

G. M. KAPADIA & CO.
(REGISTERED)

CHARTERED ACCOUNTANTS

1007, RAHEJA CHAMBERS, 213, NARIMAN POINT, MUMBAI 400 021. INDIA

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INDEPENDENT AUDITOR'S REPORT

To the Members of Savitrimata Realtors Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of Savitrimata Realtors Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to preparation and presentation 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 judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's 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.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the



financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing the opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

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

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2016
- (b) In the case of the Statement of Profit and Loss, of the Loss for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Emphasis of Matter

We draw attention to Note 4.1 & 4.2 to the financial statements dealing with the project under development and the capitalization of borrowing cost. Our opinion is not modified in respect of this matter.

Report on Other Legal and Regulatory Requirements

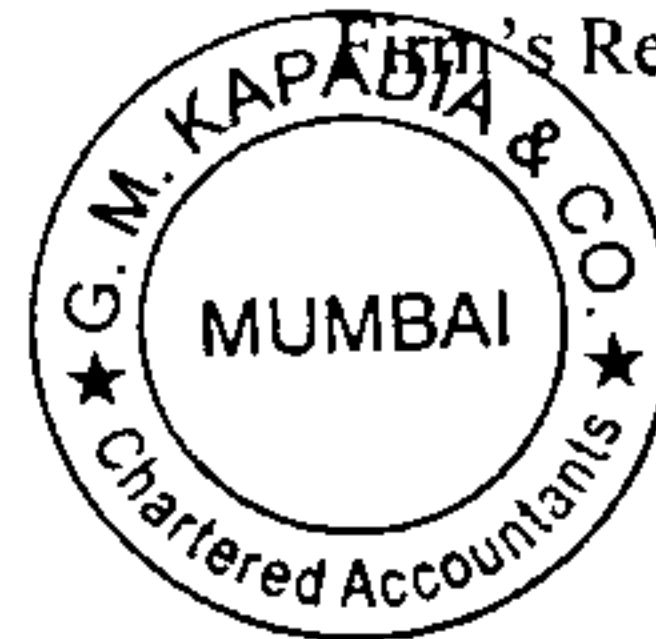
- 1. As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure A, statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
- 2. As required by section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, Statement of Profit and Loss and cash flow statement comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of written representations received from the directors as on March 31, 2016 and taken on record by the Board of Directors, none of the directors is



disqualified as on March 31, 2016 from being appointed as a director in terms of section 164 (2) of the Act; and

- (f) With respect to the adequacy of the financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B", and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (i) There were no pending litigations, which would impact the financial position of the company.
 - (ii) The company did not have the material foreseeable losses on long term contracts including derivative contracts.
 - (iii) There were not amounts, which were required to be transferred, to the Investor Education and Protection Fund by the company.

Place : Mumbai
Dated: May 10, 2016



For G.M. Kapadia & Co.
Chartered Accountants
Firm's Registration No. 104767 W

Atul H Shah
Partner
Membership No. 39569

Annexure – A to the Independent Auditor’s Report

The Annexure referred to in our Independent Auditors’ Report to the members of the Company on the financial statements for the year ended March 31, 2016, we report that:

- (i) (a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
(b) According to the information and explanations given to us, the fixed assets are physically verified as per the programme of verification which, in our opinion, is reasonable having regard to the size of the Company. No material discrepancies were noticed on such verification.
- (ii) (a) Management has conducted physical verification of inventory at reasonable intervals during the year.
(b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
(c) The Company has maintained proper records of inventories and no material discrepancies were noticed on such physical verification.
- (iii) As informed to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013 (“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 purchases of inventory, fixed assets and with regard to sale. Further on the basis of our examination of the books and records of the Company, and according to the information and explanations given to us, we have neither come across nor have we been informed of any continuing failure to correct major weakness in the aforesaid internal control system.
- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public. Hence clause 4(v) regarding complying with the provisions of sections 73 to 76 or any other provisions of the Companies Act, 2013 and the rules framed there under are not applicable to the company. As informed to us, no order has been passed by the Company Law Board or National Company Law Tribunal or Reserve of Bank of India or court or any other tribunal.
- (vi) To the best of our knowledge and as explained, the Central Government has not prescribed maintenance of cost records under section 148(1) of the Companies Act, 2013 for the products of the Company.
- (vii) (a) Based on the records produced before us, the Company is generally regular in depositing with appropriate authorities the undisputed statutory dues, such as provident fund, sales tax, income tax, custom duty, wealth tax, service tax, excise



G. M. KAPADIA & CO.

duty, professional tax and cess. No undisputed amounts payable in respect thereof are outstanding at the year end for a period of six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of sales tax, income tax, customs duty, wealth tax, service tax, excise duty, professional tax or cess, which have not been deposited on account of any dispute.
- (c) According to the information and explanations given to us no amounts were required to be transferred by the Company to the investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules there under.
- (viii) The accumulated loss at the end of the current financial year is more than fifty percent of its net-worth. The Company has incurred cash loss during the current financial year and also in the immediately preceding financial year.
- (ix) The Company has not defaulted in repayment of dues to banks, financial institutions or debenture holders during the year.
- (x) 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.
- (xi) The Company has not taken any term loans during the year; hence the question of whether term loans were applied for the purpose for which loans were obtained does not arise.
- (xii) According to the information and explanation given to us by the management and which has been relied by us, no material fraud on or by the Company has been noticed or reported during the course of our audit.

For G.M. Kapadia & Co.

Chartered Accountants

Firm's Registration No. 104767 W



Atul H Shah

Partner

Membership No. 39569

Place : Mumbai

Dated: May 10, 2016.

Annexure - B to the Independent Auditors' Report

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Savitrimata Realtors Private Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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



Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For G.M. Kapadia & Co.
Chartered Accountants
Firm' Registration No. 104767 W



Atul H Shah
Partner
Membership No. 39569

Place: Mumbai
Dated: May 10, 2016.

Savitrimata Realtors Private Limited
Balance Sheet as at March 31, 2016

(Amount in Rupees)

Particulars	Notes	As at March 31,	
		2,016	2015
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	2.1	500,000	500,000
Reserves and surplus	2.2	(1,489,422)	(1,375,126)
		(989,422)	(875,126)
Share Application Money Pending Allotment			
		-	-
Non-Current Liabilities			
Long-term borrowings	2.3	993,740,456	985,120,358
		993,740,456	985,120,358
Current Liabilities			
Trade payables			
Total outstanding dues of micro enterprise and small enterprises			
Total outstanding dues of creditors other than micro enterprise and small enterprises	2.4	912,341	582,569
Other current liabilities	2.5	27,058,381	24,886,922
		27,970,722	25,469,491
TOTAL		1,020,721,756	1,009,714,723
ASSETS			
Non-Current Assets			
Fixed assets			
Tangible assets	2.6	97,629	145,374
Deferred tax assets	2.7	-	-
Long-term loans and advances	2.8	1,364,760	1,355,782
Other non-current assets	2.11	5,478,830	5,478,830
		6,941,219	6,979,986
Current Assets			
Short-term loans and advances	2.8	123,475	152,317
Inventories	2.9	1,013,428,435	999,137,705
Cash and bank balances	2.10	228,627	3,444,716
		1,013,780,537	1,002,734,737
TOTAL		1,020,721,756	1,009,714,723

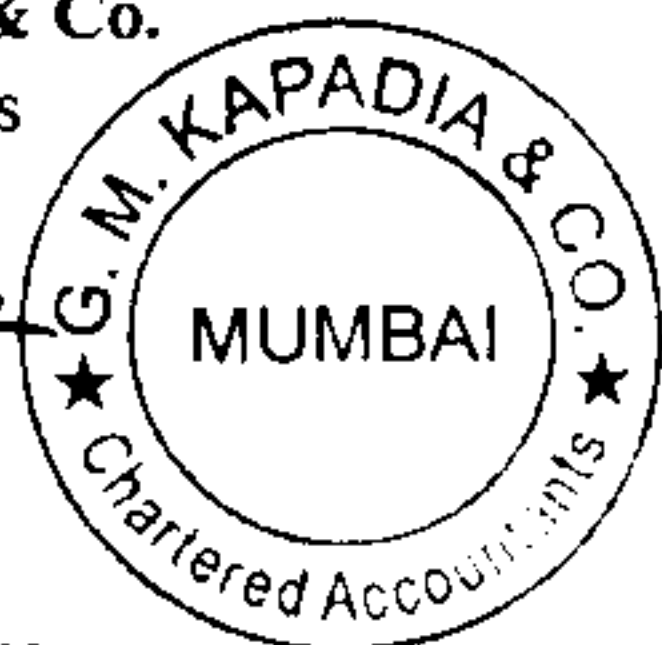
Summary of significant accounting policies 1

Refer accompanying notes. These notes are an integral part of the financial statements.

As per our report of even date

For G. M. Kapadia & Co.
Chartered Accountants

Atul H Shah
Partner
Membership No. 39569
Mumbai
Date: May 10, 2016



For and on behalf of Board of Directors

Apurva Salarpuria
Director
DIN: 00058357
Bengaluru
Date: May 09, 2016

Mitesh Kothari
Director
DIN: 00089076

Savitrimata Realtors Private Limited
Statement of Profit & Loss for the year ended March 31, 2016

(Amount in Rupees)

Particulars	Notes	Year ended March 31,	
		2016	2015
Continuing Operations:			
INCOME			
Other income	3.1	248,263	310,220
Total Revenue		248,263	310,220
EXPENSES			
(Increase) / decrease in inventories of work-in-process	3.2	(14,290,730)	(47,003,536)
Cost of material and construction expenses	3.3	688,459	663,122
Employee benefit expenses	3.4	12,800	153,603
Finance Cost	3.5	13,788,932	46,384,960
Depreciation and Amortization Expenses	3.6	47,745	108,732
Other expenses	3.7	115,353	125,628
Total Expenses		362,559	432,509
Profit / (Loss) Before Tax		(114,296)	(122,289)
Tax Expenses:			
Current tax		-	-
Deferred tax		-	9,257
Profit / (Loss) for the Period from Continuing Operations		(114,296)	(131,546)
Profit / (Loss) for the Period		(114,296)	(131,546)
Earnings per equity share (nominal value of share Rs.10 each)	3.8		
Continuing and total operations:			
Basic & Diluted - Class 'A' Share Holders		(3.45)	(3.97)
Basic & Diluted - Class 'B' Share Holders		(1.17)	(1.34)

Summary of significant accounting policies

1

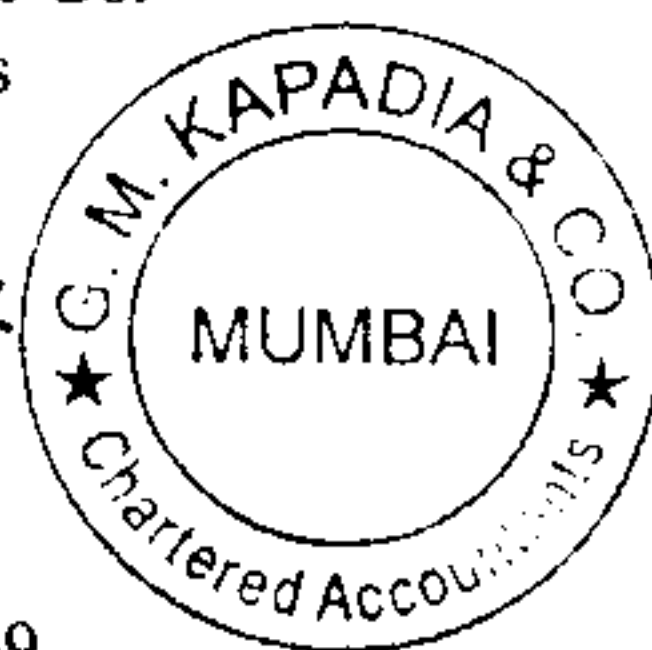
Refer accompanying notes. These notes are an integral part of the financial statements.

As per our report attached

For G. M. Kapadia & Co.
Chartered Accountants

Atul H Shah

Atul H Shah
Partner
Membership No. 39569
Mumbai
Date: May 10, 2016



For and on behalf of the Board of Directors

Apurva Salarpuria

Apurva Salarpuria
Director
DIN: 00058357
Bengaluru
Date: May 09, 2016

Mitesh Kothari


Mitesh Kothari
Director
DIN: 00089076

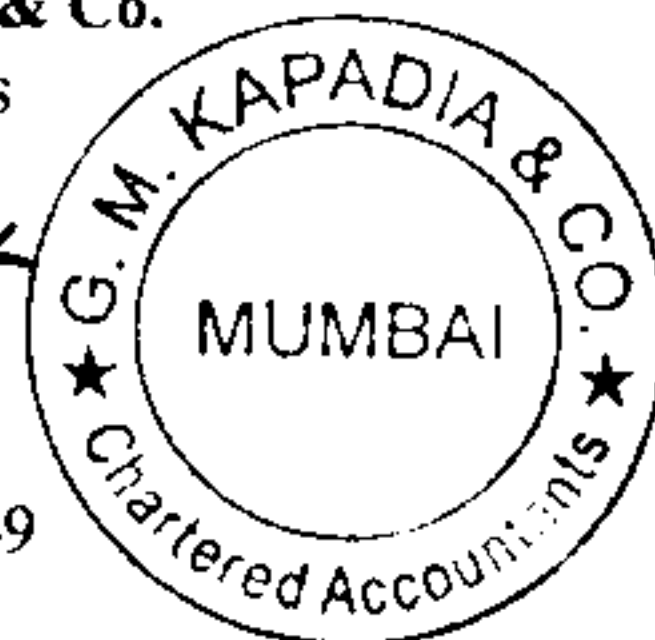
Savitrimata Realtors Private Limited
Cash Flow Statement for the year ended March 31, 2016

(Amount in Rupees)


Particulars	Year ended March 31,	
	2016	2015
Cash Flows From Operating Activities:		
Profit Before Tax from Continuing Operations	(114,296)	(122,289)
Profit Before Tax from Discontinuing Operations	-	-
Profit Before Tax	(114,296)	(122,289)
Non-cash Adjustment to Profit Before Tax:	-	-
Operating Profit Before Working Capital Changes	(114,296)	(122,289)
Changes in Working Capital:		
(Increase) / Decrease in Inventory	(14,242,985)	(46,894,803)
Increase/(decrease) in trade payables	329,772	45,680
Increase/(decrease) in other current liabilities	2,171,459	(1,359,803)
(Increase) / Decrease in loans & advance	19,864	(39,127)
(Increase) / Decrease in short term Borrowings	-	-
Cash Generated from Operations	(11,836,186)	(48,370,342)
Direct Taxes Paid (Net of Refunds)	-	-
Net Cash from Operation Activities	(11,836,186)	(48,370,342)
Cash Flows From Investing Activities:		
Income from Investments	-	-
Purchase of Fixed Assets	-	-
Profit on Sale of Fixed Assets	-	-
Net cash Realised from Investing Activities	-	-
Cash Flows From Financing Activities:		
Share Application Money Received	-	-
Proceeds From Borrowing	76,452,104	1,562,938,865
Repayment of Borrowing	(54,044,455)	(1,469,123,618)
Interest paid	(13,787,552)	(46,382,683)
Net Cash Realised from Financing Activities	8,620,097	47,432,564
Net Increase / (Decrease) in Cash & Cash Equivalent	(3,216,089)	(937,779)
Cash & Cash Equivalent at the Beginning of the Year	3,444,716	4,382,494
	228,627	3,444,716
Components of cash and cash equivalents		
Cash on hand	5,354	12,840
With banks		
in current account	223,273	106,876
in deposit account	-	3,325,000
Total cash and cash equivalents (Note No.2.10)	228,627	3,444,716

As per our report of even date
For G. M. Kapadia & Co.
Chartered Accountants


Atul H Shah
Partner
Membership No. 39569
Mumbai
Date: May 10, 2016



For and on behalf of the board of Directors


Apurva Salarpuria
Director
DIN: 00058357
Bengaluru
Date: May 09, 2016


Mitesh Kothari
Director
DIN: 00089076

1 SIGNIFICANT ACCOUNTING POLICIES

1.1 System of Accounting:

These financial statements have been prepared in accordance with the generally accepted accounting principles in India, on the basis of going concern under the historical cost convention and also on accrual basis. These financial statements comply, in all material aspects, with mandatory accounting standards as prescribed under section 133 of the companies Act, 2013('Act') read with Rule 7 of the companies(Accounts) Rules, 2014 and the provisions of the act(to the extent notified).

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Revised Schedule III to the Companies Act, 2013 notified by MCA vide its notification no. 447(E) dated February 28, 2011. Based on the nature of products 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 12 months for the purpose of current – non current classification of assets and liabilities.

The accounting policies adopted in the preparation of financial statements are consistent with those of previous year.

1.2 Use of Estimates:

The preparation of the financial statements in conformity with Indian GAAP requires the management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of financial statements and reported amounts of revenue and expenses during the reported period. Such estimates are on a reasonable and prudent basis taking into account all available information. Actual results could differ from estimates. Differences are recognized in the year in which the results are ascertained. Differences on account of revision of estimates, actual outcome and existing estimates are recognized prospectively once such results are known / materialized in accordance with the requirements of the respective accounting standard as may be applicable.

1.3 Fixed Assets:

Tangible Assets

Fixed assets are stated at cost, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, non refundable taxes, borrowing costs if capitalization criteria are met and directly attributable cost of bringing the asset to its present location and condition for the intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.



1.4 Depreciation \ Amortisation:

Pursuant to the provisions of the sub section 2 of Section 123 of the Companies Act, 2013 and requirements of notification G.S.R. 627 (E) dated August 29, 2014, with effect from April 1, 2014 depreciation has to be provided in accordance with provisions of Schedule II of the said Act. Accordingly, during the year ended March 31, 2015, the company has reassessed the useful lives of all its assets and provided depreciation under written down value method in order to depreciate the carrying amounts of the assets as on April 1, 2014 over the remaining useful life. The revised useful lives, as assessed are in agreement with the useful life specified in Part C of Schedule II to the companies Act, 2013, for all classes of assets other than Computer Hardware. Management believes that the revised useful lives of the assets reflect the period over which these assets are expected to be used. In case of impairment of assets, depreciation is provided on the revised carrying amounts of assets over its remaining useful life. At present since all the assets are exclusively used for the activity of development of the property at Vepagunta, the entire depreciation on such fixed assets are debited to the cost of project and disclosed under construction work in process.

Class of Assets	Useful Life of Asset
Computers	72 months
Office equipment	60 months
Vehicle	120 months
Furniture & fixtures	120 months

Depreciation methods, useful lives and residual values are reviewed at each reporting date.

1.5 Inventories:

- (i) Inventories comprise of building material, components, stores and spares. Inventories are valued as lower of cost and net realisable value. However, materials and other items held for use in the production of inventories are not written down below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on historical basis.
- (ii) Direct expenditures relating to construction activity are carried to construction work-in-process account. Indirect expenditure (including borrowing cost) during construction period is inventorised to the extent the expenditure is related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is neither related to the construction activity nor is incidental thereto is charged to the statement of profit and loss.
- (iii) Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and cost to necessary make the sale. Further, inventory of work in progress is not written down below cost if the finished goods in which they will be incorporated are expected to be sold at or above cost.

1.6 Revenue recognition:

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

Interest income is recognized on a time proportion basis taking into account the amount outstanding and the applicable interest rate. Interest income is included under the head "other income" in the statement of profit and loss.

1.7 Employee Benefits

(i) Defined Contribution Plans:

Contributions paid / payable to defined contribution plan comprising of Provident Funds and Gratuity to employees are recognised in the statement of profit and loss each year.

(ii) Short Term Employee Benefits:

Short-term employee benefits are recognized as an expense at the undiscounted amount in the statement of profit and loss of the year in which the related service is rendered.



1.8 Taxes on Income:

- (i) Provision for Current Tax is made on the basis of taxable profits computed for the current accounting period (reporting period) in accordance with the Income Tax Act, 1961.
- (ii) Deferred Tax is calculated at the tax rates and laws that have been enacted or substantively enacted as of the Balance Sheet date and is recognized on timing difference that originate in one period and are capable of reversal in one or more subsequent periods. Deferred Tax assets are recognised on carry forward of unabsorbed depreciation and tax losses only if there is virtual certainty that such deferred tax assets can be realized against future taxable income. Other deferred tax assets are recognised only to the extent that there is a reasonable certainty of realisation in future.

1.9 Borrowing Costs:

- (i) Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are treated as direct cost and are considered as part of cost of such assets. A qualifying asset is an asset that necessarily requires a substantial period of time to get ready for its intended use or sale. All other borrowing costs are recognised as an expense in the period in which they are incurred.
- (ii) Capitalisation of borrowing costs is suspended during the extended period in which active development is interrupted. Capitalisation of borrowing costs is ceased when substantially all the activities necessary to prepare the qualifying asset for its intended use or sale are complete.

1.10 Earning / (Loss) per Share :

- (i) Basic Earning / (losses) per share are calculated by dividing the net profit or loss for the period attributable to each class of equity shareholders by the weighted average number of each class of equity shares outstanding during the period.
- (ii) To calculate diluted earning / (losses) per share, the net profit or loss for the period attributable to each class of equity shareholders and the weighted average number of each class of shares outstanding during the period are adjusted for the effects of all dilutive potential equity share.

1.11 Impairment:

The Company assesses at each balance sheet date whether there is any indication that assets may be impaired. If any such indications exist, the Company estimates the recoverable amount of the assets or the cash-generating unit and if the same is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the profit and loss account. If at the balance sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the assets are reflected at the recoverable amount.

1.12 Provisions, Contingent Liabilities and Contingent Assets:

- (i) A Provision is recognized when the Company has a present obligation as a result of past event and it is probable that an outflow of resources would be required to settle the obligation, and in respect of which a reliable estimate can be made. Provisions are reviewed on each balance sheet date and are adjusted to effect the current best estimation.
- (ii) Contingent liabilities are disclosed separately by way of note to financial statements after careful evaluation by the management of the facts and legal aspects of the matter involved in case of
 - a) a present obligation arising from the past event, when it is not probable that an outflow of resources will be required to settle the obligation.
 - b) a possible obligation, unless the probability of outflow of resources is remote.
- (iii) Contingent Assets are neither recognised, nor disclosed.



2.1 **Share Capital:**

Particulars	(Amount in Rupees)	
	As at March 31,	
	2016	2015
Authorised Equity Share Capital 50,000 (March 31, 2015: 50,000) shares of Rs 10 each	500,000	500,000
Issued, Subscribed and Paid up Capital		
24,500 (March 31, 2015: 24,500) Class 'A' equity shares of face value of Rs.10/- each fully paid up	245,000	245,000
25,500 (March 31, 2015: 25,500) Class 'B' equity shares of face value of Rs.10/- each fully paid up	255,000	255,000
Total issued, subscribed and paid up capital	500,000	500,000

- a. (i) The Company has two classes of equity shares. Holders of Class 'A' equity shares were entitled to 74% of the total voting rights and 74% of the total amount of dividend if declared. Holder of Class 'B' equity shares were entitled to 26% of the voting rights and 26% of the total amount of dividend if declared.
- (ii) No shares have been issued for consideration other than cash during the immediately preceding five years from the end of the reporting period.
- (iii) In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts in proportion to the number of equity shares held by the share holders.

b. **No. of shares held by holding/ultimate holding Company and/or their subsidiaries/associates**

Particulars	As at March 31,	
	2016	2015
Its holding Company		
Class 'A' Equity Share of Rs. 10 each		
Salarpuria Properties Pvt. Ltd	17,150	17,150
Sattva Developers Pvt. Ltd	7,350	7,350
Class 'B' Equity Share of Rs. 10 each		
Kothari Products Limited	25,500	25,500

c. **Details of shareholder/s holding more than 5% of Class 'A' shares:**

Name of the Share Holder	As at March 31,			
	2016		2015	
	No. of Shares	% of holding	No. of Shares	% of holding
Salarpuria Properties Pvt. Ltd.	17,150	34.30%	17,150	34.30%
Sattva Developers Pvt. Ltd.	7,350	14.70%	7,350	14.70%

Details of shareholder/s holding more than 5% of Class 'B' shares:

Name of the Share Holder	As at March 31,			
	2016		2015	
	No. of Shares	% of holding	No. of Shares	% of holding
Kothari Products Limited	25,500	51.00%	25,500	51.00%

d. Reconciliation of Class 'A' equity shares outstanding as at the beginning and at the end of the reporting period:

Particulars	As at March 31,			
	2016		2015	
	No. of Shares	Amount	No. of Shares	Amount
Shares at the Beginning of the Year	24,500	245,000	24,500	245,000
Shares outstanding as at end of the period	24,500	245,000	24,500	245,000

Reconciliation of Class 'B' equity shares outstanding as at the beginning and at the end of the reporting period:

Particulars	As at March 31,			
	2016		2015	
	No. of Shares	Amount	No. of Shares	Amount
Shares at the Beginning of the Year	25,500	255,000	25,500	255,000
Shares outstanding as at end of the period	25,500	255,000	25,500	255,000

2.2 Reserves & Surplus:

Particulars	<i>(Amount in Rupees)</i>	
	As at March 31,	
	2016	2015
Surplus/(deficit) in the statement of profit and loss:		
Balance as at the beginning of the year	(1,375,126)	(1,243,580)
Add: change to profit / (loss) for the year	(114,296)	(131,546)
Amount Available for Appropriation	(1,489,422)	(1,375,126)
Balance as at the end of the year	(1,489,422)	(1,375,126)

2.3 Long Term Borrowings:

Particulars	<i>(Amount in Rupees)</i>	
	Non-current	
	As at March 31,	
	2016	2015
Debentures		
Unsecured		
2,55,000 (March 31, 2015: 2,41,800) 1% Redeemable Non Convertible debentures from Kothari Products Ltd.	255,000,000	241,800,000
6,87,500 (March 31, 2015: 6,87,500) 1% Redeemable Non Convertible debentures from Well Growth Griha Nirman Pvt .Ltd.	687,500,000	687,500,000
3,68,000 (March 31, 2015: Nil) 1% Redeemable Non Convertible debentures from Harkeshwar Realtors Pvt Ltd	36,800,000	-
Unsecured Loans:		
Loans and advances from related parties		
From Salarpuria Properties Pvt. Ltd.	970,308	17,197,911
From Kothari Products Ltd.	5,341,047	17,377,118
From SPPL Property Management Pvt. Ltd.	8,129,101	21,245,329
	993,740,456	985,120,358



Terms of Repayment for Unsecured borrowings:

Nature of Borrowing

Loans from related parties

1% Redeemable Non convertible debentures from Related parties

Terms of Repayment

Both principal and interest at the rate of 12% on annual cumulative basis are repayable after March 31, 2017 subject to receipt of sale proceeds by the Company from its customers.

The company has issued the following unsecured redeemable non-convertible debentures:

i. 50,000 debentures of face value Rs. 1000/- were allotted on October 01, 2015 aggregating to Rs. 5,00,00,000/-, which carry interest rate of 1% p.a payable yearly.

ii. 929,300 debentures of face value Rs. 1000/- were allotted on October 01, 2014 aggregating to Rs. 92,93,00,000/-, which carry interest rate of 1% p.a payable yearly.

ii. The debentures have been issued with call option on expiry of 3 years either by the subscriber or the company.

iii. These debentures are redeemable at 50% premium at the end of five years from the date of allotment.

iv. As per terms and conditions, no premium is payable if the debentures are redeemed before completion of five years.

2.4 Trade Payables:

Particulars	<i>(Amount in Rupees)</i>	
	Current	
	As at March 31,	
	2016	2015
Other trade payable		
Total outstanding dues of micro enterprise and small enterprises		
Total outstanding dues of creditors other than micro enterprise and small enterprises	912,341	582,569
	912,341	582,569

2.5 Other Current Liabilities:

Particulars	<i>(Amount in Rupees)</i>	
	As at March 31,	
	2016	2015
Interest accrued and due	25,672,630	20,177,680
Statutory payables	1,379,183	4,673,966
Other liabilities	6,568	35,276
	27,058,381	24,886,922



Savitrimata Realtors Private Limited
Notes to the Financial Statements

(Amount in Rupees)

2.6 Fixed Assets:

Particulars	Gross Block			Accumulated Depreciation					Net Block		
	As at April 1, 2015	Additions	Disposal	As at March 31, 2016	As at April 1, 2015	For the Year	Reversal on Disposal	Other Adjustments	As at March 31, 2016	As at April 1, 2015	As at March 31, 2016
Tangible Assets:											
Own Assets:											
Vehicles	60,040	-	-	60,040	51,404	2,346	-	-	53,750	8,636	6,290
Computers	262,858	-	-	262,858	226,026	14,491	-	-	240,517	36,832	22,341
Furniture & Fixtures	322,939	-	-	322,939	228,102	29,568	-	-	257,670	94,837	65,269
Office Equipments	84,300	-	-	84,300	79,231	1,340	-	-	80,571	5,069	3,729
Total	730,137	-	-	730,137	584,763	47,745	-	-	632,508	145,374	97,629
Previous Year	730,137	-	-	730,137	476,031	108,732	-	-	584,763	254,106	145,374
Intangible Assets:											
Computer Software	2,410	-	-	2,410	2,410	-	-	-	2,410	-	-
Total	2,410	-	-	2,410	2,410	-	-	-	2,410	-	-
Previous Year	2,410	-	-	2,410	2,410	-	-	-	2,410	-	-
Grand Total	732,547	-	-	732,547	587,173	47,745	-	-	634,918	145,374	97,629
Previous year	732,547	-	-	732,547	478,441	108,732	-	-	587,173	254,106	145,374

Savitrimata Realtors Private Limited
Notes to the Financial Statements

2.7 Deferred Tax Assets / (Liabilities) (Net):

Particulars	<i>(Amount in Rupees)</i>	
	As at March 31,	
	2016	2015
Deferred Tax Assets		
Fixed assets	35,732	30,434
	35,732	30,434
Deferred Tax Liabilities	-	-
	-	-
Net Deferred Tax Asset / (Liabilities)	-	-

The Company has unabsorbed depreciation and carry forward losses. However, based on the conservative approach management has not created any deferred tax asset on the unabsorbed depreciation and business loss.

2.8 Loans & Advances:

Particulars	<i>(Amount in Rupees)</i>			
	Non Current		Current	
	As at March 31,		As at March 31,	
	2016	2015	2016	2015
Security Deposit				
Unsecured, considered good	493	493	-	-
Advance for Income Tax	19,495	49,758	30,675	-
Service Tax Input Credit Available	1,344,772	1,305,531	-	-
Interest Accrued on Fixed Deposits	-	-	-	59,517
Other Advances (unsecured, considered good)	-	-	92,800	92,800
	1,364,760	1,355,782	123,475	152,317

2.9 Inventories:

Particulars	<i>(Amount in Rupees)</i>	
	As at March 31,	
	2016	2015
Construction work-in-progress:		
Land and land related expenses	347,550,450	347,550,450
Construction Cost	116,211,360	115,462,356
Borrowing Cost Capitalised	551,524,017	537,735,085
Scrap Sales	(8,647)	(8,647)
Interest Income	(1,830,103)	(1,582,897)
Income tax refund	(3,642)	(3,642)
Liabilities no longer required	(15,000)	(15,000)
	1,013,428,435	999,137,705



Savitrimata Realtors Private Limited**Notes to the Financial Statements****2.10 Cash and Bank Balances:***(Amount in Rupees)*

Particulars	Current	
	As at March 31,	
	2016	2015
Cash & Cash Equivalents		
Balances With Banks in current accounts	223,273	106,876
Cash on Hand	5,354	12,840
Deposits with original maturity for more than 3 months but less than 12 months	-	3,325,000
	228,627	3,444,716

2.11 Other assets:*(Amount in Rupees)*

Particulars	Non-current		Current	
	As at March 31,		As at March 31,	
	2016	2015	2016	2015
Advance paid to APHB	5,478,830	5,478,830	-	-
	5,478,830	5,478,830	-	-



Savitrimata Realtors Private Limited
Notes to the Financial Statements

3.1 Other Income:

Particulars	<i>(Amount in Rupees)</i>	
	Year ended March 31,	
	2016	2015
Interest income on bank fixed deposits	247,206	306,881
Interest on Income Tax refund	1,057	3,339
	248,263	310,220

3.2 (Increase) / decrease in inventories of work-in-progress:

Particulars	<i>(Amount in Rupees)</i>		(Increase)/ decrease in rupees
	Year ended March 31,		
	2016	2015	
Work-in-progress at the beginning of the year	999,137,705	952,134,169	(47,003,536)
Change in work-in-progress during the year	14,290,730	47,003,536	32,712,806
Development and Construction Expenses (Refer note no. 3.3)	688,459	663,122	(25,337)
Employee Benefit Expenses (Refer note no. 3.4)	12,800	153,603	140,803
Depreciation/Amortisation (Refer note no. 3.6)	47,745	108,732	60,987
Finance Cost (Refer note no. 3.5)	13,788,932	46,384,960	32,596,028
	14,537,936	47,310,417	32,772,481
Less: Other income earned during the year (Refer note no. 3.1)	(247,206)	(306,881)	(59,675)
Work-in-process at the end of the year	1,013,428,435	999,137,705	(14,290,730)

3.3 Cost of Materials and Construction Expenses:

Particulars	<i>(Amount in Rupees)</i>	
	Year ended March 31,	
	2016	2015
Direct Expenses	293,551	232,736
Architecture and Brokerage Expenses	-	56,180
Civil and Interior Works	-	2,067
Other Indirect Expenses	394,908	372,139
	688,459	663,122
Less: Transferred to Work-in-Process	(688,459)	(663,122)
	-	-

3.4 Employee Benefit Expenses:

Particulars	<i>(Amount in Rupees)</i>	
	Year ended March 31,	
	2016	2015
Salary and Other Allowances	9,500	123,500
Bonus	-	9,500
Staff Welfare Expenses	3,300	15,353
	12,800	153,603
Less: Transferred to work-in-process	12,800	153,603
	-	-



Savitrimata Realtors Private Limited
Notes to the Financial Statements

3.5 Finance Cost:

Particulars	<i>(Amount in Rupees)</i>	
	Year ended March 31,	
	2016	2015
Interest Expense		
Interest on unsecured loan	4,244,552	41,736,183
Interest on 1% NC Debentures	9,543,000	4,646,500
Other Borrowing Cost		
Bank Charges & Bank guarantee commission	1,380	2,277
	13,788,932	46,384,960

3.6 Depreciation/Amortisation:

Particulars	Year ended March 31,	
	2016	2015
	Depreciation of tangible assets	47,745
Amortisation of intangible assets	-	-
	47,745	108,732

3.7 Other Expenses:

Particulars	<i>(Amount in Rupees)</i>	
	Year ended March 31,	
	2016	2015
Rates & Taxes excluding taxes on income	27,159	17,440
Professional and Consultancy Charges	50,000	72,000
Audit Fees	35,000	35,000
Miscellaneous Expenses	3,194	1,188
	115,353	125,628

3.8 Earning per Share:

Particulars	<i>(Amount in Rupees)</i>	
	Year ended March 31,	
	2016	2015
Continuing and Total Operations:		
Basic & Diluted Earning per share		
Profit / (Loss) for the period	(114,296)	(131,546)
Profit / (Loss) for the period attributable to Class 'A' share holders	(84,579)	(97,344)
Profit / (Loss) for the period attributable to Class 'B' share holders	(29,717)	(34,202)
Weighted average no. of Class 'A' equity shares outstanding	24,500	24,500
Weighted average no. of Class 'B' equity shares outstanding	25,500	25,500
Nominal value per share	10	10
Basic & diluted earning per class 'A' share	(3.45)	(3.97)
Basic & diluted earning per class 'B' share	(1.17)	(1.34)



Savitrimata Realtors Private Limited

Notes to the Financial Statements

- 4.1 (i) Inventories of Rs. 101,34,28,435/- (March 31, 2015: 99,91,37,705/-) represent the sole activity undertaken by the company relating to development of plot of land located at Vepagunta near Visakapatnam, Andhra Pradesh. In respect of this project, the company had entered into a development agreement with Andhra Pradesh Housing Board ('APHB') on December 23, 2006. As part consideration, the company had paid land development fee of Rs. 33,77,73,170/- to APHB and has incurred various initial expenses viz. architecture fees, land development expenses, construction expenses for boundary wall, construction of mockup villa etc.

As per the company's initial business plan, the project will have commercial and residential buildings which will be classified under fixed assets, investment properties and inventories, as the case may be, based on ultimate end use pattern as per final business plan of the company. Pending such finalization, all expenses have been continued to be classified under Inventories

- (ii) The development agreement as entered with APHB stipulates revenue share payments at predetermined percentage rates and also sale of 4.75% of the permissible FSI at a pre-agreed price to APHB or its allottees. Pending receipt of plan approvals, the additional cost to the Company on account of revenue share and sale of a portion of constructed area at a pre-agreed price to APHB or its allottees is currently not ascertainable and has not been provided for.
- (iii) The Company received a letter dated December 16, 2013 from APHB abruptly terminating the development agreement on the ground of inordinate delay in commencing the project. As stated above the company has commenced the activities. However, the delay in launching the project was due to failure on part of APHB to fulfill certain representations / warranties under the development agreement and lack of availability of access road to the proposed site. In addition, there have been delay in obtaining necessary statutory approvals for the projects due to reasons beyond the control of the Company.

The Company has filed a writ petition in the Honorable High Court of Andhra Pradesh and has obtained a stay order on the termination letter till the writ petition is disposed off. As legally advised, the company is entitled to commence the work.

4.2 **Borrowing Cost:**

- (i) Since all the expenditure incurred (excluding corporate expenses) including borrowing costs amounting to Rs.14,250,779 (March 31, 2014: Rs.47,003,536) is towards this activity only, the same have been added to work in process and considered as part of cost of such inventories. The continuation of capitalization of borrowing cost is based on legal opinion obtained by the company as well as the intention of the company to continue development work
- (ii) Net realizable value is determined by the management by considering various factors such as market value, preparatory work done for intended development, development work carried out etc. and relied upon by the auditors.

4.3 **Related Party Disclosure:**

Names of related parties and related party relationship-where control exists

Holding Company:

Kothari Products Limited

Entities under the significant control \ influence of Directors \ Shareholders:

SPPL Property Management Pvt. Ltd

Salarpuria Properties Pvt. Ltd.

Sattva Developers Pvt. Ltd.

Wellgrowth Griha Nirman Pvt. Ltd.

Harkeshwar Realtors Pvt Ltd

Individuals having significant influence:

Mr. Bijay Kumar Agarwal



Savitrimata Realtors Private Limited
Notes to the Financial Statements

Transactions with Related Party:

(Amount in Rupees)

Particulars	For the year ended on March 31,	
	2016	2015
Expenses:		
Interest Expense		
Kothari Products Limited	3,777,254	12,561,628
Salarpuria Properties Pvt. Ltd.	1,041,551	6,803,718
SPPL Property Management Pvt. Ltd	1,909,747	23,579,837
Harkeshwar Realtors Pvt Ltd	184,000	-
Wellgrowth Griha Nirman Pvt. Ltd.	6,875,000	3,437,500
Other Transactions:		
Unsecured loan received:		
Kothari Products Limited	1,293,254	11,352,628
Salarpuria Properties Pvt. Ltd.	1,076,551	279,303,718
SPPL Property Management Pvt. Ltd	10,294,747	296,599,837
1% Redeemable Non Convertible Debentures received		
Kothari Products Limited	13,200,000	241,800,000
Wellgrowth Griha Nirman Pvt. Ltd.	-	687,500,000
Harkeshwar Realtors Pvt Ltd	36,800,000	-
	<u>62,664,552</u>	<u>1,516,556,183</u>
Unsecured loan repaid:		
Kothari Products Limited	13,329,325	242,935,263
Salarpuria Properties Pvt. Ltd.	17,304,155	262,680,372
SPPL Property Management Pvt. Ltd	23,410,975	963,507,984
	<u>54,044,455</u>	<u>1,469,123,618</u>

Particulars	As at March 31,	
	2016	2015
Closing Balances:		
Unsecured 1% Redeemable Non Convertible Debentures		
Kothari Products Limited	255,000,000	241,800,000
Wellgrowth Griha Nirman Pvt. Ltd.	687,500,000	687,500,000
Harkeshwar Realtors Pvt Ltd	36,800,000	-
Unsecured Loan		
Kothari Products Limited	5,341,047	17,377,118
Salarpuria Properties Pvt. Ltd.	970,308	17,197,912
SPPL Property Management Pvt. Ltd	8,129,101	21,245,329
Interest payable on Debentures		
Kothari Products Limited	3,323,700	1,088,100
Wellgrowth Griha Nirman Pvt. Ltd.	6,187,500	3,093,750
Harkeshwar Realtors Pvt Ltd	165,600	-

Details of Debits \ Credits in the nature of reimbursement are not included in the above statement.

Savitrimata Realtors Private Limited**Notes to the Financial Statements****4.4 Employee Benefits:**

The Company has contributed Rs. Nil (March 31, 2015: Rs. Nil) towards its gratuity liability under a Group Gratuity Scheme with Life Insurance Corporation as per a defined contribution plan covered by term insurance.

4.5 Disclosure Under MSME Development Act 2006:

As at March 31, 2016 there are no outstanding dues to micro and small enterprise (Nil as at March 31, 2015). There are no interest due or outstanding on the same.

4.6 Capital and other commitments:

Particulars	<i>(Amount in Rupees)</i>	
	As at March 31,	
	2016	2015
Estimated amount of contract to be executed and not provided for	Nil	Nil
Other commitments	Nil	Nil

4.7 Value of Import on CIF Basis, Earnings and Expenditure in Foreign Currency:

Particulars	<i>(Amount in Rupees)</i>	
	Year ended March 31,	
	2016	2015
a) CIF Value of Imports calculated on CIF basis	Nil	Nil
b) Expenditure in foreign currency (accrual basis)	Nil	Nil
c) Earnings in foreign currency (accrual basis)	Nil	Nil

4.8 As the Company's business activity primarily falls within a single business and geographical segment. So no additional disclosure is required other than those provided in the financial statement.

4.9 Payment to Auditors:

Out of the following amounts paid / payable to the Auditors, Rs.35,000 (March 31, 2015: Rs. 35,000) has been debited to statement of profit and loss for the period and balance Rs. 2,91,325 (March 31, 2014: Rs. 285,226) has been accounted under construction work in progress account:


Particulars	<i>(Amount in Rupees)</i>	
	For the year ended on March 31,	
	2016	2015
Audit Fees	326,325	320,226
Other Services	-	-
Out of Pocket Expenses	-	-
	326,325	320,226

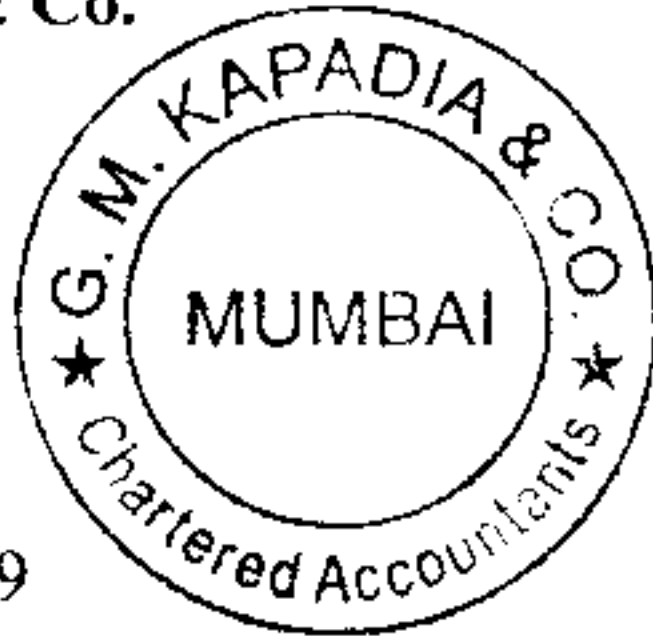


Savitrimata Realtors Private Limited
Notes to the Financial Statements


- 4.10** In view of non-availability of sufficient reserves in the books of accounts, no debenture redemption reserve (DRR) has been created during the year.
- 4.10** The disclosure under section 186(4) under Companies 2013, is not required as the company is engaged in the business of providing infrastructural facilities as specified in schedule VI to the Companies Act, 2013.
- 4.12** As per the terms and conditions of the unsecured debentures issued, the debentures are redeemable at a premium of 50% of the face value only if the debentures are redeemed after completion of five years. Hence, if the debentures are redeemed before completion of five years, no premium is payable on such redemption. As per the management, since the liability to pay premium on redemption of debenture is of contingent in nature, amortisation of premium for the financial year 2015-16 (Previous Year: 2014-15, Rs. Nil) on redemption of such debentures have not been recognized in the books as provision.
- 4.13** Previous year's figures have been regrouped or reclassified to confirm to current year's classification and groupings wherever necessary.

As per our report attached
For **G. M. Kapadia & Co.**
Chartered Accountants


Atul H Shah —
Partner
Membership No. 39569
Mumbai
Date: May 10, 2016



For and on behalf of the Board of Directors


Apurva Salavpuria
Director
DIN: 00058357
Bengaluru
Date: May 09, 2016


Mitesh Kothari
Director
DIN: 00089076