

Shrachi Realty Private Limited

Financial statements
together with Auditors' Report
for the year ended 31 March 2015

Shrachi Realty Private Limited

Financial statements together with Independent Auditors' Report

for the year ended 31 March 2015

<i>Contents</i>	<i>Pages</i>
Auditors' Report	3 – 8
Balance sheet	9
Statement of profit and loss	10
Cash flow statement	11 – 12
Notes to the financial statements	13 - 38

B S R & Co. LLP

Chartered Accountants

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Independent Auditors' Report

To the Members of Shrachi Realty Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Shrachi Realty Private Limited ("the Company") which comprise the Balance Sheet as at 31 March 2015, the Statement of Profit and Loss and the 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

The Company's Board of Directors 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 principles generally accepted in India, including the Accounting Standards specified under 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 judgements 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 thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.



B S R & Co. (a partnership firm with Registration No. BA81223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

Registered Office:
1st Floor, Lodha Excelus
Apollo Mills Compound
N.M. Joshi Marg, Mahalakshmi
Mumbai - 400 011

Shrachi Realty Private Limited
Independent Auditors' Report (continued)

An audit involves performing procedures to obtain audit evidence about the amounts and the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2015, and its loss and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 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 it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss, and the 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.



B S R & Co. LLP

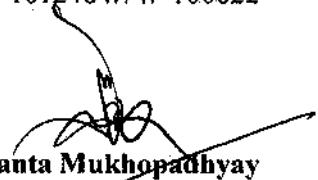
Shrachi Realty Private Limited
Independent Auditors' Report (continued)

- e. On the basis of the written representation received from the directors as on 31 March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2015 from being appointed as a director in terms of Section 164 (2) of the Act.
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - refer note 4(b) to the financial statements;
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022



Place: Kolkata
Date: 23 September 2015


Jayanta Mukhopadhyay
Partner
Membership No: 055757

Shrachi Realty Private Limited

Annexure to the Independent Auditors' Report – 31 March 2015

(Referred to in our report of even date)

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified annually. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed upon such verification.
- (ii) (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of the verification is reasonable.
- (b) The procedures for the physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and nature of its business.
- (c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and book records were not material.
- (iii) (a) The Company has granted unsecured loans to three companies covered in the register maintained under Section 189 of the Act. These unsecured loans are repayable on demand. According to the information and explanations given to us, the loan and interest demanded during the year by the Company have been repaid. The Company has not granted any loans to firms or parties covered in the register maintained under section 189 of the Act.
- (b) There are no overdue amount of more than rupees one lakh in respect of the unsecured loans granted to the companies 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 regards to the purchase of inventory and fixed assets and sale of goods. The activities of the Company currently do not involve any sale of services. Accordingly, paragraph 3(iv) of the Order with respect to sale of services is not applicable to the Company. In our opinion and according to the information and explanations given to us, there is no continuing failure to correct any major weakness in the internal control system of the Company.
- (v) The Company has not accepted any deposits from the public during the year.
- (vi) The Central Government of India has not specified the maintenance of cost records under section 148(1) of the Act.



Shrachi Realty Private Limited

Annexure to the Independent Auditors' Report – 31 March 2015 (continued)

- (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 employees' state insurance, income-tax, service tax, cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities though there were slight delays in a few cases of income tax. As explained to us, the Company did not have any dues on account of provident fund, sales tax, wealth tax, duty of customs, duty of excise and value added tax.

According to the information and explanations given to us, no undisputed amounts is payable in respect of employees' state insurance, income-tax, service tax, cess 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, there are no dues of service tax and cess which have not been deposited with the appropriate authorities on account of any dispute, except in respect of income tax as detailed below.

Name of statute	Nature of dues	Amount Demanded (Rs.)	Amount Unpaid (Rs.)	Period to which the amount relates	Forum where dispute is pending
Income Tax Act, 1961	Income tax disallowances	3,394,750	3,394,750	2009-10	Commissioner of Income Tax (Appeals), Kolkata

- (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 by the Company in accordance with the relevant provision of the Companies Act, 1956 (1 of 1956) and rules made thereunder.
- (viii) The Company does not have any accumulated losses at the end of the financial year and has not incurred cash losses in the immediately preceding financial year. However, the Company has incurred cash losses during the current year.
- (ix) The Company did not have any outstanding dues to debenture holders and financial institutions. However, the Company has defaulted in repayment of dues to a bank. A principal repayment installment of Rs 75,000,000 which was due on 31 March 2015 was partially repaid by Rs 6,410,328 on 23 September 2015 and interest of Rs 3,877,607 which was due on 31 March 2015, was repaid in full on 28 May 2015.
- (x) In our opinion and according to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.



B S R & Co. LLP

Shrachi Realty Private Limited

Annexure to the Independent Auditors' Report – 31 March 2015 (continued)

- (xi) In our opinion and according to the information and explanations given to us, term loans raised by the Company were applied for the purpose for which the loans were obtained.
- (xii) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the year.

For **B S R & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

Place: Kolkata
Date: 23 September 2015




Jayanta Mukhopadhyay
Partner
Membership No.: 055757

Shrachi Realty Private Limited

Balance Sheet

as at 31 March 2015

(Currency : Indian rupees)

	Note	2015	2014
EQUITY AND LIABILITIES			
Shareholders' funds			
Share capital	3.1	5,039,000	5,039,000
Reserves and surplus	3.2	493,311,396	520,760,338
		<u>498,350,396</u>	<u>525,799,338</u>
Non-current liabilities			
Long-term borrowings	3.3	-	348,568
Long-term provisions	3.4	-	372,836
		-	<u>721,404</u>
Current liabilities			
Short-term borrowings	3.5	292,522,888	269,821,578
Trade payables	3.6	-	-
- Total outstanding dues of micro enterprises and small enterprises		-	-
- Total outstanding dues of creditors other than micro enterprises and small enterprises		21,109,448	11,297,698
Other current liabilities	3.7	174,842,576	117,073,333
Short-term provisions	3.8	937,787	644,401
		<u>489,412,699</u>	<u>398,837,010</u>
TOTAL		<u><u>987,763,095</u></u>	<u><u>925,357,752</u></u>
ASSETS			
Non-current assets			
Fixed assets			
- Tangible assets	3.9	5,148,412	6,805,453
Non-current investments	3.10	195,775,320	195,775,320
Deferred tax assets	3.11	-	-
Long-term loans and advances	3.12	5,399,671	4,601,608
		<u>206,323,403</u>	<u>207,182,381</u>
Current assets			
Inventories	3.13	417,508,557	336,698,581
Cash and bank balances	3.14	11,490,508	26,000,429
Short-term loans and advances	3.15	347,232,827	343,571,197
Other current assets	3.16	5,207,800	11,905,364
		<u>781,439,692</u>	<u>718,175,371</u>
TOTAL		<u><u>987,763,095</u></u>	<u><u>925,357,752</u></u>

Significant accounting policies

2

Notes to the financial statements

3 and 4


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

As per our report of even date attached.

For BSR & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022


Jayanta Mukhopadhyay
Partner
Membership No: 055757

Place: Kolkata
Date: 23 September 2015

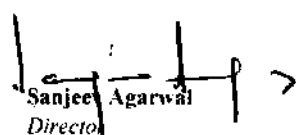
For and on behalf of the Board of Directors of

Shrachi Realty Private Limited

CIN - U70101EB2007PTC117468


Rahul Todi
Director
DIN : 00080441

Place: Kolkata
Date: 23 September 2015


Sanjeev Agarwal
Director
DIN : 00080755

Shrachi Realty Private Limited

Statement of Profit and Loss

for the year ended 31 March 2015


(Currency : Indian rupees)

	Note	2015	2014
Revenue from operations	3.17	499,970	-
Other income	3.18	36,642,913	72,015,686
Total revenue		37,142,883	72,015,686
Expenses			
Construction costs	3.19	83,223,380	14,634,407
(Increase) in inventories of project work-in-progress	3.20	(80,810,176)	(14,634,407)
Employee benefits	3.21	6,885,458	7,162,688
Finance costs	3.22	43,808,248	44,215,618
Depreciation	3.9	831,570	820,025
Other expenses	3.23	10,653,345	5,960,137
Total expenses		64,591,825	58,158,468
(Loss) / Profit before tax		(27,448,942)	13,857,218
Income tax expense		-	-
(Loss) / Profit for the year		(27,448,942)	13,857,218
(Loss) / Earnings per equity share	4(a)		
Basic and diluted		(54.47)	27.50
[nominal value share Rs 10 (2014: Rs 10)]			
Significant accounting policies	2		
Notes to the financial statements	3 and 4		

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

As per our report of even date attached.

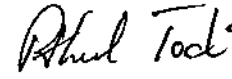
For **BSR & Co. LLP**
Chartered Accountants
Firm's Registration No: 101248W/W-100022

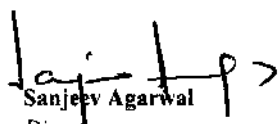

Jayanta Mukhopadhyay
Partner
Membership No: 055757

Place: Kolkata
Date: 23 September 2015



For and on behalf of the Board of Directors of
Shrachi Realty Private Limited
CIN - U70101EB2007PTC117468


Rahul Todi
Director
DIN : 00080441


Sanjeev Agarwal
Director
DIN : 00080755

Place: Kolkata
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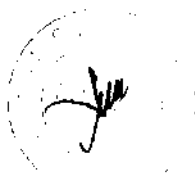
Shrachi Realty Private Limited

Cash Flow Statement

for the year ended 31 March 2015

(Currency: Indian rupees)

	2015	2014
A Cash flow from operating activities		
(Loss)/ Profit before tax	(27,448,942)	13,857,218
Adjustments for:		
Depreciation	831,570	820,025
Interest expenses	43,808,248	44,215,618
Interest income	(5,972,107)	(13,222,887)
Dividend income	(23,565,000)	(31,725,000)
Advances written off	-	879
(Profit) on sale of current investment (mutual funds)	(67,552)	(95,438)
Income from compensation on transfer of rights	(6,467,005)	(26,972,361)
Unspent liabilities no longer required written back	(571,249)	
Operating cash flows before working capital changes	(19,452,037)	(13,121,946)
Changes in working capital		
Increase/ (Decrease) in trade payables	9,811,750	(1,024,380)
(Decrease) / Increase in long-term provisions	(372,836)	147,359
Increase/ (Decrease) in short-term provisions	293,386	(28,523)
Increase/ (Decrease) in other current liabilities	58,034,313	(84,589,233)
Decrease in short-term loans and advances	20,260,797	34,445,820
(Increase) in inventories - project work in progress	(79,984,705)	(13,257,658)
Cash flows (used in) operations	(11,409,332)	(77,428,561)
Direct taxes paid (net)	(798,063)	(1,891,427)
Net cash flows (used in) operating activities (A)	(12,207,395)	(79,319,988)
B Cash flow from investing activities		
Purchase of fixed assets	-	(32,862)
Investment in flats (net of transfer of rights)	(17,455,422)	569,347
Proceeds from maturity of fixed deposits	-	322,000
Dividend received	23,565,000	31,725,000
Investments made in mutual fund	(11,000,000)	(15,000,000)
Proceeds from sale of investments in mutual fund	11,067,552	15,095,438
Proceeds from disposal of non current investment	-	2,000
Interest received	12,669,671	23,436,069
Net cash flows generated from investing activities (B)	18,846,801	56,116,992



Shrachi Realty Private Limited

Cash Flow Statement (Continued)

for the year ended 31 March 2015

(Currency: Indian rupees)

	2015	2014
C Cash flow from financing activities		
Proceeds from short- term borrowings	67,525,086	75,000.000
Repayment of short- term borrowings	(44,823,776)	(30,178.422)
Repayment of long- term borrowings (vehicle loan)	(552,375)	(598.744)
Interest paid	(43,298,262)	(43,819.736)
Net cash flows (used in) / generated from financing activities (C)	(21,149,327)	403.098
Net (decrease) in cash and cash equivalents (A+B+C)	(14,509,921)	(22,799.898)
Cash and cash equivalents at the beginning of year	26,000,429	48,800.327
Cash and cash equivalents at the end of year	11,490,508	26,000.429

Notes:

1. The Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard -3 ('AS-3') on Cash Flow Statement issued by the Companies (Accounting Standards) Rules, 2006.
2. Comparative figures of the previous year have been regrouped where necessary to conform with those of current year.

3. Components of cash and cash equivalents:

Cash on hand	25,466	12,804
Cheques in hand	1,250,000	-
Bank balances with scheduled banks		
- on current accounts	10,215,042	25,987.625
	11,490,508	26,000.429

4. Reconciliation of cash and cash equivalents:

Cash and bank balances (refer note 3.14)	11,490,508	26,000.429
Cash and cash equivalents for the cash flow statement	11,490,508	26,000.429

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

As per our report of even date attached.

For BSR & Co. LLP

Chartered Accountants

Firm's Registration No: 101248W/W-100022



Jayanta Mukhopadhyay

Partner

Membership No: 055757

Place: Kolkata

Date: 23 September 2015

For and on behalf of the Board of Directors of

Shrachi Realty Private Limited

CIN - U70101EB2007PTC117468




Rahul Todi

Director

DIN : 00080441

Place: Kolkata

Date: 23 September 2015



Sanjeev Agarwal

Director

DIN : 00080755

Shrachi Realty Private Limited

Notes to the financial statements

for the year ended 31 March 2015

(Currency: Indian rupees)

1 Company overview

Shrachi Realty Private Limited (the 'Company') was incorporated on 26 July 2007. The Company is a subsidiary of Shrachi Developers Private Limited. The Company is engaged in the business of construction, development, sale, management, and operation of all or any part of Real Estate Projects.

2 Significant accounting policies

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

2.1 Basis of preparation of financial statements

The financial statements have been prepared and presented under the historical cost convention, on the accrual basis of accounting in accordance with the Generally Accepted Accounting Principles in India ('Indian GAAP') and comply with the Accounting Standards prescribed in the Companies (Accounting Standards) Rules, 2006 which continue to apply under Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014 and other relevant provisions of the Companies Act, 2013, to the extent notified. The financial statements are presented in Indian rupees.

2.2 Use of estimates

The preparation of financial statements in conformity with Indian 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. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

2.3 Current –non-current classification

All assets and liabilities are classified into current and non-current.

Assets

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

- (a) it is expected to be realised in the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is expected to be realised within 12 months after the reporting date; or
- (d) it is cash or cash equivalent unless it is restricted from being exchanged or used to settle a liability for at least 12 months after the reporting date.

Current assets include the current portion of non-current financial assets.

All other assets are classified as non-current.



Shrachi Realty Private Limited

Notes to the financial statements

for the year ended 31 March 2015

(Currency: Indian rupees)

2 Significant accounting policies (Continued)

2.3 Current – non-current classification (Continued)

Liabilities

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

- (a) it is expected to be settled in the company's normal operating cycle;
- (b) it is held primarily for the purpose of being traded;
- (c) it is due to be settled within 12 months after the reporting date; or
- (d) the company does not have an unconditional right to defer settlement of the liability for at least 12 months after the reporting date. Terms of a liability that could, at the option of the counterparty, result in its settlement by the issue of equity instruments do not affect its classification.

Current liabilities include current portion of non-current financial liabilities.

All other liabilities are classified as non-current.

2.4 Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. 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 36 months for the purpose of current – non-current classification of assets and liabilities for current project under development and 12 months for the other assets and liabilities.

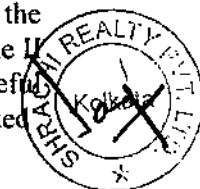
2.5 Fixed assets and depreciation

Tangible fixed 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.

Till 31 March 2014, depreciation was provided using the written down value method at the rates prescribed under Schedule XIV of the Companies Act, 1956, except in respect of the Building (site office) which is depreciated over a period of 7 years, which is higher than the rates prescribed under Schedule XIV of the Companies Act, 1956. Depreciation on addition/deletion of fixed asset made during the year is provided on pro-rata basis from / up to the date of each addition / deletion.

Pursuant to the Act being effective from 1 April 2014, the Company has revised the depreciation rates on fixed assets as per the useful life specified in Part 'C' of Schedule II of the Act. Depreciation is provided using the written down value method over the useful life as prescribed under Schedule II to the Act. Depreciation on addition/deletion of fixed



Shrachi Realty Private Limited

Notes to the financial statements (*Continued*)

for the year ended 31 March 2015

(Currency: Indian rupees)

2 Significant accounting policies (*Continued*)

2.5 Fixed assets and depreciation (*continued*)

asset made during the year is provided on pro-rata basis from / up to the date of each addition / deletion.

For class of assets categorised under building, based on internal assessment, the management believes that these assets have useful lives of 10 years, which is lower and different from the useful lives as prescribed under Part C of Schedule II of the Act.

Assets costing less than Rs 5,000 are fully depreciated in the year of acquisition.

Advance paid /expenditure incurred on acquisition /construction of fixed assets which are not ready for their intended use at each Balance Sheet date are disclosed under loans and advances as advances on capital account and capital work-in-progress respectively.

2.6 Impairment of assets

The assets of the Company are reviewed at each reporting date to determine if there is any indication of impairment. For assets in respect of which any such indication exists, the asset's recoverable amount is estimated. An impairment loss is recognised if the carrying amount of an asset exceeds its recoverable amount. For the purpose of impairment testing, assets are grouped together into the smallest group of assets (cash generating unit or CGU) that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or CGUs.

The recoverable amount of an asset or CGU is the greater of its value in use and its net selling price. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU.

Impairment losses are recognised 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 or has decreased, the assets or CGU's recoverable amount is estimated. For assets other than goodwill, the impairment loss is reversed to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised. Such a reversal is recognised in the Statement of Profit and Loss.

2.7 Operating leases

Assets acquired under leases other than finance leases are classified as operating leases. The total lease rentals (including scheduled rental increases) in respect of an asset taken on operating lease are charged to the Statement of Profit and Loss on a straight line basis over the lease term unless another systematic basis is more representative of the time pattern of the benefit. Initial direct costs incurred specifically for an operating lease are deferred and charged to the Statement of Profit and Loss over the lease term.



Shrachi Realty Private Limited

Notes to the financial statements (*Continued*)

for the year ended 31 March 2015

(Currency: Indian rupees)

2 Significant accounting policies (*Continued*)

2.8 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 realised 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 Act.

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. Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments.

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

2.9 Inventories

Direct expenses like cost of land, site labour cost, material used for project construction, 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 project work-in-progress.

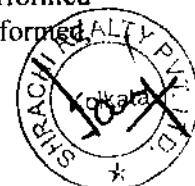
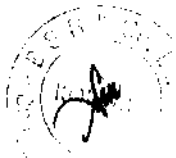
Inventories are valued at lower of cost or net realisable value; cost is determined on the weighted average method. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

2.10 Borrowing costs

Borrowing costs incurred in relation to the acquisition / construction of project property is included in inventory till the date the construction of the property is completed. Borrowing costs incurred during the construction period which are not related to the construction activity nor are incidental thereto, are charged to the Statement of Profit and Loss.

2.11 Revenue recognition

Revenue from sale of property in the course of ordinary activities is recognised when property in the goods or all significant risks and rewards of their ownership are transferred to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the property and regarding its collection. However if, at the time of transfer substantial acts are yet to be performed under the contract, revenue is recognised on proportionate basis as the acts are performed i.e., on the percentage of completion basis.



Shrachi Realty Private Limited

Notes to the financial statements (*Continued*)

for the year ended 31 March 2015

(Currency: Indian rupees)

2 Significant accounting policies (*Continued*)

2.11 Revenue recognition (*continued*)

The amount recognised as revenue is exclusive of sales tax, value added taxes (VAT) and service tax.

Dividend income is recognised when the right to receive the payment is established.

Interest income is recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.

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 recognised 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 recognised in the Statement of Profit and Loss.

2.13 Employee benefits

(i) Short-term employee benefits

All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits such as salaries, wages, etc. are recognised in the period in which the employee rendered the related services. The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees is recognised as an expense during the period.

(ii) Post employment benefits

Defined contribution plan:

The provisions of the Employees' Provident Funds and Miscellaneous Provisions Act, 1952, is not applicable to the Company as the number of employees of the Company is below the limits prescribed under the Act.

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. The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises 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.



Shrachi Realty Private Limited

Notes to the financial statements (*Continued*)

for the year ended 31 March 2015

(Currency: Indian rupees)

2 Significant accounting policies (*Continued*)

2.13 *Employee benefits (Continued)*

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 recognised asset is limited to the net total of any unrecognised 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 recognised immediately in the Statement of Profit and Loss.

Long term employment benefits:

The Company's net obligation in respect of long-term employment benefits, other than gratuity, is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to its present value and the fair value of any related assets is deducted.

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are recognised as a liability at the present value of the defined benefit obligation at the Balance Sheet date. The discount rates used for determining the present value of the obligation under long term employment benefits, are based on the market yields on Government securities as at the Balance Sheet date.

2.14 *Income taxes*

Income-tax expense comprises current tax (i.e. amount of tax for the period determined in accordance with the income-tax law) and deferred tax charge or credit (reflecting the tax effects of timing differences between accounting income and taxable income for the period).

Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the applicable tax rates and tax laws. Deferred tax is recognised in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future; however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty supported by



Shrachi Realty Private Limited

Notes to the financial statements (*Continued*)

for the year ended 31 March 2015

(Currency: Indian rupees)

2 Significant accounting policies (*Continued*)

2.14 *Income taxes (Continued)*

convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised.

Deferred tax assets are reviewed as 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 realised.

Minimum Alternate Tax (MAT)

Minimum Alternative Tax ('MAT') under the provisions of the Income-tax Act, 1961 is recognised as current tax in the Statement of Profit and Loss. The credit available under the Income-tax Act, 1961 in respect of MAT paid is recognised as an asset only when and to the extent there is convincing evidence that the company will pay normal income tax during the period for which the MAT credit can be carried forward for set-off against the normal tax liability. MAT credit recognised as an asset is reviewed at each Balance Sheet date and written down to the extent the aforesaid convincing evidence no longer exists.

2.15 *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.

2.16 *Provisions and contingencies*

A provision is recognised if, as a result of a past event, the Company has a present obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. Provisions are recognised at the best estimate of the expenditure required to settle the present obligation at the Balance Sheet date. The provisions are measured on an undiscounted basis.

Provision in respect of loss contingencies relating to claims, litigation, assessment, fines, penalties, etc. are recognised when it is probable that a liability has been incurred and the amount can be estimated reliably.



Shrachi Realty Private Limited

Notes to the financial statements (*Continued*)

for the year ended 31 March 2015

(Currency: Indian rupees)

2 Significant accounting policies (*Continued*)

2.17 *Contingent liabilities and contingent assets*

A contingent liability exists when there is a possible but not probable obligation, or a present obligation that may, but probably will not, require an outflow of resources, or a present obligation whose amount cannot be estimated reliably. Contingent liabilities do not warrant provisions, but are disclosed unless the possibility of outflow of resources is remote. Contingent assets are neither recognised nor disclosed in the financial statements. However, contingent assets are assessed continually and if it is virtually certain that an inflow of economic benefits will arise, the asset and related income are recognised in the period in which the change occurs.

2.18 *Cash flow statement*

Cash flows are reported using indirect method, whereby net profits before tax is adjusted for the effects of transactions of a non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from regular revenue generating, investing and financing activities of the Group are segregated.



Shrachi Realty Private Limited

Notes to the financial statements (Continued) as at 31 March 2015

(Currency : Indian rupees)

	2015	2014
3.1 Share capital		
Authorised capital		
750,000 (2014: 750,000) equity shares of Rs 10 each.	7,500,000	7,500,000
	<u>7,500,000</u>	<u>7,500,000</u>
Issued, subscribed and fully paid-up		
503,900 (2014: 503,900) equity shares of Rs 10 each, fully paid-up	5,039,000	5,039,000
	<u>5,039,000</u>	<u>5,039,000</u>

(A) Reconciliation of the equity shares outstanding at the beginning and at the end of the reporting year

Equity shares	2015		2014	
	Numbers	Amount	Numbers	Amount
At the commencement and end of the year	503,900	5,039,000	503,900	5,039,000

(B) Rights, preferences and restrictions attached to equity shares

The Company has a single class of equity shares. Accordingly, all equity shares rank equally with regard to dividends and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion to its share of the paid-up equity capital of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

Failure to pay any amount called up on shares may lead to forfeiture of the shares.

On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts, in proportion to the number of equity shares held.

(C) Shares held by holding company

Equity shares of Rs 10 each, fully paid-up	2015		2014	
	Numbers	Amount	Numbers	Amount
Shrachi Developers Private Limited, the holding company	259,000	2,590,000	259,000	2,590,000

(D) Particulars of shareholders holding more than 5% equity shares

Equity shares of Rs 10 each, fully paid-up	2015		2014	
	Numbers	%	Numbers	%
Shrachi Developers Private Limited, the holding company	259,000	51.40%	259,000	51.40%
SRS Investments Bengal Tiger Limited	144,900	28.76%	144,900	28.76%

3.2 Reserves and surplus

	2015	2014
Securities premium account		
At the commencement and at the end of year	450,036,297	450,036,297
	<u>450,036,297</u>	<u>450,036,297</u>
Surplus (Profit and Loss balance)		
At the commencement of the year	70,724,041	56,866,823
(Loss) / Profit for the year	(27,448,942)	13,857,218
At the end of the year	<u>43,275,099</u>	<u>70,724,041</u>
Total reserves and surplus	<u>493,311,396</u>	<u>520,760,338</u>



Shrachi Realty Private Limited

Notes to the financial statements (Continued) as at 31 March 2015

(Currency : Indian rupees)

2015 2014

3.3 Long-term borrowings

Vehicle loan from Axis Bank Limited (secured)	-	348,568
	-	348,568

Details of security and repayment terms:

Nature of security:	Amount outstanding as on 31 March 2015		No of installments	Amount of each installment (Rs)	Rate of Interest (Per Annum)
	Current	Non-current			
Terms of repayment : 2015					
Vehicle loan taken from Axis Bank Limited amounting to Rs.1,595,000 taken on 18 October 2012 against hypothecation of vehicle, purchased there against and the same is repayable in 36 equal monthly installments..	348,568	-	7	51,470	10.01%
	Terms of repayment : 2014				
	552,375	348,568	19	51,470	10.01%

3.4 Long-term provisions

Provision for employee benefits		
Compensated absences [refer note 4(f)]	-	102,152
Gratuity [refer note 4(f)]	-	270,684
	-	372,836

3.5 Short-term borrowings

Term loans from Allahabad Bank (secured)	292,522,888	269,821,578
	292,522,888	269,821,578

Details of security and repayment terms:-

<p>1. Term loan from Allahabad Bank amounting to Rs 150,000,000 (2014 : Rs 194,821,578) is secured by -</p> <p>a) first charge and mortgage on both movable and immovable project assets, both present and future situated at old Purulia Road, near Pardi chowk, Jamshedpur, Jharkhand along with all immovable properties of the Company, both present and future on pari-passu basis.</p> <p>b) all the intangible assets of the Company, including, but not limited to goodwill, uncalled capital present and future on pari-passu basis.</p> <p>c) all bank accounts of the project being financed by the bank.</p> <p>d) second charge on entire current assets of the Company including, but limited to book-debts, operating cash flows, receivables, revenues of whatsoever nature and wherever arising, stocks, spares etc. on pari-passu basis.</p> <p>Term loan from Allahabad Bank carries an interest of Allahabad Bank's base rate plus 5% per annum with monthly rests and is repayable in 4 equal quarterly installments of Rs 75,000,000 each, commencing from September 2014 i.e. with a moratorium of 30 months from the date of first disbursement of January 2011.</p>
<p>2. Term loan from Allahabad Bank amounting to Rs.142,522,888 (2014 : Rs 75,000,000) is secured by-</p> <p>a) first charge on all the immovable properties of company's share of 60% of the constructed demarcated area together with an undivided indivisible, impartible proportionate share and interest in the land and building and the common portion as being developers allocation of the commercial complex "Ekkin Tower" project, situated at Premises No -04-0702 in street no. 072, Erstwhile Plot No- 11D/30, Action Area-11D of New Town, Kolkata.</p> <p>b) all the intangible assets of the Company, including, but not limited to goodwill, uncalled capital present and future on pari-passu basis.</p> <p>c) all bank accounts of the project being financed by the bank.</p> <p>d) second charge on entire current assets of the Company including but limited to book-debts, operating cash flows, receivables, revenues of whatsoever nature and wherever arising, stocks, spares etc. on pari-passu basis.</p> <p>Term loan from Allahabad Bank carries an interest of Allahabad Bank's base rate plus 5% per annum with monthly rests and is repayable in 3 staggered quarterly installments commencing from September 2015 for Rs 42,250,000, December 2015 for Rs 63,375,000 and March 2016 for Rs 36,900,086.</p>
Both the above term loans are personally guaranteed by the promoter director Mr Rahul Todi and corporate guarantee given by Ekkin Media Private Limited

Default in payment of short - term borrowings existing as at Balance Sheet date

The details of defaults made by the Company in repayment of short - term borrowings is set out below:

Name of the lender	Amount due on	Amount due as on balance sheet date	Amount repaid	Amount repaid on	Number of days of delay
Allahabad bank					
- Principal - Greens	31-Mar-15	75,000,000	6,410,328	23-Sep-15	176
- Interest - Greens	31-Mar-15	2,128,478	2,128,478	28-May-15	58
- Interest - Ek-Tower	31-Mar-15	1,749,129	1,749,129	28-May-15	58



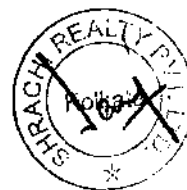
Shrachi Realty Private Limited

Notes to the financial statements (Continued)

as at 31 March 2015

(Currency : Indian rupees)

	2015	2014
3.6 Trade payables		
Trade payables		
Total outstanding dues of micro enterprises and small enterprises [refer note 4 (e)]	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		
- Others	17,334,358	9,631,236
- Retention money payable to contractors	3,775,090	1,666,462
	<u>21,109,448</u>	<u>11,297,698</u>
3.7 Other current liabilities		
Current maturities of long-term vehicle loan (Refer note 3.3. above for security and repayment terms)	348,568	552,375
Interest accrued and due on borrowings	3,894,705	3,380,113
Interest accrued but not due on borrowings	2,906	7,512
Advances received from customers	163,613,469	107,562,726
Statutory dues payable :		
Tax deducted at source payable	491,766	432,467
Works contract tax payable	30,542	28,558
Employee State Insurance payable	262	262
Professional tax payable	900	1,050
Service tax payable	-	31,412
Cess on labour payable	89,408	484,534
Employee benefits payable	489,988	548,091
Other payables	5,880,062	4,044,233
	<u>174,842,576</u>	<u>117,073,333</u>
3.8 Short-term provisions		
Provision for employee benefits		
Compensated absences [refer note 4(f)]	140,406	65,641
Gratuity [refer note 4(f)]	225,967	7,346
Provision for income tax [net of advance tax Rs 4,502,686 (2014: Rs 4,502,686)]	571,414	571,414
	<u>937,787</u>	<u>644,401</u>



Shrachi Realty Private Limited

Notes to the financial statements (Continued)
as at 31 March 2015

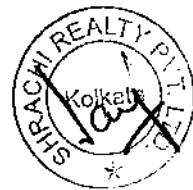
(Currency : Indian Rupees)

3.9 Tangible fixed assets

Particulars	Motor cars	Building	Furniture and fittings	Office equipments	Plant and equipment	Computer and accessories	Total
Gross block							
Balance as at 1 April 2013	2,431,493	9,634,352	1,362,064	210,284	665,084	936,649	15,239,926
Additions	-	-	-	32,862	-	-	32,862
Disposals	-	-	-	-	-	-	-
Balance as at 31 March 2014	2,431,493	9,634,352	1,362,064	243,146	665,084	936,649	15,272,788
Balance as at 1 April 2014	2,431,493	9,634,352	1,362,064	243,146	665,084	936,649	15,272,788
Additions	-	-	-	-	-	-	-
Disposals	-	-	-	-	-	-	-
Balance as at 31 March 2015	2,431,493	9,634,352	1,362,064	243,146	665,084	936,649	15,272,788
Depreciation							
Balance as at 1 April 2013	472,621	4,130,247	643,496	91,006	244,812	688,379	6,270,561
Depreciation for the year	507,152	1,376,749	130,061	25,044	58,460	99,308	2,196,774
Accumulated depreciation on disposals	-	-	-	-	-	-	-
Balance as at 31 March 2014	979,773	5,506,996	773,557	116,050	303,272	787,687	8,467,335
Balance as at 1 April 2014	979,773	5,506,996	773,557	116,050	303,272	787,687	8,467,335
Depreciation for the year	452,448	825,471	164,300	28,173	85,573	101,076	1,657,041
Accumulated depreciation on disposals	-	-	-	-	-	-	-
Balance as at 31 March 2015	1,432,221	6,332,467	937,857	144,223	388,845	888,763	10,124,376
Net block							
As at 31 March 2014	1,451,720	4,127,356	588,507	127,096	361,812	148,962	6,805,453
As at 31 March 2015	999,272	3,301,885	424,207	98,923	276,239	47,886	5,148,412

Note: Depreciation amounting to Rs 825,471 (2014: Rs. 1,376,749) in respect of site office has been transferred to construction work-in-progress (refer note 3.19)

In compliance with Schedule II of the Companies Act, 2013, the management has reassessed the estimate useful lives of the fixed assets and made necessary changes with effect from 1 April 2014. As a consequence of this change, depreciation charge for the year is lower by Rs. 338,450.



Shrachi Realty Private Limited

Notes to the financial statements (Continued)

as at 31 March 2015

(Currency - Indian Rupees)

3.10 Non-current investments

(Valued at cost unless stated otherwise)

	Face value per share/unit	2015	2014
Trade investments (unquoted)			
<i>Investments in equity instruments (fully paid-up)</i>			
<i>In associates</i>			
562,500 (2014: 562,500) Intelligent Infrastructure Limited	10	22,737,828	22,737,828
17,500 (2014: 17,500) Newtown Dwellers Private Limited	10	175,000	175,000
615,000 (2014: 615,000) Intelligent Structures Private Limited	10	6,150,000	6,150,000
131,500 (2014: 131,500) Pawanputra Tradecom Private Limited	10	1,315,000	1,315,000
30,200 (2014: 30,200) Indraprastha Farms Private Limited	10	302,253	302,253
<i>In others</i>			
1,057,500 (2014: 1,057,500) Bengal NRI Complex Limited	10	8,934,781	8,934,781
30,000 (2014: 30,000) Ideal Heights Private Limited	10	303,006	303,006
<i>In companies in which directors can exercise significant influence</i>			
90,000 (2014: 90,000) Rosedale Developers Private Limited	10	902,250	902,250
100,428 (2014: 100,428) Shrachi Virtuous Retail Projects Private Limited	10	18,944,744	18,944,744
<i>Investment in preference shares (fully paid-up)</i>			
100% Non cumulative redeemable preference shares			
615,000 (2014: 615,000) Intelligent Structures Private Limited	100	61,500,000	61,500,000
<i>Optionally convertible preference shares (fully paid-up)</i>			
562,500 (2014: 562,500) Intelligent Infrastructure Limited	10	23,684,062	23,684,062
<i>Investment in debentures</i>			
<i>Fully convertible debentures (fully paid-up)</i>			
516,071 (2014: 516,071) Shrachi Virtuous Retail Projects Private Limited	10	5,160,710	5,160,710
3,689,290 (2014: 3,689,290) Newtown Dwellers Private Limited	10	36,892,900	36,892,900
<i>Investment in share warrants</i>			
<i>Share warrants (fully paid-up)</i>			
44,307 (2014: 44,307) Shrachi Virtuous Retail Projects Private Limited	198	8,772,786	8,772,786
		195,775,320	195,775,320
Aggregate book value of unquoted investments		195,775,320	195,775,320
Aggregate net asset value of unquoted investments		195,775,320	195,775,320



Shrachi Realty Private Limited

Notes to the financial statements (Continued) as at 31 March 2015

(Currency - Indian rupees)

2015 2014

3.11 Deferred tax assets

Deferred tax assets comprises of:

Difference between book depreciation and depreciation as per the Income tax Act, 1961	1,858,814	1,745,525
Carryforward business losses	28,080,706	13,142,868
Unabsorbed depreciation	1,119,104	669,165
Disallowance under Section 43B of the Income tax Act, 1961	47,724	57,033
	<u>31,106,348</u>	<u>15,614,591</u>
Deferred tax assets, net	<u>-</u>	<u>-</u>
Deferred tax assets (net) recognised in the financial statements *	<u>-</u>	<u>-</u>

*Note:

As per Accounting Standard 22 on Accounting for taxes on income, the Company would have a deferred tax assets as at 31 March 2015 primarily comprising of carried forward losses and unabsorbed depreciation under tax laws. However, in the absence of virtual certainty of realisation of this asset, the management is of the view that it is prudent not to recognise deferred tax asset as at 31 March 2015. Accordingly, Rs 31,106,348 (2014: Rs 15,614,591) of deferred tax asset is not recognised in the financial statements as at 31 March 2015.

3.12 Long-term loans and advances

(Unsecured and considered good)

Security deposit	44,000	44,000
Advance income tax [net of provision for income tax Rs Nil (2014 : Rs Nil)]	<u>5,355,671</u>	<u>4,557,608</u>
	<u>5,399,671</u>	<u>4,601,608</u>

3.13 Inventories

(Valued at the lower of cost and net realisable value)

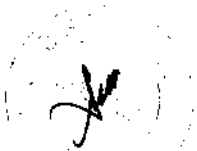
Project work in progress:

Land costs including development rights	152,401,711	152,401,711
Construction costs	190,962,682	123,303,220
Depreciation	6,332,467	5,506,996
Borrowing costs	21,463,826	21,463,826
Other expenses	46,347,871	34,022,628
	<u>417,508,557</u>	<u>336,698,381</u>

3.14 Cash and bank balances

Cash and cash equivalents

Cash on hand	25,466	12,804
Cheques in hand	1,250,000	-
Bank balances with scheduled banks	<u>10,215,042</u>	<u>25,987,625</u>
- in current accounts	<u>11,490,508</u>	<u>26,000,429</u>



Shrachi Realty Private Limited

Notes to the financial statements (Continued) as at 31 March 2015

(Currency : Indian rupees)

	2015	2014
3.15 Short-term loans and advances		
<i>(Unsecured and considered good)</i>		
Short-term loans		
<i>To parties other than related parties:</i>		
Neobeam Properties Private Limited	106,788	72,084
<i>To related parties</i>		
Intelligent Structures Private Limited	-	14,151,685
Newtown Dwellers Private Limited	-	1,250,000
	<u>106,788</u>	<u>15,473,769</u>
Advances against purchase of land / properties		
<i>To parties other than related parties</i>		
Considered good	40,104,999	45,104,999
Considered doubtful	5,000,000	-
Less: Provision for bad and doubtful advance	<u>(5,000,000)</u>	<u>-</u>
	40,104,999	45,104,999
<i>To related parties</i>		
Indraprastha Farms Private Limited	6,590,000	5,770,000
	<u>46,694,999</u>	<u>50,874,999</u>
Advance against projects		
<i>To parties other than related parties</i>	82,885,109	39,186,521
<i>To related party</i>		
Bengal Shrachi Housing Development Limited	95,040,059	92,913,425
	<u>177,925,168</u>	<u>132,099,946</u>
Advance against purchase of flats		
<i>To related parties</i>		
Bengal NRI Complex Limited	83,273,272	65,452,359
Rosedale Developers Private Limited	2,793,525	4,415,775
	<u>86,066,797</u>	<u>69,868,134</u>
Other receivables		
<i>To related party</i>		
Rosedale Developers Private Limited	30,082,121	22,358,357
Others		
Advance to suppliers and contractors	4,039,838	1,132,476
Travel and other advances	1,058	50,550,169
CENVAT Credit receivable	1,994,219	901,740
Prepaid expenses	311,839	284,607
Security deposit	10,000	27,000
	<u>6,356,954</u>	<u>52,895,992</u>
	<u>347,232,827</u>	<u>343,571,197</u>
3.16 Other current assets		
Receivable against surrender of development rights	1,500,000	1,500,000
Interest receivable from body corporate	3,707,800	10,405,364
	<u>5,207,800</u>	<u>11,905,364</u>

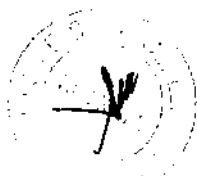


Shrachi Realty Private Limited

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

(Currency : Indian rupees)

	2015	2014
3.17 Revenue from operation		
Income from Transfer/ Cancellation of Units	499,970	-
	<u>499,970</u>	<u>-</u>
3.18 Other income		
Interest income on:		
Loans [Tax deducted at source Rs 596,032 (2014: Rs 1,321,596)]	5,960,324	13,215,960
Others [Tax deducted at source Rs Nil (2014: Rs 1,132)]	11,783	6,927
Dividend income from long term investments (trade)	23,565,000	31,725,000
Compensation on transfer of rights	6,467,005	26,972,361
Profit on sale of mutual funds (current investments)	67,552	95,438
Unspent liabilities no longer required written back	571,249	-
	<u>36,642,913</u>	<u>72,015,686</u>
3.19 Construction costs		
Incurred during the year:		
Construction costs	67,659,462	7,812,774
Depreciation	825,471	1,376,749
Other expenses	14,738,447	5,444,884
	<u>83,223,380</u>	<u>14,634,407</u>
3.20 (Increase) in inventories of project work-in-progress		
Opening project work in progress	336,698,381	322,063,974
Less: Closing project work in progress	417,508,557	336,698,381
	<u>(80,810,176)</u>	<u>(14,634,407)</u>



Shrachi Realty Private Limited

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

(Currency : Indian rupees)

	2015	2014
3.21 Employee benefits		
Salaries, bonus and allowances	6,450,155	6,726,234
Contribution to funds	90,177	91,328
Staff welfare expenses	345,126	345,126
	<u>6,885,458</u>	<u>7,162,688</u>
3.22 Finance costs		
Interest expense		
On term loans	43,711,248	34,521,758
On vehicle loan	60,660	116,266
On others	36,340	7,274,764
Loan processing charges	-	2,302,830
	<u>43,808,248</u>	<u>44,215,618</u>
3.23 Other expenses		
Rent	2,457,900	491,400
Rates and taxes	52,290	11,740
Repairs and maintenance		
Others	77,231	46,405
Insurance	111,348	82,120
Bank Charges	11,375	10,315
Advertisement expenses	694,036	111,048
Brokerage and commission	632,226	760,029
Travelling and conveyance	31,372	499,815
Communication expenses	62,613	55,349
Legal and professional fees	220,742	2,492,584
Payment to auditors (refer note below)	354,922	357,230
Advances written off	-	879
Provision for bad and doubtful advances	5,000,000	-
Miscellaneous expenses	947,290	1,041,223
	<u>10,653,345</u>	<u>5,960,137</u>
Note: Payment to auditors		
Statutory audit	325,000	325,000
Reimbursement of expenses	29,922	32,230
	<u>354,922</u>	<u>357,230</u>



Shrachi Realty Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2015

(Currency : Indian rupees)

4 Notes to accounts

a) (Loss) / Earnings per share

Particulars	2015	2014
Net profit/(loss) after tax attributable to equity shareholders (A)	(27,448,942)	13,857,218
Number of equity shares at the beginning of the year	503,900	503,900
Number of equity shares outstanding at the end of the year	503,900	503,900
Weighted average number of equity shares outstanding during the year (B)	503,900	503,900
Basic and diluted (loss) / earnings per equity share (A/B) (Face value of Rs 10 per share)	(54.47)	27.50

b) Contingent liabilities and commitments (to the extent not provided for)

Contingent Liabilities

Particulars	2015	2014
Corporate Guarantee issued by the Company on behalf of the Rosedale Developers Private Limited (a related party) to secure financial assistance	Nil	80,000,000
Claims against the Company not acknowledged as debts and disputed by the Company in respect of Income tax matters	3,394,750	3,394,750

Commitments

Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for	-	-
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c) Segment information

The Company is operating in the real estate industry and operates only in India. The Company has only one reportable business segment, which is development of real estate and infrastructure facilities and has only one reportable geographical segment. Accordingly, these financial statements are reflective of the information required by the Accounting Standard on Segment Reporting (AS-17) notified by Companies (Accounting standard) Rules 2006, for the real estate development segment.



Shrachi Realty Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2015

(Currency : Indian rupees)

4 Notes to accounts (Continued)

Information in accordance with the requirements of Accounting Standard 18 on Related Party Disclosures notified by the Companies (Accounting Standards) Rules, 2006

d) Related party disclosures:

Names of related parties:

Names of related parties where control exists

Holding company

Shrachi Developers Private Limited

Names of other related parties with whom transactions have taken place

Associates

Intelligent Infrastructure Limited
Intelligent Structures Private Limited
Pawanputra Tradecom Private Limited
Indraprastha Farms Private Limited

Key Management Personnel

Shrawan Kumar Todi (Director)
Rahul Todi (Director)
Sanjeev Agarwal (Director)

Relatives of Key Management Personnel

Chitralekha Todi – wife of Mr. Shrawan Kumar Todi
Sujata Todi - wife of Mr. Rahul Todi
Monika Agarwal - wife of Mr. Sanjeev Agarwal

Enterprises owned or significantly influenced by key management personnel or their relatives

Bengal NRI Complex Limited
Bengal Shrachi Housing Development Limited
Ideal Heights Private Limited
Sutanutti Farms Private Limited
Rosedale Developers Private Limited
Shrachi Virtuous Retail Projects Private Limited
Newtown Dwellers Private Limited
Anchor Apartments Private Limited
Shrawan Kumar Ravi Todi (HUF)
Rahul Todi (HUF)
Bhagwan Ram Sita Seva Nidhi
Brijlal Shrawan Kumar HUF
Brijlal Todi HUF
Chitra Family Trust
Lakshmi Saraswati Kosh
Ravi Todi Family Trust
Ravi Todi HUF
Sri Balaji Nidhi



Shrachi Realty Private Limited

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

(Currency : Indian rupees)

4 Notes to accounts (Continued)

Note 4 (d) - Related party transaction continued

Nature of Transaction	Associates		Key management personnel		Relatives of key management personnel		Enterprises owned or significantly influenced by key management personnel		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Dividend Income										
Ideal Heights Private Limited	-	-	-	-	-	-	300,000	-	300,000	-
Bengal NRI Complex Limited	-	-	-	-	-	-	23,265,000	31,725,000	23,265,000	31,725,000
Interest income										
Intelligent Structures Private Limited	1,840,543	1,647,018	-	-	-	-	-	-	1,840,543	1,647,018
Bengal Shrachi Housing Development Limited	-	-	-	-	-	-	4,110,256	11,561,515	4,110,256	11,561,515
Compensation on Transfer of Rights in flats										
Rosedale Developers Private Limited	-	-	-	-	-	-	6,467,005	19,936,940	6,467,005	19,936,940
Commission Paid										
Rosedale Developers Private Limited	-	-	-	-	-	-	181,658	560,029	181,658	560,029
Interest paid										
Bengal NRI Complex Limited	-	-	-	-	-	-	-	7,147,459	-	7,147,459
Rent expenses										
Shrawan Kumar Ravi Todi HUF	-	-	-	-	-	-	285,000	57,000	285,000	57,000
Rahul Todi HUF	-	-	-	-	-	-	447,000	89,400	447,000	89,400
Bhagwan Ram Sita Seva Nidhi	-	-	-	-	-	-	345,000	69,000	345,000	69,000
Brijlal Shrawan Kumar HUF	-	-	-	-	-	-	192,900	22,200	192,900	22,200
Brijlal Todi HUF	-	-	-	-	-	-	300,000	60,000	300,000	60,000
Chitra Family Trust	-	-	-	-	-	-	348,000	69,600	348,000	69,600
Lakshmi Saraswati Kosh	-	-	-	-	-	-	-	16,200	-	16,200
Sri Balaji Nidhi	-	-	-	-	-	-	210,000	42,000	210,000	42,000
Ravi Todi Family Trust	-	-	-	-	-	-	330,000	12,000	330,000	12,000
Ravi Todi HUF	-	-	-	-	-	-	-	54,000	-	54,000
Repair and maintenance and Misc expenses										
Anchor Apartments Private Limited	-	-	-	-	-	-	355,680	313,703	355,680	313,703
Remuneration										
Sanjeev Agarwal	-	-	3,115,884	3,130,884	-	-	-	-	3,115,884	3,130,884
Monika Agarwal	-	-	-	-	1,400,000	1,400,000	-	-	1,400,000	1,400,000



Shrachi Realty Private Limited

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

(Currency : Indian rupees)

4 Notes to accounts (Continued)

Note 4 (d) - Related party transaction continued

Nature of Transaction	Associates		Key management personnel		Relatives of key management personnel		Enterprises owned or significantly influenced by key management personnel		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
	Advance against projects Bengal Shrachi Housing Development Limited	-	-	-	-	-	-	62,100,584	45,110,965	62,100,584
Advance for purchase of land/ properties Indraprastha Farms Private Limited	820,000	-	-	-	-	-	-	-	820,000	-
Advance for purchase of flats given Bengal NRI Complex Limited	-	-	-	-	-	-	17,820,913	11,703,669	17,820,913	11,703,669
Advance for purchase of flat refunded Anchor Apartments Private Limited	-	-	-	-	-	-	-	65,000,000	-	65,000,000
Loan given Newtown Dwellers Private Limited	-	-	-	-	-	-	-	1,250,000	-	1,250,000
Loan given received back Newtown Dwellers private Limited	-	-	-	-	-	-	1,250,000	-	1,250,000	-
Pawanputra Tradecom Privited Limited	-	300,000	-	-	-	-	-	-	-	300,000
Intelligent Structures Private Limited	14,151,685	-	-	-	-	-	-	-	14,151,685	-
Advance for project given received back Bengal Shrachi Housing Development Limited	-	-	-	-	-	-	59,973,950	108,575,659	59,973,950	108,575,659
Advance for purchase of flats given reversed on account of Sale Bengal NRI Complex Limited	-	-	-	-	-	-	-	5,237,595	-	5,237,595
Rosedale Developers Private Limited	-	-	-	-	-	-	1,622,250	2,931,602	1,622,250	2,931,602



Shrachi Realty Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2015

(Currency : Indian rupees)

4 Notes to accounts (Continued)

Note 4 (b) - Related party transaction continued

Nature of Transaction	Associates		Key management personnel		Relatives of key management personnel		Enterprises owned or significantly influenced by key management personnel		Total	
	2015	2014	2015	2014	2015	2014	2015	2014	2015	2014
Balance outstanding at year end- Receivable										
Advance against projects										
Bengal Shrachi Housing Development Limited	-	-	-	-	-	-	95,040,059	92,913,425	95,040,059	92,913,425
Loan given										
Intelligent Structures Private Limited	-	14,151,685	-	-	-	-	-	-	-	14,151,685
Newtown Dwellers private Limited	-	-	-	-	-	-	-	1,250,000	-	1,250,000
Advance against purchase of flats										
Bengal NRI Complex Limited	-	-	-	-	-	-	83,273,272	65,452,359	83,273,272	65,452,359
Rosdale Developers Private Limited	-	-	-	-	-	-	2,793,525	4,415,775	2,793,525	4,415,775
Advance for purchase of Land/ properties										
Indraprasha Farms Private Limited	6,590,000	5,770,000	-	-	-	-	22,540,000	22,540,000	6,590,000	5,770,000
Sutanutti Farms Private Limited	-	-	-	-	-	-	-	-	22,540,000	22,540,000
Interest receivable										
Bengal Shrachi Housing Development Limited	-	-	-	-	-	-	3,699,229	10,405,364	3,699,229	10,405,364
Other receivables										
Rosdale Developers Private Limited	-	-	-	-	-	-	30,082,121	22,358,357	30,082,121	22,358,357
Balance outstanding at year end- Payables										
Payables										
Sanjeev Agarwal	-	-	350,657	-	-	-	-	-	350,657	296,745
Monika Agarwal	-	-	-	-	154,995	173,884	-	-	154,995	173,884
Shrawan Kumar Ravi Todi HUF	-	-	-	-	-	-	256,500	57,000	256,500	57,000
Rahul Todi HUF	-	-	-	-	-	-	402,300	89,400	402,300	89,400
Bhagwan Ram Sita Seva Nidhi	-	-	-	-	-	-	310,500	69,000	310,500	69,000
Brijlax Shrawan Kumar HUF	-	-	-	-	-	-	173,610	22,200	173,610	22,200
Brijlax Todi HUF	-	-	-	-	-	-	270,000	60,000	270,000	60,000
Chitra Family Trust	-	-	-	-	-	-	313,200	69,600	313,200	69,600
Lakshmi Saraswati Kosh	-	-	-	-	-	-	-	16,200	-	16,200
Sri Balaji Nidhi	-	-	-	-	-	-	189,000	42,000	189,000	42,000
Ravi Todi Family Trust	-	-	-	-	-	-	297,000	12,000	297,000	12,000
Ravi Todi Huf	-	-	-	-	-	-	-	54,000	-	54,000
Anchor Apartments Private Limited	-	-	-	-	-	-	108,193	26,986	108,193	26,986



Shrachi Realty Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2015

(Currency : Indian rupees)

4 Notes to accounts (Continued)

e) Due to Micro, Small and Medium Enterprises

Under the Micro, Small and Medium Enterprises Development Act, 2006 ('MSMED') which came into force from 2 October 2006, certain disclosures are required to be made relating to Micro, Small and Medium enterprises. On the basis of the information and records available with the management, there are no outstanding dues to the Micro and Small enterprises as defined in the Micro, Small and Medium Enterprises Development Act, 2006 as set out in the following disclosures:

	2015	2014
a) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year:		
- Principal	-	-
- Interest	-	-
b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year:	-	-
c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006:	-	-
d) The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006.	-	-

f) Disclosure pursuant to Accounting standard – 15 (Revised) 'Employee Benefits'

1) General description

Compensated absences (Other long term employment benefit):

The leave wages are payable to all eligible employees at the rate of daily basic salary for each day of accumulated leave on death or on resignation or upon retirement on attaining superannuation age. The liability towards compensated absences for the year ended 31 March 2015 based on actuarial valuation using the projected accrued benefit method amounting to Rs 140,406 (2014: Rs 167,793) has been recognised in the Statement of Profit and Loss.

Gratuity (Defined benefit plan):

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 calculated as per the Payment of Gratuity Act with no ceiling.



Shrachi Realty Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2015

(Currency : Indian rupees)

4 Notes to accounts (Continued)

f) Disclosure pursuant to Accounting standard – 15 (Revised) 'Employee Benefits' (Continued)

- 2) The following table summarizes the components of net benefit expense recognised in the Statement of Profit and Loss and the funded status and amounts recognised in the balance sheet for gratuity benefit.

Gratuity	2015	2014
I Net employee expense		
Current service cost	156,233	155,678
Interest cost on benefit obligation	61,795	57,701
Expected return on plan assets	(44,496)	(37,972)
Net actuarial loss/ (gain) recognised in the year	(96,120)	(101,920)
Net benefit expenses	77,412	73,487
II Amount recognised in the balance sheet		
Defined benefit obligation	904,368	772,435
Plan asset	678,401	494,405
Amount recognised in the balance sheet	225,967	278,030
III Movement in benefit liability		
Opening defined benefit obligation	772,435	659,445
Interest cost	61,795	57,701
Current service cost	156,233	155,678
Benefits paid	-	-
Actuarial (gains)/losses on obligation	(86,095)	(100,389)
Closing benefit obligation	904,368	772,435
IV Changes in the fair value of plan assets		
Opening fair value of plan assets	494,405	433,968
Expected return	44,496	37,972
Contributions by employer	129,475	20,934
Benefits paid	-	-
Actuarial gains / (losses)	10,025	1,531
Closing fair value of plan assets	678,401	494,405
V Actual return on plan assets		
Expected return on plan assets	44,496	37,972
Actuarial gains / (losses) on plan assets	10,025	1,531
VI The Principal actuarial assumptions are:		
Discount rate	8.00% p.a	8.75% p.a
Salary increase	10.00% p.a	10.00% p.a
Withdrawal rate	10 per thousand p.a.	10 per thousand p.a.
	6 above age 45	6 above age 45
	3 between 29 and 45	3 between 29 and 45
	1 below age 29	1 below age 29



Shrachi Realty Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2015

(Currency : Indian rupees)

4 Notes to accounts (Continued)

f) Disclosure pursuant to Accounting standard – 15 (Revised) 'Employee Benefits' (Continued)

VII Experience adjustments:

Amount for current and previous four years are as follows

	2015	2014	2013	2012	2011
Defined benefit obligation	904,368	772,435	659,445	255,969	150,721
Fair value of Plan assets	678,401	494,405	433,968	289,315	-
Surplus/ (Deficit)	(225,967)	(278,030)	(225,477)	33,346	(150,721)
Experience adjustment on plan liabilities [(gain)/loss]	(149,055)	(38,000)	68,194	151,250	89,060
Experience adjustment on plan assets [gain/(loss)]	8,789	(1,724)	29,445	19,630	-

Investment detail of plan assets

Plan asset, for gratuity payable to employees, available with the Company is an Insurer managed fund by Life Insurance Corporation of India (100%).

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.

Assumptions regarding future mortality are based on published statistics and mortality tables. The calculation of the defined benefit obligation is sensitive to the mortality assumptions. The expected long-term rate of return is based on the portfolio as a whole and not on the sum of the returns on individual asset categories. The return is based exclusively on historical returns, without adjustments.

- g) Non interest bearing advance against project include Rs 78,800,059 given, pursuant to memorandum of understanding (MOU) dated 1 April 2008 between the Company and Bengal Shrachi Housing Development Limited (BSHDL), an advance to BSHDL to be used for acquisition of 14 acres (approx.) land at Mouza Baligori, JL 34, Rajarhat, 24 Paraganas North for the purpose of development of residential / commercial properties. In terms of the said MOU, upon complete acquisition / registration, the said land for the purpose of above project development, would be transferred to a Special Purpose Vehicle (SPV) "Shrachi Virtuous" as specified in the Rajarhat Shareholders Agreement dated July 1, 2008 wherein the Company's above deposits shall be converted at a future date into such number of equity shares as may be determined in accordance with terms and conditions specified in the above agreement and supplements thereof. In the event, BSHDL fails to fulfill its obligation under the MOU, the entire amount of deposit is refundable along with interest at 12% per annum.

The Company had also given interest bearing advance as per the terms of supplementary MOU dated 25 January 2011 of Rs 16,240,000. During the current year, the Company had on different dates given further interest bearing advance of Rs 62,100,584. The Company also received back on various dates from BSHDL, an amount aggregating to Rs,59,973,950.

h) Disclosure under Section 186 of the Companies Act 2013

The operations of the Company are classified as 'infrastructure facilities' as defined under Schedule III to the Act. Accordingly, the disclosure requirements specified in sub-section 4 of Section 186 of the Act in respect of loans given, investment made or guarantee given or security provided and the related disclosures on purposes/ utilisation by recipient companies, are not applicable to the Company.



Shrachi Realty Private Limited

Notes to the financial statements (Continued)

for the year ended 31 March 2015

(Currency : Indian rupees)

4 Notes to accounts (Continued)

i) Other matters

Information with regard to other matters specified in Schedule III to the Act is either nil or not applicable to the Company for the year.

j) Previous year comparatives

The previous years figures has been regrouped/rearranged wherever found necessary to conform to the current year's classification/disclosure.

As per our report of even date attached.

For **BSR & Co. LLP**

Chartered Accountants

Firm's Registration No: 101248W/W-100022


Jayanta Mukhopadhyay

Partner

Membership No: 055757

Place: Kolkata

Date: 23 September 2015



For and on behalf of the Board of Directors of
Shrachi Realty Private Limited

CIN - U70101EB2007PTC117468


Rahul Todi

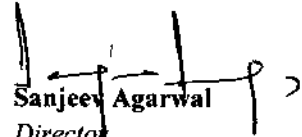
Director

Director

DIN : 00080441

Place: Kolkata

Date: 23 September 2015


Sanjeev Agarwal

Director

DIN : 00080755