notified). Accounting policies have been consistently applied except where a newly issued accounting standards is initially adopted or a revision to an existing accounting standards requires a change in the accounting policies hitherto in use.
- ii. The local accounts are maintained in local and functional currency, which is Arab Emirates Dirhams ('AED'). The accounts are translated to Indian Rupees as follows -
 - a. All income and expenses are translated at the average rate of exchange prevailing during the year.
 - b. Foreign currency monetary items are reported at the Balance Sheet Date using the closing rate. However, in certain circumstances, the closing rate may not reflect with reasonable accuracy the amount in reporting currency that is likely to be realized from, or required to disburse, a foreign currency monetary item at the Balance Sheet date. In such circumstances, the relevant monetary item has been reported in the reporting currency at the amount which is likely to be realized from, or required to disburse, such item at the Balance Sheet date.
 - c. Non- monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.
 - d. Non- monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rate that existed when the values were determined.
 - e. The resulting exchange difference is recognized in the Statement of profit and loss.

2.2 Current / Non-current classification

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

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

- (a) it is expected to be realised in, or is intended for sale or consumption in, the entity's normal operating cycle;



Satra International Realtors Limited

Notes to the financial statement (*Continued*)
for the period ended 31 March 2015

(Currency: Indian Rupees)

- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realised within twelve months after the balance sheet date; or
- (d) it is cash or a cash equivalent unless it is restricted from being exchanged or used to settle a liability for atleast twelve months after the balance sheet date.

All other assets are classified as non-current.

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

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

All other liabilities are classified as non-current.

2.3 Use of Estimates:

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

2.4 Inventories:

Inventories are valued at lower of cost or net realizable value. Cost is determined on the first in first out basis. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale. Construction work-in-progress includes cost of land, interest and expenses incidental to the projects undertaken by the Company.

2.5 Revenue Recognition:

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

2.6 Foreign Currency transaction:

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

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date, the resultant exchange differences are recognized in the statement of profit and loss.



Satra International Realtors Limited

Notes to the financial statement (*Continued*)
for the period ended 31 March 2015

(Currency: Indian Rupees)

2.7 **Borrowing Cost:**

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

2.8 **Provision and Contingent Liabilities:**

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

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

2.9 **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.



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as at 31 March 2015

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

Equity shares	31 March 2015		31 March 2014	
	Number of equity share (units)	Amount	Number of equity share (units)	Amount
Number of equity shares at the beginning of the year	100	10,00,000	100	10,00,000
Add: issued during the year		-		-
Number of equity shares at the end of the year	100	10,00,000	100	10,00,000

Particulars	Nature of Relationship	31 March 2015		31 March 2014	
		No. of Shares held	Amount	No. of Shares held	Amount
Equity Shares Satra Properties (India) Limited	Holding Company	100	10,00,000	100	10,00,000
Total No. of Equity Shares		100	10,00,000	100	10,00,000

Name of shareholder	31 March 2015		31 March 2014	
	Number of equity shares held	% of Holding	Number of equity shares held	% of Holding
Satra Properties (India) Limited	100	100	100	100



Satra International Realtors Limited

Notes to the financial statements (Continued)

as at 31 March 2015

Particulars	(Currency: INR)	(Currency: AED)	(Currency: INR)	(Currency: AED)
	March 31, 2015	March 31, 2015	March 31, 2014	March 31, 2014
4 : RESERVES AND SURPLUS				
<u>Deficit in the Statement of profit and loss</u>				
At the commencement of the year	(14,85,60,739)	(56,35,205)	(14,21,25,791)	(86,30,685)
Add: Net profit / (loss) for the current year	(37,09,610)	13,16,238	(64,34,948)	29,95,480
Net deficit in the Statement of profit and loss	(15,22,70,349)	(43,18,967)	(14,85,60,739)	(56,35,205)
5 : SHORT TERM BORROWINGS				
Loans repayable on demand				
-loans from related party (refer note 13)	24,82,88,400	1,45,86,495	24,82,88,400	1,52,65,103
-inter corporate loans	7,50,66,138	44,10,000	7,17,29,091	44,10,000
-others	1,53,19,620	9,00,000	1,46,38,590	9,00,000
Total	33,86,74,158	1,98,96,495	33,46,56,081	2,05,75,103
6 : OTHER CURRENT LIABILITIES				
Interest accrued and due				
-From related party (refer note 13)	23,92,23,252	1,40,53,934	23,92,23,252	1,47,07,764
Total	23,92,23,252	1,40,53,934	23,92,23,252	1,47,07,764
7 : INVENTORIES				
Land under development	37,42,43,413	2,63,40,330	37,42,43,413	2,63,40,330
Interest capitalised	5,02,29,083	35,35,268	5,02,29,083	35,35,268
Total	42,44,72,496	2,98,75,598	42,44,72,496	2,98,75,598
8 : CASH AND BANK BALANCE				
Cash in hand	5,75,337	33,800	8,11,628	49,900
Balance in current account	8,84,163	51,943	8,46,485	52,043
Total	14,59,500	85,743	16,58,113	1,01,943
9 : LOANS AND ADVANCES				
<i>(Unsecured and considered good)</i>				
Advance for property	95,76,822	5,62,621	91,51,087	5,62,621
Advance to vendor	19,57,507	1,15,000	18,70,486	1,15,000
Total	1,15,34,329	6,77,621	1,10,21,573	6,77,621
10 : ADMINISTRATIVE EXPENSES				
License and registration cost	1,42,900	8,600	1,31,656	8,000
<u>Auditor's remuneration</u>				
Statutory audit fees	1,24,623	7,500	1,23,428	7,500
Total	2,67,523	16,100	2,55,084	15,500



Satra International Realtors Limited

Notes to the financial statement (Continued)

for the period ended 31 March 2015

(Currency: Indian Rupees)

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

12. Segment reporting

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

13. Related party disclosure

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

a) List of related parties :

I. Holding company:

1. Satra Properties (India) Limited

II. Fellow subsidiaries:

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

III. Key managerial personnel

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

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

Sr. No.	Nature of Transaction	2015 (Rupees)	2015 (AED)	2014 (Rupees)	2014 (AED)
1.	Outstanding balance payable Satra Properties (India) Limited	48,75,11,652	2,86,40,429	48,75,11,652	2,99,72,867



Satra International Realtors Limited

Notes to the financial statement (*Continued*)
for the period ended 31 March 2015

(Currency: Indian Rupees)

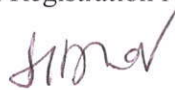
14. Earnings per Share:

Particulars	31.03.2015 (Rupees)	31.03.2015 (AED)	31.03.2014 (Rupees)	31.03.2014 (AED)
Net Profit / (Loss) after Tax attributable to equity shareholders	(37,09,610)	13,16,238	(64,34,947)	29,95,480
Weighted average number of Equity Shares outstanding during the year (based on date of issue of shares)	100	100	100	100
Nominal Value of Equity Share in AED	10,000	10,000	10,000	10,000
Basic and diluted earnings per share	(37,096)	13,162	(64,349)	29,955

15. The information contained in these financial statements for the year ended 31 March, 2015 disclosed in AED extracted from books of account locally maintained and converted into Indian Rupees as disclosed under 'Basis of preparation' stated above.


As per our report of even date attached

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


Haridas Bhat
Partner
Membership No.: 39070
Mumbai, 28 May 2015



For Satra International Realtors Limited


Praful N. Satra
Director

Mumbai, 28 May 2015

