

INDEPENDENT AUDITOR'S REPORT

To the Members of **S.E. Builders & Realtors Limited**

Report on the Financial Statements

We have audited the accompanying financial statements of **S.E. Builders & Realtors 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

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 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 includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 the design, implementation and maintenance of adequate internal financial control 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 issued by the Institute of Chartered Accountants of India, as 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 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. An audit also includes evaluating the appropriateness of 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 standalone financial statements.



Opinion

In our opinion and to the best of our information and according to the explanations given to us, the standalone 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 March 31, 2016, 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, 2016 ("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 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
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, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
 - (e) On the basis of written representations received from the directors as on March 31, 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;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
 - (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. The Company has disclosed the impact of pending litigations on its financial position in its financial statements – Refer Note 22 & 27 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.



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- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S. R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Bhaswar Sarkar

Partner

Membership No.: 055596

Place of Signature: Kolkata

Date: June 20, 2016



Annexure 1 referred to in paragraph 1 under the heading "Report on Other Legal and Regulatory Requirements" of our report of even date to the members of S.E Builders and Realtors Limited as at and for the year ended March 31, 2016

(i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

(b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.

(c) According to the information and explanations given by the management, there are no immovable properties, included in fixed assets of the company and accordingly, the requirements under paragraph 3(i)(c) of the Order are not applicable to the Company.

(ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a), (b) and (c) of the Order are not applicable to the Company and hence not commented upon

(iv) In our opinion and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of section 185 and 186 of the Companies Act 2013 are applicable and hence not commented upon.

(v) The Company has not accepted any deposits from the public.

(vi) To the best of our knowledge and as explained, the requirement to maintain cost records under section 148(1) of the Companies Act, 2013, read with Companies (Cost Records and Audit) Rules, 2014, is not applicable to the company for the year since overall turnover of the Company during the immediately preceding financial year was less than rupees thirty five crores.

(vii) (a) The Company is generally regular in depositing with appropriate authorities undisputed dues towards income-tax, service tax, cess and other material statutory dues applicable to it. During the year, the Company did not have any dues towards provident fund, employees' state insurance, sales-tax, wealth-tax, customs duty, excise duty and value added tax.



(b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, employees' state insurance, income-tax, service tax, sales-tax, duty of custom, duty of excise, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.

(c) According to the records of the Company, the dues outstanding in respect of income-tax, on account of any dispute, are as follows:

Name of the Statute	Nature of Dues	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending
The Income Tax Act, 1961	Income tax	1,86,650	2013-14 (AY)	CIT (Appeals)

There are no dues of sales-tax, excise duty, value added tax, cess and other statutory dues which have not been deposited on account of any dispute.

- (viii) In our opinion and according to the information and explanations given by the management, the Company has not defaulted in repayment of dues to a financial institution or bank. The Company did not have any outstanding dues to Government and there were no outstanding debentures.
- (ix) In our opinion and according to the information and explanations given by the management, the Company has utilised the monies raised by way of term loans for the purpose for which they were raised. The Company has not raised any money by way of initial public offer / further public offer / debt instruments.
- (x) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- (xi) According to the information and explanations given by the management, the provisions of section 197 read with Schedule V of the Act is not applicable to the company and hence reporting under clause 3(xi) are not applicable and hence not commented upon.
- (xii) In our opinion, the Company is not a nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- (xiii) According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.



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- (xiv) According to the information and explanations given to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the Company and not commented upon.
- (xv) According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons or persons connected with him as referred to in section 192 of Companies Act, 2013.
- (xvi) According to the information and explanations given to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **S.R. Batliboi & Co. LLP**

Chartered Accountants

ICAI Firm Registration Number: 301003W/E300005



per **Bhaswar Sarkar**

Partner

Membership Number: 55596

Place of Signature: Kolkata

Date: June 20, 2016



ANNEXURE 2 TO THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE STANDALONE FINANCIAL STATEMENTS OF S.E BUILDERS & REALTORS LIMITED

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 **S.E Builders & Realtors 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. 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 the 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.

Auditor's 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 as specified 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 judgement, 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 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 March 31, 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 S.R. Batliboi & Co. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E/E300005



per Bhaswar Sarkar

Partner

Membership Number: 055596

Place of Signature: Kolkata

Date: June 20, 2016



S.E. BUILDERS & REALTORS LIMITED
Balance Sheet as at 31st March 2016

Particulars	Notes	As at 31-March-16 Rs.	As at 31-March-15 Rs.
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share capital	2	10,000,000	10,000,000
Reserves and surplus	3	900,210,957	962,147,720
		910,210,957	972,147,720
Non - Current Liabilities			
Long Term Borrowings	4	500,000,000	350,000,000
Current Liabilities			
Short term borrowings	5	-	109,200,000
Trade payables	6	-	-
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises (refer note 28)		41,760,862	14,687,508
Other current liabilities	7	203,439,689	6,490,213
Short term provisions	8	41,056	50,000
		245,241,607	130,407,721
TOTAL		1,655,452,564	1,452,555,441
ASSETS			
Non - Current Assets			
Fixed Assets			
Tangible assets	9	561,783	556,119
Long term loans and advances	10	908,310	67,054
Other non current assets	11	17,213,987	4,666,686
		18,684,060	5,289,838
Current Assets			
Inventories	12	1,575,031,780	1,411,615,985
Trade Receivables	13	7,004,388	-
Cash and bank balances	14	4,562,731	2,974,385
Short term loans and advances	15	47,299,320	24,784,674
Other current assets	16	2,870,305	7,890,579
		1,636,768,504	1,447,265,603
TOTAL		1,655,452,564	1,452,555,441

Summary of Significant Accounting Policies

1

The accompanying notes are an integral part of the financial statements

As per our report of even date

For S. R. Batliboi & Co. LLP
CHARTERED ACCOUNTANTS
Firm Registration No. 301003E/E300005

For and on behalf of the Board of Directors of
S.E. Builders & Realtors Limited



per Bhaswar Sarkar
Partner
Membership No 055596

Place: Kolkata.
Dated: 20th June 2016





Naresh Kumar Jain
Director
DIN: 00221519



Pradip Jyoti Agrawal
Director
DIN: 00032133

S.E. BUILDERS & REALTORS LIMITED

Statement of Profit and Loss for the year ended 31st March 2016

Particulars	Note	For the year ended 31-March-16 Rs	For the year ended 31-March-15 Rs
Income			
Other income	17	37,32,051	42,216
Expenses			
Construction expenses	18	7,00,24,450	9,92,67,722
Increase in construction work in progress	19	(16,69,11,781)	(13,17,17,627)
Finance Costs	20	7,54,41,931	4,89,62,108
Other expenses	21	8,70,03,291	2,79,55,927
Depreciation	9	1,10,923	58,198
Total		6,56,68,814	4,45,26,326
Profit / (Loss) after tax for the year		(6,19,36,763)	(4,44,84,110)
Earnings per equity share [Nominal value of Rs.10/- each]	23		
Computed on the basis of total profit for the year			
Basic		(123.87)	(88.97)
Diluted		(123.87)	(88.97)

Summary of Significant Accounting Policies

1

The accompanying notes are an integral part of the financial statements

As per our report of even date

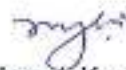
For S. R. Batliboi & Co. LLP
 CHARTERED ACCOUNTANTS
 Firm Registration No. 301003E/E300005

For and on behalf of the Board of Directors of
 S.E. Builders & Realtors Limited



per Bhaswar Sarker
 Partner
 Membership No 055596

Place: Kolkata.
 Dated: 20th June 2016

Naresh Kumar Jain
 Director
 DIN: 00221519



Pradip Jyoti Agrawal
 Director
 DIN: 00032133

S.E. BUILDERS & REALTORS LIMITED
Cash Flow Statement for the year ended 31st March 2016

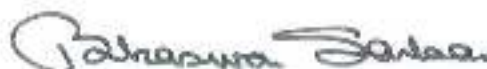
	For the year ended 31-March-16	For the year ended 31-March-15
	Rs.	Rs.
A. Cash Flow from Operating Activities		
Profit before tax	(6,19,38,764)	(4,44,84,110)
<i>Adjustment for:</i>		
Depreciation	1,10,923	58,198
Interest expense	7,54,41,931	4,89,62,108
Gain from redemption of current investments	(79,41,224)	(22,704)
Operating Profit / (Loss) before Working Capital Changes	56,74,866	45,13,490
<i>Working Capital Adjustment:</i>		
Increase in inventories	(16,34,15,795)	(8,37,74,954)
Increase in short term loans and advances and other current assets	(2,50,98,760)	(1,04,82,138)
(Increase) / decrease in long term loans and advances and other non current assets	(1,34,55,611)	11,68,667
Increase / (decrease) in trade payables & other current liabilities	21,95,67,986	(4,37,34,563)
Cash used in Operations	2,32,72,686	(13,23,11,498)
Direct taxes paid	58,110	(57,000)
Net Cash used in Operating Activities (A)	2,33,30,796	(13,23,68,498)
B. Cash Flow from Investing Activities		
Investments in mutual funds	(98,75,00,000)	(65,00,000)
Redemption of mutual funds	99,54,41,224	65,22,704
Purchase of Fixed assets	(1,18,588)	(6,14,314)
Net Cash generated from Investing Activities (B)	78,24,636	(5,91,610)
C. Cash Flow from Financing Activities		
Proceeds from long term borrowings	55,00,00,000	35,00,00,000
Repayment of long term borrowings	(40,00,00,000)	-
Repayment of short term borrowings	(47,99,00,000)	(17,83,00,000)
Proceeds from short term borrowings	37,07,00,000	-
Interest Paid	(7,09,67,086)	(4,49,80,730)
Net Cash Generated from Financing Activities (C)	(3,01,67,086)	12,67,19,270
Net Increase / (Decrease) In Cash and Cash Equivalents (A+B+C)	9,88,346	(62,40,838)
Cash and Cash Equivalents (Opening Balance)	29,74,385	92,15,223
Cash and Cash Equivalents (Closing Balance) (Note 14)	39,62,731	29,74,385

Summary of Significant Accounting Policies

As per our report of even date

For S. R. Batlibol & Co. LLP
 CHARTERED ACCOUNTANTS
 Firm Registration No. 301003E/E300005

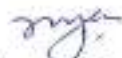
For and on behalf of the Board of Directors of
 S.E. Builders & Realtors Limited



per Bhaswar Sarker
 a Partner
 Membership No 055596

Place: Kolkata
 Dated: 20th June 2016





Naresh Kumar Jain
 Director
 DIN: 00221519



Pradipto Agrawal
 Director
 DIN: 00032133

S.E. BUILDERS & REALTORS LIMITED

Notes to financial Statements as at and for the year ended 31st Mar 2016

1 Summary of Significant Accounting Policies-

1.1 Basis of preparation

The financial statements of the company have been prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). The company has prepared these financial statements to comply in all material respects with the accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules 2014. The financial statements have been prepared on an accrual basis and under the historical cost convention. The accounting policies adopted in the preparation of financial statements are consistent with those used in the previous year.

1.2 Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amount of revenues, expenses, assets and liabilities and disclosure of contingent liabilities, at the end of reporting period. Although these estimates are based on the management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets and liabilities in future periods.

1.3 Fixed assets

Tangible assets are stated at cost, less accumulated depreciation and impairment losses if any. Cost comprises of purchase price and any directly attributable cost of bringing the asset to its working condition for its intended use. Borrowing costs relating to acquisition of fixed assets which takes substantial period of time to get ready for its intended use are also included to the extent they relate to the period till such assets are ready to be put to use.

Intangible assets are stated at cost, less accumulated amortization thereon. Cost comprises the purchase price inclusive of duties (net of cenvat), taxes and incidental expenses.

1.4 Depreciation

Depreciation on tangible fixed assets is provided using the written down value method as per the useful lives of the assets as prescribed under Schedule II to the Companies Act, 2013, prorated to the period of use of assets. The residual value of an asset for this purpose is determined at the rate of 5% of the original cost of the asset.

Intangible assets are amortized on straight line method over a period of three years from the date when the assets became available for use.

1.5 Impairment

The carrying amounts of fixed assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the assets net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax-discount rate that reflects current market assessments of the time value of money and risk specific to the assets.

After impairment, depreciation is provided on the revised carrying amount of the fixed assets over its remaining useful life.

1.6 Investments

Investments that are readily realisable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognise a decline other than temporary in the value of the investments.

1.7 Inventories

Inventories are valued at lower of cost and net realisable value. The cost of construction materials is determined on the basis of weighted average method. Construction work in progress includes direct attributable costs and appropriate share of indirect costs attributable to construction.



S.E. BUILDERS & REALTORS LIMITED

Notes to financial Statements as at and for the year ended 31st Mar 2016

1.8 Revenue recognition

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

Revenue from constructed properties

Revenue from sale of properties / projects is recognized on the basis of percentage of completion method only if the following thresholds have been met;

- a) The expenditure incurred on construction and development costs, excluding land costs, is not less than 25% of the total estimated construction and development costs of the project;
- b) At least 25% of the saleable project area is secured by agreements with the buyers; and
- c) At least 10% of the sale consideration of each sold unit has been received at the reporting date in respect of such contracts with the buyers.

Percentage of completion is determined with reference to total cost incurred on the project till the year end and the estimated total cost of completion of the project. Such revenue is recognised on transfer of all significant risk, reward of the ownership and effective control of the related property and on establishing

Others

Interest: Revenue is recognized on a time proportion basis taking into account the amount outstanding and the rate applicable.

Revenue in respect of other items is recognised on accrual basis.

1.9 Borrowing cost

Borrowing cost includes interest, amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

1.10 Earnings Per Share

Basic earnings per share are calculated by dividing the net profit or loss for the year attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit / (loss) for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares. However the effects of antidilutive potential equity shares are ignored in calculating diluted earnings per share.



S.E. BUILDERS & REALTORS LIMITED

Notes to financial Statements as at and for the year ended 31st Mar 2016

1.11 Taxes on income

Tax expense comprises of current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income Tax Act 1961. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized.

1.12 Provisions

A provision is recognized when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates. Contingent Assets are neither recognised nor disclosed in the financial statements.

1.13 Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

1.14 Segment Reporting

Identification of segments

Based on synergies, risk and returns associated with the business operations and in terms of Accounting Standard 17, the Company is predominantly engaged in a single reportable segment of "Real Estate Development" during the year. The Company at present primarily operates in India and therefore analysis of geographical segment is not applicable.

1.15 Cash and cash equivalents

Cash and cash equivalents in the cash flow statement comprise cash at bank and on hand .



S.E. BUILDERS & REALTORS LIMITED

Notes to financial Statements as at and for the year ended 31st Mar 2016

	<u>As at</u> <u>31-March-16</u> <u>Rs.</u>	<u>As at</u> <u>31-March-15</u> <u>Rs.</u>
2 SHARE CAPITAL		
Authorised Share Capital		
10,00,000 (Previous year : 10,00,000) Equity Shares of Rs. 10/- each	1,00,00,000	1,00,00,000
10,00,000 (Previous year : 10,00,000) 0.001% Non-Cumulative Compulsorily Convertible Preference Shares (CCPS) of Rs. 10/- each	1,00,00,000	1,00,00,000
	<u>2,00,00,000</u>	<u>2,00,00,000</u>
Issued, Subscribed and Paid-up.		
5,00,000 (Previous year : 5,00,000) Equity Shares of Rs. 10/- each, fully paid up	50,00,000	50,00,000
5,00,000 (Previous year : 5,00,000) 0.001% Non-Cumulative Compulsorily Convertible Preference Shares (CCPS) of Rs. 10/- each, fully paid up	50,00,000	50,00,000
	<u>1,00,00,000</u>	<u>1,00,00,000</u>

2.1 Reconciliation of number of equity shares outstanding at the beginning and at the end of the year

	<u>As at 31-March-16</u>		<u>As at 31st-March-15</u>	
	<u>Nos</u>	<u>Rs.</u>	<u>Nos</u>	<u>Rs.</u>
Equity Shares Outstanding at the beginning and end of the year	5,00,000	50,00,000	5,00,000	50,00,000

2.2 Reconciliation of number of CCPS outstanding at the beginning and at the end of the year

	<u>As at 31-March-16</u>		<u>As at 31st-March-15</u>	
	<u>Nos</u>	<u>Rs.</u>	<u>Nos</u>	<u>Rs.</u>
Preference Shares Outstanding at the beginning and end of the year	5,00,000	50,00,000	5,00,000	50,00,000

2.3 Terms/rights attached to Equity Shares

The Company has only one class of equity shares having a par value of Rs. 10 (Rupees Ten) per share. Each holder of equity shares is entitled to one vote per share. Dividend that may be proposed by the Board of Directors will be subject to the approval of the shareholders in the ensuing Annual General Meeting except interim dividend

Upon occurrence of event of default under the share subscription and shareholders agreement dated 31st January, 2012, IL&FS Trust Company Ltd. and IIRF India Realty XXIII Ltd. (the shareholders) may require the company to buyback the shares from them at a valuation which provides the shareholders a return of 25% per annum.

2.4 Terms/rights attached to CCPS

CCPS are non - cumulative, compulsorily convertible preference shares of a face value of Rs. 10 (Rupees Ten) each.

All CCPS have a right of non cumulative preferential dividend at a fixed rate of 0.001% (one thousandth percentage) per annum. However if the Company declares dividend on its equity shares at a rate higher than 0.001%, the holders of CCPS are entitled to such higher dividend. On conversion of CCPS into equity shares, all rights to receive preferential dividend on the CCPS will be extinguished.

CCPS holders do not have right to vote except for in meetings dealing with variations in rights of CCPS. However they have a right to vote at every resolution placed before the General Meeting of the Company if the dividend due on such CCPS or any part of such dividend remains unpaid either for a period of 2 years ending with the expiry of the financial year immediately preceding the commencement of the General Meeting or for a period of 3 years comprised in the 6 years ending with the expiry of the financial year immediately preceding the General Meeting as aforesaid.

Each CCPS is convertible into one equity share, any time after the expiration of 6 (Six) years from the date of allotment of such shares or before by mutual consent of all the shareholders.



S.E. BUILDERS & REALTORS LIMITED

Notes to financial Statements as at and for the year ended 31st Mar 2016

2.5 Shares held by Bengal Ambuja Housing Development Limited, the Holding Company

<u>Sl No</u>	<u>Class of shares</u>	<u>As at 31-March-16</u>		<u>As at 31st-March-15</u>	
		<u>Nos</u>	<u>Rs.</u>	<u>Nos</u>	<u>Rs.</u>
1	Equity Shares of Rs. 10/- Each (Held by the Holding Company together with nominees)	3,00,000	30,00,000	3,00,000	30,00,000
2	CCPS of Rs. 10/- each	3,00,000	30,00,000	3,00,000	30,00,000

<u>2.6 Shareholders Holding more than 5 % Shares</u>	<u>(A) Equity Shares</u>	<u>Nos</u>		<u>% of holding</u>	
		<u>Nos</u>	<u>% of holding</u>	<u>Nos</u>	<u>% of holding</u>
	(i) Bengal Ambuja Housing Development Limited and it's nominees	3,00,000	60.00%	3,00,000	60.00%
	(ii) IIRF India Realty XXIII Limited	1,98,600	39.72%	1,98,600	39.72%
	(B) CCPS				
	(i) Bengal Ambuja Housing Development Limited	3,00,000	60.00%	3,00,000	60.00%
	(ii) IIRF India Realty XXIII Limited	1,98,600	39.72%	1,98,600	39.72%

As per records of the company, including its register of shareholders / member and other declarations received from shareholders, the above shareholding represents legal ownership of shares

	<u>As at 31-March-16</u>	<u>As at 31-March-15</u>
	<u>Rs.</u>	<u>Rs.</u>
3 RESERVES AND SURPLUS		
Securities Premium Account		
As per last financial statements	99,60,00,000	99,60,00,000
Surplus / (Deficit) In the Statement of Profit and Loss		
Balance as per the last financial statements	(3,38,52,280)	1,06,31,830
Add: Profit / (Loss) for the year	(6,19,36,763)	(4,44,84,110)
Net Surplus / (deficit) In the Statement of Profit and Loss	<u>(9,57,89,043)</u>	<u>(3,38,52,280)</u>
	<u>90,02,10,957</u>	<u>96,21,47,720</u>
4 LONG TERM BORROWINGS		
Secured		
Term Loans		
From Bank	-	35,00,00,000
From Financial Institution	50,00,00,000	-
	<u>50,00,00,000</u>	<u>35,00,00,000</u>

Nature of Security (Loan Amount Rs. 50,00,00,000) : secured by way of exclusive charge on the scheduled receivables of residential project by name of "Utalika- the Condoville" and all insurance proceeds, both present and future. The company is also required to create mortgage of the property financed with present and future construction thereon, in favour of the financial institution within 90 days from the date of first disbursement. Till the creation of the said mortgage the loan facility is further secured by corporate guarantee from Ambuja Housing and Urban Infrastructure Company Limited.

Terms of repayment: Repayable within 84 months commencing from 01 April, 2017 determined as 15% of all sales receipts of the Project. The loan carries interest at the financial institution's base rate minus 630 bps payable at monthly rests.

Outstanding loan of the previous year amounting to Rs. 35,00,00,000 has been repaid in full during the year. The charge (secured by way of hypothecation of the entire receivable of residential project by name of "Utalika- the Condoville" and second charge by way of hypothecation of the entire movable fixed assets and by way of equitable mortgage of the the entire immovable fixed assets pertaining to the said project) against this loan has been released post Balance sheet date.



S.E. BUILDERS & REALTORS LIMITED

Notes to financial Statements as at and for the year ended 31st Mar 2016

	<u>As at</u> <u>31-March-16</u> <u>Rs.</u>	<u>As at</u> <u>31-March-15</u> <u>Rs.</u>
5 SHORT TERM BORROWINGS		
(Unsecured)		
Loans from related parties	-	3,33,00,000
Loans from Others	-	7,59,00,000
	<u>-</u>	<u>10,92,00,000</u>
Unsecured loans carry interest @ 12% p.a and are repayable on demand		
6 TRADE PAYABLE		
Total outstanding dues of micro enterprises and small enterprises	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises (refer note 28)	4,17,60,862	1,46,67,508
	<u>4,17,60,862</u>	<u>1,46,67,508</u>
7 OTHER CURRENT LIABILITIES		
Interest accrued and due on borrowings	88,77,127	44,02,282
Statutory dues payable	39,57,928	20,87,931
Advance from customers	19,08,04,634	-
	<u>20,34,39,689</u>	<u>64,90,213</u>
8 SHORT TERM PROVISIONS		
Provision for taxation	41,056	50,000
[Net of advance tax Rs.2,600,000 (Previous Year : Rs. 2,600,000)]	<u>41,056</u>	<u>50,000</u>



S.E. BUILDERS & REALTORS LIMITED

Notes to financial Statements as at and for the year ended 31st Mar 2016

9. FIXED ASSETS

Particulars	Gross Block			Accumulated Depreciation			Net Block		
	As at 01.04.2015	Additions	Sales/ Adjustments	As at 31.03.2016	As at 01.04.2015	For the Year	Adjustments	As at 31.03.2016	As at 31.03.2015
Plant & Machinery	6,14,314		-	6,14,314	58,196	1,01,083	-	1,59,279	5,56,118
Office Equipments	-	47,690	-	47,690	-	2,300	-	2,300	-
Computer & Peripherals	-	68,698	-	68,698	-	7,540	-	7,540	-
	6,14,314	1,16,588	-	7,30,902	58,196	1,10,923	-	1,69,119	5,61,783
									5,56,118



S.E. BUILDERS & REALTORS LIMITED

Notes to financial Statements as at and for the year ended 31st Mar 2016

	<u>As at</u> <u>31-March-16</u> <u>Rs.</u>	<u>As at</u> <u>31-March-15</u> <u>Rs.</u>
10 LONG TERM LOANS AND ADVANCES (Unsecured, considered good unless otherwise stated)		
Advance tax (Net of provision Rs. 2,622,946 (Previous Year : Rs. 2,622,946/-)	-	67,054
Security deposit paid	9,08,310	-
	<u>9,08,310</u>	<u>67,054</u>
11 OTHER NON CURRENT ASSETS (Unsecured, considered good unless otherwise stated)		
Prepaid expenses	1,72,13,967	46,66,666
	<u>1,72,13,967</u>	<u>46,66,666</u>
12 INVENTORIES (At lower of cost and net realisable value)		
Construction Materials	1,20,61,457	1,55,57,443
Construction Work in Progress	1,56,29,70,303	1,39,60,58,522
	<u>1,57,50,31,760</u>	<u>1,41,16,15,965</u>
13 TRADE RECEIVABLES (Unsecured, considered good)		
Others	70,04,388	-
	<u>70,04,388</u>	<u>-</u>
14 CASH AND BANK BALANCE Cash and cash equivalent		
Balance with bank		
In current accounts	39,62,731	29,74,385
Other bank balances		
Deposit with original maturity of 12 months	6,00,000	-
(Pledged with bank against guarantee issued to Sales Tax Authorities)		
	<u>45,62,731</u>	<u>29,74,385</u>
15 SHORT TERM LOANS AND ADVANCES (Unsecured, considered good unless otherwise stated)		
Advances recoverable in cash or kind or for value to be received	2,14,52,756	48,69,482
Balance with government and other revenue authorities	2,58,46,564	1,99,15,192
	<u>4,72,99,320</u>	<u>2,47,84,674</u>
16 OTHER CURRENT ASSETS (Unsecured, considered good unless otherwise stated)		
Prepaid expenses	28,70,305	78,90,579
	<u>28,70,305</u>	<u>78,90,579</u>



S.E. BUILDERS & REALTORS LIMITED

Notes to financial Statements as at and for the year ended 31st Mar 2016

	Year ended 31-March-16 (Rs.)	Year ended 31-March-15 (Rs.)
17 OTHER INCOME		
Gain from redemption of current investments (net)	37,32,051	22,704
Miscellaneous Income	-	19,512
	<u>37,32,051</u>	<u>42,216</u>
18 CONSTRUCTION EXPENSES		
Land cost	-	25,57,110
Construction materials consumed	1,04,34,819	-
Architect and consultancy Fees	1,39,03,375	1,98,46,836
Infrastructure expenses	1,48,79,240	7,68,63,776
Sanction and other fees	3,08,07,016	-
	<u>7,00,24,450</u>	<u>9,92,67,722</u>
19 INCREASE IN CONSTRUCTION WORK IN PROGRESS		
Opening stock	1,39,60,58,522	1,26,43,40,895
Closing stock	1,56,29,70,303	1,39,60,58,522
	<u>(16,69,11,781)</u>	<u>(13,17,17,827)</u>
20 FINANCE COSTS		
Interest expense	6,19,06,621	4,74,69,416
Other Borrowing cost	1,35,35,310	14,82,692
	<u>7,54,41,931</u>	<u>4,89,62,108</u>
21 OTHER EXPENSES		
Power and Fuel	1,36,100	8,800
Rates and taxes	78,31,269	85,89,002
Insurance charges	10,12,150	56,180
Professional and legal charges	1,92,20,524	1,06,35,443
Service charges	1,72,94,328	47,83,302
Payment to auditors		
As auditor		
Audit fees	1,00,000	1,00,000
Reimbursement of expenses (including service tax)	6,506	-
Security charges	16,65,082	16,24,397
Advertisement, Publicity & Sales promotion (net of recoveries)	3,59,76,903	5,19,855
Travelling and conveyance	20,22,080	13,88,828
General expenses	17,38,350	2,40,120
	<u>8,70,03,291</u>	<u>2,79,55,927</u>
22 CONTINGENT LIABILITIES AND COMMITMENTS		
Contingent liabilities		
Bank guarantees	6,00,000	-
Income Tax demand	1,86,350	-
	<u>7,86,350</u>	<u>-</u>



S.E. BUILDERS & REALTORS LIMITED

Notes to financial Statements as at and for the year ended 31st Mar 2016

23 Earnings Per Share

The following reflects the profit and share data used in the basic and diluted EPS computations

	Year ended 31-Mar-16	Year ended 31-March-15
Profit / (loss) after tax	(6,19,36,763)	(4,44,84,110)
Net profit / (loss) for calculation of basic and diluted EPS	(6,19,36,763)	(4,44,84,110)
Weighted average number of equity shares for calculating basic EPS	5,00,000	5,00,000
Effect of Dilution		
Convertible preference shares	5,00,000	5,00,000
Weighted average number of equity shares for calculating diluted EPS	10,00,000	10,00,000
Earnings per share [nominal value of share Rs.10 (31st March 2015: Rs. 10)]		
Basic	(123.87)	(88.97)
Diluted *	(123.87)	(88.97)

* As the company has incurred loss during the year, effect of dilution is anti dilutive in nature hence ignored.

24 Deferred Tax

	As at 31-March-16 Rs.	As at 31-March-15 Rs.
Unabsorbed business losses	10,73,62,054	4,53,74,839
Preliminary expenses to be allowed in future years	-	50,448
	10,73,62,054	4,54,25,287

As the project of the company is in the initial stages of development, the management, being conservative has decided not to recognize Deferred Tax Assets.

25 The Company is engaged in the business of real estate development in India. Accordingly it has only one reportable business segment (Real Estate Development) and only one reportable geographic segment (India).



S.E. BUILDERS & REALTORS LIMITED

Notes to financial Statements as at and for the year ended 31st Mar 2016

26 Related Party Disclosures as per Accounting Standard 18 are detailed below:-

a) Related Parties

Name	Relationship
Where Control exists Bengal Ambuja Housing Development Limited (BAHDL)	Holding Company
Others Ambuja Neolia Holding Pvt. Ltd. (ANH)	Enterprise having significant influence
Ambuja Housing & Urban Infrastructure Company Limited (AHUICL)	Enterprise having significant influence

b) Particulars of transactions during the year ended on 31st March 2016 are detailed below:-

Nature of Transactions	BAHDL	ANH	AHUICL
Consultancy charges	42,80,138 (31,87,063)	- (-)	- (-)
Service Charges (reimbursement of expenses)	1,52,99,746 (29,45,217)	- (-)	17,27,430 (-)
Loans Received	- (-)	70,00,000 (3,33,00,000)	26,23,00,000 (-)
Loans Repaid	- (-)	4,03,00,000 (26,00,00,000)	26,39,00,000 (-)
Interest Expense	- (-)	37,08,381 (26,95,740)	66,53,917 (-)
c) Balance outstanding as at the year ended on 31st March 2016			
Trade payable	52,90,025 (39,37,528)	- (-)	4,39,833 (-)
Short term borrowings	(-)	(3,33,00,000)	(2,16,00,000)
Interest accrued and due on borrowings	(-)	(24,26,196)	59,88,525 (-)
Corporate Guarantee Received	(-)	(-)	50,00,00,000 (50,00,00,000)

(Figures in brackets relates to previous year)

27 Bengal Ambuja Housing Development Limited (BAHDL), the holding Company, had entered into a development agreement dated December 31, 2009 with West Bengal Housing Board ("Board"), wherein the Board has appointed BAHDL to develop a residential Complex on the Land situated at EM Bypass, Kolkata on the term and condition contained in the said agreement. Subsequently, BAHDL vide an agreement dated 30th January, 2012 had transferred and assigned in favour of the Company all the rights, benefits, interests and entitlements conferred to BAHDL under the Development Agreement on the terms and conditions mentioned in the said agreement. Accordingly, the Company has received the permissive possession of land for which it is required to pay consideration based on profitability of the said project subject to maximum of Rs.120 crores and minimum of Rs.90 crores. Final Consideration, if any, shall be determined and paid on the completion of the project.

Construction work on the land was temporarily suspended due to status quo order passed by a Civil Court, pursuant to the file suit filed by few individuals against the erstwhile owners of the land. BAHDL had filed a Special Leave Petition with the Hon'ble Supreme Court for vacating the status quo order.

During the year, BAHDL has received a favourable order from the the Hon'ble Supreme Court. Consequently the residential project "Utalika" was commercially launched and the construction activity also resumed.



S.E. BUILDERS & REALTORS LIMITED

Notes to financial Statements as at and for the year ended 31st Mar 2016

- 28 Based on the information / documents available with the Company, none of its creditors during the year was covered under Micro, Small and Medium Enterprises Development Act, 2006.
- 29 The Company has no employees and hence, the Provisions of the Payment of Gratuity Act 1972, Employees Provident Fund and Misc Provisions Act 1952 and Employees State Insurance Act 1948 are not applicable on the Company.
- 30 Figures have been rounded off to the nearest rupee.
- 31 Previous year's figures have been regrouped / reclassified, where necessary, to conform to this year's classification.

As per our report of even date

For S. R. Batliboi & Co. LLP
CHARTERED ACCOUNTANTS
Firm Registration No. 301003E/E300005

For and on behalf of the Board of Directors of
S.E. Builders & Realtors Limited



per Bhaswar Sarkar
Partner
Membership No 055596

Place: Kolkata
Dated: 20th June 2016





Naresh Kumar Jain
Director
DIN: 00221519



Pradip Jyoti Agrawal
Director
DIN: 00032133