

B S R & Co. LLP

Chartered Accountants

Godrej Waterside, Unit No. 603
6th Floor, Tower 1, Plot No. 5, Block - DP
Sector V, Salt Lake, Kolkata - 700091

Telephone: + 91 33 4035 4200
Fax: + 91 33 4035 4295

INDEPENDENT AUDITORS' REPORT

To The Members of Shrichi Burdwan Developers Private Limited

Report on the Audit of the Standalone Financial Statements (prepared as per Accounting Standards)

We have audited the accompanying standalone financial statements (prepared as per Accounting Standards) of **Shrichi Burdwan Developers Private Limited** ("the Company"), which comprise the Balance Sheet as at 31 March 2018, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and, a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Standalone Financial Statements

The Company's management and Board of Directors are responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss 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.

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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditors' Responsibility

Our responsibility is to express an opinion on these standalone 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 of the standalone financial statements 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 standalone financial statements are free from material misstatement.



B S R & Co. (a partnership firm with Registration No. BA61223) converted into B S R & Co. LLP (a Limited Liability Partnership with LLP Registration No. AAB-8181) with effect from October 14, 2013

Registered Office:
5th Floor, Lodha Excelus
Apollo Mills Compound
N.M. Joshi Marg, Mahalakshmi
Mumbai - 400 011

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the standalone financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the standalone 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 standalone 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 the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the standalone financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditors' report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditors' report. However, future events or conditions may cause an entity to cease to continue as a going concern.

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 aforesaid 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 31 March 2018, its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditors' Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A", 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 purposes of our audit.
 - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under section 133 of the Act.
 - e) On the basis of the written representations received from the directors as on 31 March 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) With respect to the Other Matter to be included in the Auditors' 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 as at 31 March 2018 on its financial position in its standalone financial statements; -Refer Note 3.27 and 3.33 to the standalone financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
 - iv. The disclosures in the standalone financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However amounts as appearing in the audited standalone financial statements for the period ended 31 March 2017 have been disclosed.

Place: Kolkata
Date: 18 September 2018

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




Jayanta Mukhopadhyay
Partner
Membership No.: 055757

Annexure –A to the Independent Auditors' Report

(Referred to in our report of even date)

- (i) (a) According to the information and explanations given to us, 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 Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified annually. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets. In accordance with this programme, no material discrepancies were noticed upon such verification.
- (c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the title deeds of immovable properties are held in the name of the Company.
- (ii) According to the information and explanations given to us, the inventory have been physically verified by the management during the year. In our opinion, the frequency of such verification is reasonable. The discrepancies noticed on verification between the physical stocks and the book records were not material.
- (iii) According to the information and explanations given to us, the Company has granted unsecured loans to five companies covered in the register maintained under Section 189 of the Act. The Company has not granted any loans, secured or unsecured, to firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act.
- a) According to the information and explanation given to us, terms and conditions on which the unsecured loan have been granted to one company covered in the register maintained under Section 189 of the Act are, prima facie, not prejudicial to the interests of the Company. However, the terms and conditions on which the unsecured loans have been granted to four companies covered in the register maintained under Section 189 of the Act (total loan amount granted is Rs. 421,960,848 and balance outstanding as at 31 March 2018 is Rs. 299,268,716) are, prima facie, prejudicial to the interests of the Company as the loan is interest free.
- b) The unsecured loans granted to companies covered in the register maintained under Section 189 of the Act are repayable on demand. According to the information and explanations given to us, the loans demanded during the year by the Company have been repaid. However, there are no stipulations made for recovery of interest from one company and loans granted to four companies are interest free. Accordingly, we cannot comment on the regularities of the receipt of interest amounts.
- c) There are no overdue amount in respect of the unsecured loans granted to companies covered in the register maintained under Section 189 of the Act.



Annexure –A to the Independent Auditors' Report (continued)

- (iv) According to the information and explanations given to us and based on our examination of the records of the Company, there are no loans, investments, guarantees and security which requires compliance with provisions of 186 of the Act. As per information and explanations given to us and based on our examination of the records of the Company, there are no investments, guarantees and security which requires compliance with provisions of 185 of the Act. However, loan given to three company is not in compliance with provisions of Section 185 of the Act, details are given below;

| Name of the Company | Relationship with director concerned | Maximum amount outstanding during the year | Balance as at Balance Sheet date |
|--|--------------------------------------|--|----------------------------------|
| Shrachi Virtuous Retail Projects Private Limited | Director in a private company | 200,000 | 200,000 |
| Shrachi Realty Private Limited | | 8,706,257 | Nil |
| Brijlaxmi Paper Products Private Limited | | 600,000 | Nil |

- (v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits during the year as per the directives issued by the Reserve Bank of India under the provisions of Section 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, provisions of paragraph 3(v) of the Order are not applicable to the Company.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act. Accordingly, provisions of paragraph 3(vi) of the Order are not applicable to the Company.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues of employees' state insurance, provident fund, service tax, goods and services tax, cess and other material statutory dues have generally been regularly deposited during the year by the Company with the appropriate authorities though there were slight delays in a few cases of income tax. As explained to us, the Company did not have any dues on account of sales tax, duty of customs, duty of excise and value added tax.



Annexure –A to the Independent Auditors' Report (continued)

According to the information and explanations given to us, no undisputed amounts is payable in respect of employees' state insurance, provident fund, service tax, income tax, goods and services tax, cess and other material dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable, except for income tax as mentioned below:

| Name of the Statute | Nature of the dues | Amount (Rs.) | Period to which the amount relates | Due date | Date of payment |
|----------------------|--------------------|--------------|------------------------------------|-------------------|--------------------|
| Income Tax Act, 1961 | Advance Income Tax | 2,303,017 | September 2017 | 15 September 2017 | Not paid till date |

- (b) According to the information and explanations given to us, there are no dues of income tax, service tax and goods and services tax which have not been deposited with the appropriate authorities on account of any dispute except as mentioned below:

| Name of the statute | Nature of the dues | Total amount under dispute (Rs.) | Total amount paid under protest (Rs.) | Period to which the amount relates | Forum where dispute is pending |
|----------------------|--------------------|----------------------------------|---------------------------------------|------------------------------------|-----------------------------------|
| Income Tax Act, 1961 | Income Tax | 13,010 | Nil | FY 2012-13 | Commissioner Income Tax (Appeals) |



Annexure –A to the Independent Auditors’ Report (continued)

- (viii) In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to banks or financial institutions. The Company did not have any dues from government. However, the Company has delayed in payment of interest on debentures to debenture holders, as mentioned below:

| Particulars | Amount of default as at the balance sheet date (Rs.) | Due date for payment | Subsequent payment date |
|-----------------------|--|----------------------|-------------------------|
| Debentures (interest) | 939,606 | 30 June 2017 | 1 September 2018 |
| | 949,932 | 30 September 2017 | |
| | 949,932 | 31 December 2017 | |
| | 929,280 | 31 March 2018 | |

- (ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. The term loans raised during the year has been applied for the purposes for which those were raised.
- (x) According to the information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us, the provisions of Section 197 are not applicable to the Company. Accordingly, provisions of paragraph 3(xi) of the Order are not applicable to the Company.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, provisions of paragraph 3(xii) of the Order are not applicable to the Company.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Section 188 of the Act, where applicable and details of such transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards. The provisions of Section 177 are not applicable to the Company.
- (xiv) According to the information and explanations given to us, and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, provisions of paragraph 3(xiv) of the Order are not applicable to the Company.



Annexure –A to the Independent Auditors' Report (continued)

- (xv) According to the information and explanations given to us, and based on our examination of the records of the Company, the Company has not entered into any non-cash transactions with directors or persons connected with them. Accordingly, provisions of paragraph 3(xv) of the Order are not applicable to the Company.
- (xvi) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, provisions of paragraph 3(xvi) of the Order is not applicable to the Company.

For B S R & Co. LLP

Chartered Accountants

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



Jayanta Mukhopadhyay

Partner

Membership No.: 055757

Place: Kolkata

Date: 18 September 2018

B S R & Co. LLP

Annexure B to the Independent Auditors' Report
(Referred to in our report of even date)

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

We have audited the internal financial controls with reference to financial statements of **Shrachi Burdwan Developers Private Limited** ("the Company") as of 31 March 2018 in conjunction with our audit of the standalone 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 with reference to financial statements 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 Act.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements 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 Act, 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 ICAI. 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, 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.



Annexure – B to the Independent Auditors' Report (continued)

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 with reference to financial statements.

Meaning of Internal Financial Controls with reference to financial statements

A company's internal financial control with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of standalone financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to financial statements 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 standalone 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 standalone financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

Because of the inherent limitations of internal financial controls with reference to financial statements, 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 with reference to financial statements to future periods are subject to the risk that the internal financial control with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



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Annexure – B to the Independent Auditors' Report (continued)

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2018, based on the internal control with reference to financial statements 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 ICAI.

Place: Kolkata

Date : 18 September 2018

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




Jayanta Mukhopadhyay
Partner
Membership No.: 055757

Shrachi Burdwan Developers Private Limited

Standalone Balance Sheet

as at 31 March 2018

(Currency : Indian rupees)

| | Note | 2018 | 2017 |
|--|------|-----------------------------|-----------------------------|
| EQUITY AND LIABILITIES | | | |
| Shareholders' funds | | | |
| Share capital | 3.1 | 63,094,510 | 123,943,750 |
| Reserves and surplus | 3.2 | 155,939,334 | 131,516,116 |
| | | <u>219,033,844</u> | <u>255,459,866</u> |
| Non-current liabilities | | | |
| Long-term borrowings | 3.3 | 89,805,683 | 93,088,169 |
| Long-term provisions | 3.4 | 4,097,114 | 2,195,200 |
| | | <u>93,902,797</u> | <u>95,283,369</u> |
| Current liabilities | | | |
| Short-term borrowings | 3.5 | 460,200,308 | 322,716,017 |
| Trade payables | 3.6 | - | - |
| - Total outstanding dues of micro enterprises and small enterprises | | - | - |
| - Total outstanding dues of creditors other than micro enterprises and small enterprises | | 190,502,233 | 201,764,873 |
| Other current liabilities | 3.7 | 257,290,804 | 480,455,939 |
| Short-term provisions | 3.8 | 31,126,432 | 37,966,753 |
| | | <u>939,119,777</u> | <u>1,042,903,582</u> |
| TOTAL | | <u><u>1,252,056,418</u></u> | <u><u>1,393,646,817</u></u> |
| ASSETS | | | |
| Non-current assets | | | |
| Fixed assets | | | |
| Property, plant and equipment | 3.9 | 145,074,493 | 4,231,809 |
| Deferred tax assets | 3.10 | 13,816,497 | 18,804,384 |
| Non-current investment | 3.11 | 100,000 | 100,000 |
| Long-term loans and advances | 3.12 | 1,193,928 | 7,709,461 |
| Other non-current assets | 3.13 | 1,181,000 | 1,181,000 |
| | | <u>161,365,918</u> | <u>32,026,654</u> |
| Current assets | | | |
| Inventories | 3.14 | 742,101,460 | 1,127,397,641 |
| Trade receivables | 3.15 | - | - |
| Cash and bank balances | 3.16 | 5,932,529 | 73,950,615 |
| Short-term loans and advances | 3.17 | 333,375,584 | 153,311,063 |
| Other current assets | 3.18 | 9,280,927 | 6,960,844 |
| | | <u>1,090,690,500</u> | <u>1,361,620,163</u> |
| TOTAL | | <u><u>1,252,056,418</u></u> | <u><u>1,393,646,817</u></u> |

Significant accounting policies

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Notes to the standalone financial statements

3.1-3.40

The accompanying notes are an integral part of these standalone financial statements

As per our report of even date attached.

For BSR & Co. LLP

Chartered Accountants

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

Jayanta Mukhopadhyay

Partner

Membership No.: Q55757

Place: Kolkata

Date: 18 September 2018



For and on behalf of the Board of Directors of

Shrachi Burdwan Developers Private Limited

CIN: U45200WB2006PTC111545

Sanjeev Agarwal

Director

DIN: 00C80755

Place: Kolkata

Date: 18 September 2018

Ravi Todi

Director

DIN: 00080388

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Company Secretary

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Shrachi Burdwan Developers Private Limited

Standalone Statement of Profit and Loss

for the year ended 31 March 2018

(Currency: Indian rupees)

| | Note | 2018 | 2017 |
|--|------|--------------------|--------------------|
| Revenue from operations | 3.19 | 610,970,910 | 718,932,843 |
| Other income | 3.20 | 6,056,554 | 13,668,833 |
| Total revenue | | <u>617,027,464</u> | <u>732,601,676</u> |
| Expenses | | | |
| Net decrease in inventories of project work-in-progress and finished developed units | 3.21 | 285,680,573 | 220,648,938 |
| Construction costs | 3.22 | 163,019,616 | 356,712,776 |
| Employee benefits expense | 3.23 | 28,677,074 | 21,204,321 |
| Finance costs | 3.24 | 19,747,785 | 5,239,230 |
| Depreciation expense | 3.9 | 5,028,778 | - |
| Other expenses | 3.25 | 74,441,322 | 84,400,167 |
| Total expenses | | <u>576,595,148</u> | <u>688,205,432</u> |
| Profit before tax | | 40,432,316 | 44,396,244 |
| Tax expenses | | | |
| Current tax | | 12,245,716 | 32,841,745 |
| Income tax of previous year | | - | 10,520 |
| Deferred tax charge (release) | 3.10 | 4,987,887 | (16,695,109) |
| Profit for the year | | <u>23,198,713</u> | <u>28,239,088</u> |
| Earnings per equity share | | | |
| Basic and diluted | 3.26 | 6.59 | 8.03 |
| [nominal value of share Rs 10 each (2017: Rs 10)] | | | |

Significant accounting policies

2

Notes to the standalone financial statements

3.1-3.40

The accompanying notes are an integral part of these standalone financial statements

As per our report of even date attached.

For B S R & Co. LLP

Chartered Accountants

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

For and on behalf of the Board of Directors of

Shrachi Burdwan Developers Private Limited

CIN: U45200WB2006PTC111545

Jayanta Mukhopadhyay

Partner

Membership No.: 055757

Place: Kolkata

Date: 18 September 2018



Sanjeev Agarwal

Director

DIN: 00080755

Place: Kolkata

Date: 18 September 2018

Ravi Todi

Director

DIN: 00080388

Shweta Priy

Company Secretary

Handwritten signature: Ravi Todi Shweta Priy

Shrachi Burdwan Developers Private Limited

Standalone Cash Flow Statement for the year ended 31 March 2018

(Currency: Indian rupees)

| | 2018 | 2017 |
|---|---------------------|----------------------|
| A Cash flow from operating activities | | |
| Net profit before tax | 40,432,316 | 44,396,244 |
| Adjustments for: | | |
| Finance costs | 19,747,785 | 5,239,230 |
| Interest income | (5,670,942) | (13,278,774) |
| Depreciation expense | 5,028,778 | - |
| Profit on sale of current investment (mutual funds) | - | (282,157) |
| Advances / sundry balance written off | 500,736 | 827,720 |
| Unspent liabilities no longer required written back | (291,815) | (23,897) |
| Operating cash flow before working capital changes | <u>59,746,858</u> | <u>36,878,366</u> |
| Changes in working capital | | |
| (Decrease) / increase in trade payables | (11,262,640) | 93,855,644 |
| Increase / (decrease) in long-term provisions | 1,901,914 | (134,944) |
| (Decrease) / increase in short-term provisions | (353,100) | 580,757 |
| Decrease in other current liabilities | (218,601,865) | (306,741,966) |
| Decrease in trade receivables | - | 105,709 |
| Decrease in long-term loans and advances | 6,074,782 | 10,700 |
| (Increase) / decrease in short-term loans and advances | (180,565,256) | 55,300,390 |
| (Increase) in other current assets | (1,155,525) | - |
| Decrease in inventories | 274,707,143 | 267,674,993 |
| Cash (used in) / provided by operations | <u>(69,507,689)</u> | <u>147,529,649</u> |
| Income taxes paid | (19,311,595) | (18,378,728) |
| Net cash (used in) / provided by operating activities (A) | <u>(88,819,284)</u> | <u>129,150,921</u> |
| B Cash flow from investing activities | | |
| Purchase of property, plant and equipment | (319,168) | (395,167) |
| Proceeds from sale of investment in mutual funds | - | 78,482,157 |
| Purchase of mutual funds | - | (78,200,000) |
| Proceeds from bank deposits | - | 10,000,000 |
| Investment in bank deposits due to mature after 12 months of the reporting date | - | (1,181,000) |
| Interest received | 4,506,384 | 12,596,013 |
| Net cash provided by investing activities (B) | <u>4,187,216</u> | <u>21,302,003</u> |
| C Cash flow from financing activities | | |
| Proceeds from short term borrowings (term loan) | 300,000,000 | 39,000,000 |
| Repayment of short term borrowings (term loan) | (177,879,340) | (286,176,796) |
| Proceeds from short term borrowings availed from body corporates | 59,200,000 | 113,500,000 |
| Repayment of short term borrowings availed from body corporates (unsecured) | (103,800,000) | - |
| Proceeds from short term borrowings availed from directors (net) | 59,963,631 | - |
| Proceeds from long term borrowings (secured loan) | - | 70,000,000 |
| Repayment of long term borrowings (secured loan) | (865,217) | (784,824) |
| Redemption of preference share including premium on redemption | (73,019,088) | - |
| Interest paid | (46,986,004) | (42,500,135) |
| Net cash provided by / (used in) financing activities (C) | <u>16,613,982</u> | <u>(106,961,755)</u> |
| Net (decrease) / increase in cash and cash equivalents (A+B+C) | <u>(68,018,086)</u> | <u>43,491,169</u> |
| Cash and cash equivalents at the beginning of year | 73,950,615 | 30,459,446 |
| Cash and cash equivalents at the end of year | <u>5,932,529</u> | <u>73,950,615</u> |
| (Refer note 3.16 to the standalone financial statements) | | |



Shrachi Burdwan Developers Private Limited

Standalone Cash Flow Statement (continued) for the year ended 31 March 2018

(Currency: Indian rupees)

| | 2018 | 2017 |
|---|------------------|-------------------|
| Notes: | | |
| 1. The Cash Flow Statement has been prepared under the indirect method as set out in Accounting Standard -3 ('AS-3') on Cash flow statement. | | |
| 2. Components of cash and cash equivalents | | |
| Cash on hand | 354,849 | 216,518 |
| Balance with banks - in current account | 5,577,680 | 73,734,097 |
| | <u>5,932,529</u> | <u>73,950,615</u> |

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

As per our report of even date attached.

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

Jayanta Mukhopadhyay
Partner
Membership No.: 055757

Place: Kolkata
Date: 18 September 2018



For and on behalf of the Board of Directors of
Shrachi Burdwan Developers Private Limited
CIN: U45200WB2006PTC111545

Sanjeev Agarwal
Director
DIN: 00080755

Ravi Todi
Director
DIN: 00080388

Shweta Priy
Company Secretary

Place: Kolkata
Date: 18 September 2018

Shrachi Burdwan Developers Private Limited

Notes to the standalone financial statements (continued)
for the year ended 31 March 2018

(Currency: Indian rupees)

1 Company Overview

Shrachi Burdwan Developers Private Limited ("the Company"), was incorporated on 16 October 2006 at Kolkata, State of West Bengal as a Special Purpose Vehicle (SPV). The Company has acquired development rights in the land at Mouza Nababhat Burdwan. The objective of the Company is to develop the land into a mini township.

2 Significant accounting policies

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

2.1 Basis of preparation of financial statements

The financial statements have been prepared and presented in accordance with Indian Generally Accepted Accounting Principles (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory accounting standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, read with Companies (Accounting Standards) Amendment Rules, 2016 applicable with effect from 1 April 2016 and other pronouncements of the Institute of Chartered Accountants of India (to the extent applicable) and the relevant provisions of the Act. The financial statements are presented in Indian rupees.

2.2 Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires management to make judgments, estimates and assumptions that affect the application of accounting policies and reported amounts of assets, liabilities, income and expenses and the disclosure of contingent liabilities on the date of the financial statements. Actual results could differ from those estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Appropriate changes in estimates are made as the management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

2.3 Current and non-current classification

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

Assets

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

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

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

All other assets are classified as non-current.



Shrachi Burdwan Developers Private Limited

Notes to the standalone financial statements (continued)
for the year ended 31 March 2018

(Currency: Indian rupees)

2 Significant accounting policies (continued)

2.3 Current and non-current classification (continued)

Liabilities

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

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

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

All other liabilities are classified as non-current.

2.4 Operating cycle

Operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. Based on the nature of services and the time between the acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 7 years for the purpose of current – non-current classification of assets and liabilities for current project under development and 12 months for the other assets and liabilities.

2.5 Property, plant and equipments and depreciation

Property, plant and equipment are carried at cost of acquisition or construction less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an item of property, plant and equipment comprises its purchase price, including import duties and other non-refundable taxes or levies and any directly attributable cost of bringing the asset to its working condition for its intended use, any trade discounts and rebates are deducted in arriving at the purchase price.

Subsequent expenditure related to an item of property, plant and equipment 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 property, plant and equipments, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the Statement of Profit and Loss for the year during which such expenses are incurred.

Depreciation is provided using the written down value method over the useful life as prescribed in Part C of Schedule II to the Act. Depreciation on addition/deletion of property, plant and equipment made during the year is provided on pro-rata basis from / upto the date of each addition / deletion.

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

Advance paid /expenditure incurred on acquisition /construction of property, plant and equipment which are not ready for their intended use at each balance sheet date are disclosed under loans and advances as advances on capital account and capital work-in-progress respectively.

Leasehold land is amortised over the period of the lease.



Shrachi Burdwan Developers Private Limited

Notes to the standalone financial statements (continued)
for the year ended 31 March 2018

(Currency: Indian rupees)

2 Significant accounting policies (continued)

2.6 Impairment

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

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

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

2.7 Operating leases

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

2.8 Investments

Investments that are readily realisable and intended to be held for not more than a year from the date of acquisition are classified as current investments. All other investments are classified as long-term investments. However, that part of long term investments which is expected to be realised within 12 months after the reporting date is also presented under 'current assets' as "current portion of long term investments" in consonance with the current/non-current classification scheme of Schedule III to the Act.

Long-term investments (including current portion thereof) are carried at cost less any other-than-temporary diminution in value, determined separately for each individual investment. Current investments are carried at the lower of cost and fair value. The comparison of cost and fair value is done separately in respect of each category of investments.

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



Shrachi Burdwan Developers Private Limited

Notes to the standalone financial statements (continued)
for the year ended 31 March 2018

(Currency: Indian rupees)

2 Significant accounting policies (continued)

2.9 Inventories

Inventories which comprises finished developed units and construction work-in-progress are carried at lower of cost and net realisable value. In determining the cost, weighted average cost method is used. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

Direct expenses like cost of acquisition of land, site labour costs, materials used for project construction, project management consultancy, costs for moving the plant, machinery to and from the site and general expenses incurred specifically for the respective project like insurance, design and technical assistance, borrowing costs and construction and development overheads are taken as the cost of construction work-in-progress.

2.10 Borrowing costs

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

2.11 Foreign currency transactions

Foreign currency transactions are recorded at the spot rates on the date of the respective transactions. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the Statement of Profit and Loss of the year. Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date; the resultant exchange differences are recognised in the Statement of Profit and Loss.

2.12 Employee benefits

Short term employee benefits

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

Defined contribution plans

A defined contribution plan is a post-employment benefit plan under which an entity pays specified contributions to a separate entity and has no obligation to pay any further amounts. The Company makes specified contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the Statement of Profit and Loss during the period in which the employee renders the related service.



Shrachi Burdwan Developers Private Limited

Notes to the standalone financial statements (continued)
for the year ended 31 March 2018

(Currency: Indian rupees)

2 Significant accounting policies (continued)

2.12 Employee benefits (continued)

Defined benefit plan

The Company's gratuity benefit scheme is a defined benefit plan. The Company's net obligation in respect of the gratuity benefit scheme is calculated by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value.

The present value of the obligation under such defined benefit plan is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The obligation is measured at the present value of the estimated future cash flows. The discount rates used for determining the present value of the obligation under defined benefit plan, are based on the market yields on Government securities as at the balance sheet date.

When the calculation results in a benefit to the Company, the recognised asset is limited to the net total of any unrecognised actuarial losses and past service costs and the present value of any future refunds from the plan or reductions in future contributions to the plan.

Actuarial gains and losses are recognised immediately in the Statement of Profit and Loss.

Post-employment benefits

Long term employment benefit

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

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

2.13 Revenue recognition

Revenue from sale of property in the course of ordinary activities is recognised when property in the goods or all significant risks and rewards of their ownership are transferred to the customer and no significant uncertainty exists regarding the amount of the consideration that will be derived from the sale of the property and regarding its collection.

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

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



Shrachi Burdwan Developers Private Limited

Notes to the standalone financial statements (continued)
for the year ended 31 March 2018

(Currency: Indian rupees)

2 Significant accounting policies (continued)

2.13 Revenue recognition (continued)

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

2.14 Provisions and contingencies

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

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

2.15 Contingent liabilities and contingent assets

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

2.16 Income taxes

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

Current tax is measured at the amount expected to be paid to (recovered from) the taxation authorities, using the applicable tax rates and tax laws. Deferred tax is recognised in respect of timing differences between taxable income and accounting income i.e. differences that originate in one period and are capable of reversal in one or more subsequent periods. The deferred tax charge or credit and the corresponding deferred tax liabilities or assets are recognised using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. Deferred tax assets are recognised only to the extent there is reasonable certainty that the assets can be realised in future, however, where there is unabsorbed depreciation or carried forward loss under taxation laws, deferred tax assets are recognised only if there is a virtual certainty supported by convincing evidence that sufficient future taxable income will be available against which such deferred tax assets can be realised. Deferred tax assets are reviewed as at each balance sheet date and written down or written-up to reflect the amount that is reasonably/virtually certain (as the case may be) to be realised.

Minimum Alternative Tax ('MAT')

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



Shrachi Burdwan Developers Private Limited

Notes to the standalone financial statements *(continued)*
for the year ended 31 March 2018

(Currency: Indian rupees)

2 Significant accounting policies *(continued)*

2.17 Cash flow statement

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



Shrachi Burdwan Developers Private Limited

Notes to the standalone financial statements (continued)

for the year ended 31 March 2018

(Currency: Indian rupees)

2018

2017

3.1 Share capital

Authorised capital

9,000,000 (2017: 9,000,000) equity shares of Rs 10 each 90,000,000 90,000,000

17,000,000 (2017: 17,000,000) 14% non-cumulative redeemable preference shares of Rs 10 each 170,000,000 170,000,000

260,000,000 **260,000,000**

Issued, subscribed and fully paid-up

1,758,884 (2017: 1,758,884) Class "A" equity shares of Rs 10 each 17,588,840 17,588,840

1,758,884 (2017: 1,758,884) Class "B" equity shares of Rs 10 each 17,588,840 17,588,840

Nil (2017: 1,584,924) 14% Class "C" non-cumulative preference shares of Rs 10 each - 15,849,240

2,791,683 (2017: 7,291,683) 14% Class "D" non-cumulative preference shares of Rs 10 each 27,916,830 72,916,830

63,094,510 **123,943,750**

A. Reconciliation of the equity and preference shares outstanding at the beginning and at the end of the reporting year:

| | 2018 | | 2017 | |
|---|-----------|------------|-----------|------------|
| | Number | Amount | Number | Amount |
| Equity shares | | | | |
| Class "A" equity shares of Rs 10 each, fully paid-up | | | | |
| At the commencement and at the end of the year | 1,758,884 | 17,588,840 | 1,758,884 | 17,588,840 |
| Class "B" equity shares of Rs 10 each, fully paid-up | | | | |
| At the commencement and at the end of the year | 1,758,884 | 17,588,840 | 1,758,884 | 17,588,840 |

| | 2018 | | 2017 | |
|--|-----------|------------|-----------|------------|
| | Number | Amount | Number | Amount |
| Preference shares | | | | |
| 14% Class "C" non-cumulative preference shares of Rs 10 each, fully paid-up | | | | |
| At the commencement of the year | 1,584,924 | 15,849,240 | 1,584,924 | 15,849,240 |
| Shares redeemed | 1,584,924 | 15,849,240 | - | - |
| At the end of the year | - | - | 1,584,924 | 15,849,240 |
| 14% Class "D" non-cumulative preference shares of Rs 10 each, fully paid-up | | | | |
| At the commencement of the year | 7,291,683 | 72,916,830 | 7,291,683 | 72,916,830 |
| Shares redeemed | 4,500,000 | 45,000,000 | - | - |
| At the end of the year | 2,791,683 | 27,916,830 | 7,291,683 | 72,916,830 |



Shrachi Burdwan Developers Private Limited

Notes to the standalone financial statements (continued) for the year ended 31 March 2018

(Currency: Indian rupees)

3.1 Share capital (continued)

B. Rights, preferences and restrictions attached to equity shares

The Company has two classes of equity shares, Class A and Class B. The different classes of equity shares have differential rights with respect to dividend distribution and share in the Company's residual assets. The equity shares are entitled to receive dividend as declared from time to time subject to payment of dividend to preference shareholders. The voting rights of an equity shareholder on a poll (not on show of hands) are in proportion as determined by the shareholders of the Company. Voting rights cannot be exercised in respect of shares on which any call or other sums presently payable have not been paid.

Failure to pay any amount called up on shares may lead to forfeiture of the shares. On winding up of the Company, the holders of equity shares will be entitled to receive the residual assets of the Company, remaining after distribution of all preferential amounts in proportion to the number of equity shares held on differential basis as determined by the shareholders agreement.

C. Rights, preferences and restrictions attached to preference shares

14% Class "C" Non cumulative preference shares of Rs 10 each, fully paid-up of the Company was held by Xander Investment Holding VI Limited and the same has been redeemed by the Company during the year. 14% Class "D" Non cumulative preference shares of Rs 10 each, fully paid-up of the Company are held by Bengal Shrachi Housing Development Limited. The outstanding preference shares of the Company will be redeemed at the end of twenty years from the respective dates of allotment at such terms and conditions as may be decided by the Board of Directors.

The holders of these preference shares are entitled to a non-cumulative dividend of 14% per annum.

Preference shares of both classes carry a preferential right as to dividend over equity shareholders. Where dividend is not declared for a financial year, the entitlement for that year lapses. The preference shares are entitled to one vote per share at meetings of the Company on any resolutions of the Company directly affecting their rights. In the event of liquidation, preference shareholders have a preferential right over equity shareholders to be repaid to the extent of capital paid-up and dividend in arrears on such shares.

D. Particulars of shareholders holding more than 5% shares of a class of shares

| | 2018 | | 2017 | |
|--|-----------|-----------|-----------|-----------|
| | Number | % holding | Number | % holding |
| Equity shares | | | | |
| Class "A" Equity shares of Rs 10 each, fully paid-up | | | | |
| Xander Investment Holding VI Limited | - | - | 1,758,884 | 100% |
| Haridham Construction Private Limited | 1,758,884 | 100% | - | - |
| Class "B" Equity shares of Rs 10 each, fully paid-up | | | | |
| Bengal Shrachi Housing Development Limited | 1,758,884 | 100% | 1,758,884 | 100% |
| Preference shares | | | | |
| 14% Class "C" Non cumulative preference shares of Rs 10 each, fully paid-up | | | | |
| Xander Investment Holding VI Limited | - | - | 1,584,924 | 100% |
| 14% Class "D" Non cumulative preference shares of Rs 10 each, fully paid-up | | | | |
| Bengal Shrachi Housing Development Limited | 2,791,683 | 100% | 7,291,683 | 100% |

E. Shares reserved for issue under options and contracts/ commitments for sale of shares/ disinvestment:

For 16.75% fully convertible debentures:

The number and amount of the equity shares will be determined by the Board of Directors of the Company at the time of exit of the investors. (Also refer to note 3.3 on rights, preferences and restrictions attached to debentures).



Shrachi Burdwan Developers Private Limited

Notes to the standalone financial statements (continued) for the year ended 31 March 2018

(Currency: Indian rupees)

| | 2018 | 2017 |
|---|--------------------|--------------------|
| 3.2 Reserves and surplus | | |
| Securities premium account | 67,415,393 | 70,074,949 |
| At the commencement of the year | - | (2,659,556) |
| Provision for premium payable on redemption of preference shares (refer note 3.1.C) | 1,224,505 | - |
| Provision for premium on redemption of preference shares written back | 68,639,898 | 67,415,393 |
| At the end of the year | 68,639,898 | 67,415,393 |
| Capital redemption reserve account | - | - |
| At the commencement of the year | 60,849,240 | - |
| Redemption of preference shares | 60,849,240 | - |
| At the end of the year | - | - |
| Surplus (Statement of Profit and loss) | 64,100,723 | 35,861,635 |
| At the commencement of the year | 23,198,713 | 28,239,088 |
| Profit for the year | (60,849,240) | - |
| Transfer to capital redemption reserve account | 26,450,196 | 64,100,723 |
| At the end of the year | 155,939,334 | 131,516,116 |
| Total reserves and surplus | | |

| 3.3 Long-term borrowings | Non-current portion | | Current portion * | |
|--|---------------------|-------------------|-------------------|------------------|
| | 2018 | 2017 | 2018 | 2017 |
| Debentures (unsecured) | | | | |
| 2,500,000 (2017: 2,500,000) 16.75% Fully convertible debentures of Rs 10 each, fully paid-up (unsecured) | 25,000,000 | 25,000,000 | - | - |
| Term loans (secured) | | | | |
| Shriram Housing Finance Limited | 64,805,683 | 67,538,544 | 5,194,317 | 2,461,456 |
| ICICI Bank Limited | - | 549,625 | 549,851 | 865,443 |
| | 89,805,683 | 93,088,169 | 5,744,168 | 3,326,899 |

* Amount disclosed under the head "Other current liabilities" - refer note 3.7

A. Terms of repayment/conversion/redemption of 16.75% fully convertible debenture

16.75% Fully convertible debentures (FCD's) of Rs 10 each, fully paid-up were allotted pursuant to the Shareholder's agreement and Share subscription agreement both dated 20 October 2006 (as amended through the second addendum dated 22 September 2008). These FCD's were issued for a period of eighteen months from the date of issue, i.e. 24 September 2008 and 29 January 2009 and these are non-marketable and unsecured.

Of the total, 5,000,000, 16.75% FCD's issued, 2,500,000 FCD's held by Nalonrod Holdings Limited were convertible into 2,500,000 Class "A" Equity shares of Rs 10 each, fully paid-up and 2,500,000 FCD's held by Bengal Shrachi Housing Development Limited were convertible into 2,500,000 Class "B" equity shares of Rs 10 each, fully paid-up at such terms and conditions as may be decided by the Board of Directors of the Company at the time of conversion on 29 July 2010 and by 24 March 2010 respectively.

During the earlier years, the Company had converted the FCD's held by Bengal Shrachi Housing Development Limited into optionally convertible debentures and redeemed these debentures at par. Additionally, vide Board resolution passed on 17 September 2009, the date of conversion of the debentures held by Nalonrod Holdings Limited has been amended to 13 October 2013. Further, vide Board resolutions passed on 25 September 2013, 27 March 2014 and 29 September 2015, the date of conversion of the debentures held by Nalonrod Holdings Limited has been further amended to 13 October 2018, 13 October 2015 and 13 October 2017.

During the earlier year, the Company vide the board resolution dated 24 March 2016 approved the transfer of debenture, thereby Nalonrod Holdings Limited transferred 1,250,000 numbers of debentures each to Shrawan Kumar Todi and Ravi Todi on 26 May 2016.



Shrachi Burdwan Developers Private Limited

Notes to the standalone financial statements (continued) for the year ended 31 March 2018

(Currency: Indian rupees)

3.3 Long-term borrowings (continued)

A. Terms of repayment/conversion/redemption of 16.75% fully convertible debenture (continued)

The Company had approached debenture holders for waiver of interest for the year ended 31 March 2017, which was accepted by debenture holders vide their letter dated 25 June 2017, and the same was taken on record by the board of directors on board meeting dated 29 June 2017.

The Company vide the board resolution dated 28 December 2017 approved the transfer of debenture, thereby Ravi Todi transferred 1,250,000 numbers of debentures to Ravi Todi (HUF) and Shrawan Kumar Todi transferred 1,250,000 numbers of debentures to Ravi Todi (HUF) on 28 December 2017 and also extended the date of conversion of debentures to 13 October 2022.

The Company had provided interest @ 16.75% to debenture holders for the year ended 31 March 2018 and the same was taken on record by the board of directors on board meeting dated 1 June 2018.

B. Details of security and repayment terms of loan from Shriram Housing Finance Limited

Term loan, availed in nature of lease rental discounting, from Shriram Housing Finance Limited to Rs.70,000,000 (2017 : Rs.70,000,000) is secured by mortgage the market value of the property measuring 44,897.17 Sq. ft. on the four storied school building of Renaissance Township, Mouza:Goda, Kantrapota, Isufabad, Nababhat (as per sanction plan), Mouza-Isufabad, comprised in J.L.nos.17, Dag nos.1831,1832,1699,1698,1697,1830 and at Mouza-Nababhat, J.L.no.16, Dag no.436, at Burdwan, Pincode - 713102, P.S. Burdwan, District- Burdwan, within the ambit of Burdwan Municipality and is carrying interest at SHPLR (Shriram Housing Finance Limited prime Lending Rate) of 15% p.a. minus 1% and is repayable in 180 months commencing from May 2017 as follows:

| Duration | Equated monthly Installments | No of installments |
|---------------------------------|------------------------------|--------------------|
| May 2017 till October 2019 | 757,234 | 30 |
| November 2019 till October 2022 | 870,819 | 36 |
| November 2022 till October 2025 | 1,001,442 | 36 |
| November 2025 till October 2028 | 1,151,659 | 36 |
| November 2028 till October 2031 | 1,324,407 | 36 |
| November 2031 till April 2032 | 1,521,096 | 6 |

The term loan is further secured by personal guarantees given by Rahul Todi and Ravi Todi, promoter director of the Company.

C. Details of security and repayment terms of loan from ICICI Bank Limited

| Nature of security | Amount outstanding | | No of installments | Amount of each installments (including interest) |
|--|---------------------------|-------------|--------------------|--|
| | Current | Non-current | | |
| (i) Car loan taken from ICICI Bank Limited amounting to Rs. 1,500,000 on 13 July 2015 against hypothecation of vehicle, purchased there against and the same is repayable in 36 equal monthly installments. Rate of interest is 10.01% per annum. | Terms of repayment : 2018 | | | |
| | 184,263 | - | 4 | 48,408 |
| | Terms of repayment : 2017 | | | |
| | 533,105 | 184,263 | 16 | 48,408 |
| (ii) Car loan taken from ICICI Bank Limited amounting to Rs. 1,000,000 on 01 March 2016 against hypothecation of vehicle, purchased there against and the same is repayable in 36 equal monthly installments. Rate of interest is 9.51% per annum. | Terms of repayment : 2018 | | | |
| | 365,588 | - | 12 | 32,038 |
| | Terms of repayment : 2017 | | | |
| | 332,338 | 365,362 | 24 | 32,038 |



Shrachi Burdwan Developers Private Limited

Notes to the standalone financial statements (continued) for the year ended 31 March 2018

(Currency: Indian rupees)

2018

2017

3.4 Long-term provisions

Provision for employee benefits :

Gratuity (Refer note 3.31)

Compensated absences (Refer note 3.31)

2,424,500

877,315

1,672,614

1,317,885

4,097,114

2,195,200

3.5 Short-term borrowings

Term loan (secured)

-Bank

-From others

Loan from body corporates (unsecured)

Loan from related parties (unsecured)

- Nadia Printing & Packaging Private Limited

- Loan from directors

-

170,216,017

331,336,677

39,000,000

23,000,000

113,500,000

45,900,000

-

59,963,631

-

460,200,308

322,716,017

Details of security and repayment terms:

Note:

A. Term Loan from Bank - Bank of Baroda

Term loan from bank was carrying interest at Bank of Baroda's base rate plus 3.75 % per annum and was repayable in three successive quarterly installments of Rs 120,000,000, Rs 160,000,000 and Rs 180,000,000 commencing from January- March 2016 and ending with July -September 2016 with a moratorium of 10 quarters (30 months) commencing from the date of first disbursement. The term loan was secured by mortgage by way of exclusive first charge of the immovable property measuring an area of 254.74 acres situated in Mouzas Goda, Nubabhat, Kanthrapota and Isufabad J.L No. 41, J.L No. 28, J.L No17 and J.L No. 16 P.S Burdwan, District Burdwan, together with all buildings, bungalows and structures erected and to be erected thereon and personal guarantees given by Rahul Todi and Ravi Todi.

During the current year the Company has repaid the entire loan from Bank of Baroda.

B. Term loan from others

(i) Sundaram BNP Paribas Home Finance Limited

Term loan from BNP Paribas Home Finance Limited to Rs 39,000,000 (2017: Rs 39,000,000) is secured by first charge on following 4 ur

(a) All that piece and parcel of land with building Ragini bungalow SSEA1/10B & Ashiana bungalow unit no SSEA1/2C land measuring an extent of 2,162 Sq. ft. with building extent 1,325 Sq. ft. and Land 2,883 Sq. ft. with Buildup area 1571 sq. ft. respectively.

(b) All that piece and parcel of land with building of RBD Anchor Store, Banquet Hall ,ground floor first floor shop, with building extent 5,865.09 sq.ft.

(c) All that piece and parcel of land with building Ishana bungalow unit no SSEA1/5C & Pavani bungalow unit no SSEA1/7C, land measuring an extent of 5,766 Sq.ft with building extent 1,915 Sq.ft and Land 2,883 Sq.ft with Buildup area 1,718 sq ft.

(d) All that piece and parcel of land with building of Arushi bungalow unit no SSEA1/9B , land measuring an extent of 2,169 Sq.ft with building extent 1,596 Sq.ft.

All the above properties situated at PLOT NO 41 Satellite Township Project, Belkash Gram Panchayat/ Goda/ Kanthrapota/ Nababhat/ Isufabad Village Goda Village, Burdwan Taluk, Burdwan Town, Burdwan-713102, Burdwan District West Bengal State.

The above term loan is secured by personal guarantee of the Ravi Todi and Rahul Todi, promoter directors of the Company.

This term loan is repayable in 48 equal monthly instalments starting from April 2018, amount of each monthly instalment is Rs.1,051,120. The term loan carry's interest @ 13.25% p.a. ,which is variable in line with SH-PLR.



Shrachi Burdwan Developers Private Limited

Notes to the standalone financial statements (continued)

for the year ended 31 March 2018

(Currency: Indian rupees)

3.5 Short-term borrowings (continued)

(ii) JM Financial Credit Solutions Limited

Term loan from JM Financial Credit Solutions Limited to Rs 292,336,677 (2017: Rs Nil) is secured by

(a) Land and unsold area of approximately 182,503 sq. ft. along with all sold receivable in project Renaissance Phase I

(a) Land and unsold area of approximately 616,273 sq. ft. along with all sold receivable in project Renaissance Phase II

All the above properties situated at PLOT NO 41 Satellite Township Project, Belkash Gram Panchayat/ Goda/ Kantrapota/ Nababhat/ Isufabad Village Goda Village, Burdwan Taluk, Burdwan Town, Burdwan-713102, Burdwan District West Bengal State.

The above term loan is secured by personal guarantee of the Ravi Todi and Rahul Todi, promoter directors of the Company.

The repayment mechanism is as follows:

The sale proceeds received by the Company from the sale of plots and apartments in the project Renaissance Phase I and Phase II will be routed through escrow accounts and 75% of the amount credited from sale of plots and 30% of the amount credited from sale of apartments will be utilised towards principal / interest repayment.

The term loan carry's interest @ 15.00% p.a.

C. Loan from body corporates

| | Amount | | Rate of interest p.a. | Maturity period |
|---------------------------|------------|-------------|-----------------------|---------------------------------------|
| | 2018 | 2017 | | |
| Loan from body corporates | 23,000,000 | 113,500,000 | 12%- 15% | 0 - 180 days , Repayable on demand |

D. Loan taken from directors

The Company has taken interest free loan from the directors Mr. Ravi Todi and Mr. Rahul Todi for Rs 11,265,200 (2017 : Rs Nil) and Rs 48,698,431 (2017 : Rs Nil) respectively and the same is repayable on demand.

E. Loan from Nadia Printing & Packaging Private Limited :-

The Company has taken loan carrying interest @ 13.00% p.a. and the same is repayable on demand.

3.6 Trade payables

2018

2017

Total outstanding dues of micro enterprises and small enterprises (Refer note 3.30)

-

-

Total outstanding dues of creditors other than micro enterprises and small enterprises

- Other payables

176,796,662

183,773,376

- Retention money payable to contractors

13,705,571

17,991,497

190,502,233

201,764,873



Shrachi Burdwan Developers Private Limited

Notes to the standalone financial statements (continued) for the year ended 31 March 2018

(Currency: Indian rupees)

3.7 Other current liabilities

| | | |
|---|--------------------|--------------------|
| Accrued premium on redemption of preference shares (refer note 3.1.C) | 7,882,095 | 21,276,448 |
| Current maturities of long-term borrowings (refer note 3.3) | 5,744,168 | 3,326,899 |
| Interest accrued and due on borrowings | 8,582,528 | 2,953,341 |
| Interest accrued but not due on borrowings | 1,210,763 | 134,321 |
| Employee benefits payable | 4,100,541 | 2,866,388 |
| Advance from customers against rent | 2,126,250 | 5,740,875 |
| Payable on cancellation of bookings | 8,728,335 | 8,728,335 |
| Interest-free deposits from customers against property bookings | 186,299,315 | 407,156,289 |
| Other maintenance deposits from customers | 8,253,824 | 6,941,953 |
| Capital equipment deposit | 6,425,917 | 5,143,350 |
| Corpus deposit | 13,211,734 | 10,912,271 |
| Statutory dues payable | | |
| - Provident fund, professional tax and employees' state insurance payable | 410,043 | 161,064 |
| - Service tax payable | - | 957,671 |
| - Goods and Service tax payable | 211,047 | - |
| - Tax deducted at source payable | 3,821,926 | 2,130,270 |
| - Labour cess payable | 282,318 | 656,308 |
| - Works contract tax payable | - | 1,370,156 |
| | <u>257,290,804</u> | <u>480,455,939</u> |

3.8 Short-term provisions

Provision for employee benefits:

| | | |
|--|---------|---------|
| Gratuity (refer note 3.31) | - | 529,898 |
| Compensated absences (refer note 3.31) | 803,330 | 626,532 |

Provision for taxation [net of advance tax Rs 43,570,597 (2017: Rs 23,818,253)]

| | | |
|--|-------------------|-------------------|
| | <u>30,323,102</u> | <u>36,810,323</u> |
| | <u>31,126,432</u> | <u>37,966,753</u> |



Shrachi Burdwan Developers Private Limited

Notes to the standalone financial statements (continued) for the year ended 31 March 2018

(Currency: Indian rupees)

3.9 Property, plant and equipment

| | Leasehold land | Office building | School building | Plant and equipments | Furniture and fittings | Motor cars | Computer and accessories | Office equipments | Total |
|---------------------------------|----------------|-----------------|-----------------|----------------------|------------------------|------------|--------------------------|-------------------|-------------|
| Gross block | | | | | | | | | |
| Balance as at 1 April 2016 | 142,731 | 7,281,114 | - | 1,317,761 | 993,691 | 4,967,762 | 1,222,112 | 878,899 | 16,804,070 |
| Additions | - | - | - | 71,062 | - | - | 229,688 | 94,417 | 395,167 |
| Balance as at 31 March 2017 | 142,731 | 7,281,114 | - | 1,388,823 | 993,691 | 4,967,762 | 1,451,800 | 973,316 | 17,199,237 |
| Balance as at 1 April 2017 | 142,731 | 7,281,114 | - | 1,388,823 | 993,691 | 4,967,762 | 1,451,800 | 973,316 | 17,199,237 |
| Additions | 4,042,868 | - | 142,945,903 | - | - | 69,148 | 125,020 | 125,000 | 147,307,939 |
| Balance as at 31 March 2018 | 4,185,599 | 7,281,114 | 142,945,903 | 1,388,823 | 993,691 | 5,036,910 | 1,576,820 | 1,098,316 | 164,507,176 |
| Accumulated depreciation | | | | | | | | | |
| Balance as at 1 April 2016 | 142,731 | 4,488,571 | - | 1,040,544 | 794,392 | 2,466,406 | 983,157 | 836,364 | 10,752,165 |
| Depreciation for the year | - | 776,811 | - | 75,556 | 57,248 | 1,005,544 | 250,206 | 49,898 | 2,215,263 |
| Balance as at 31 March 2017 | 142,731 | 5,265,382 | - | 1,116,100 | 851,640 | 3,471,950 | 1,233,363 | 886,262 | 12,967,428 |
| Balance as at 1 April 2017 | 142,731 | 5,265,382 | - | 1,116,100 | 851,640 | 3,471,950 | 1,233,363 | 886,262 | 12,967,428 |
| Depreciation for the year | 31,482 | 482,261 | 4,997,296 | 59,621 | 40,731 | 532,827 | 222,854 | 98,183 | 6,465,255 |
| Balance as at 31 March 2018 | 174,213 | 5,747,643 | 4,997,296 | 1,175,721 | 892,371 | 4,004,777 | 1,456,217 | 984,445 | 19,432,683 |
| Net block | | | | | | | | | |
| As at 31 March 2017 | - | 2,015,732 | - | 272,723 | 142,051 | 1,495,812 | 218,437 | 87,054 | 4,231,809 |
| As at 31 March 2018 | 4,011,386 | 1,533,471 | 137,948,607 | 213,102 | 101,320 | 1,032,133 | 120,603 | 113,871 | 145,074,493 |

Note: Depreciation amounting to Rs 1,436,477 (2017: Rs 2,215,263) has been transferred to construction cost (refer note 3.22)



Shrachi Burdwan Developers Private Limited

Notes to the standalone financial statements (continued) for the year ended 31 March 2018

(Currency: Indian rupees)

| | 2018 | 2017 |
|--|--------------------------|--------------------------|
| 3.10 Deferred tax assets (net) | | |
| Deferred tax assets : | | |
| Difference between book depreciation and depreciation as per the Income-tax Act, 1961 | - | 1,495,365 |
| Disallowances as per the Income-tax Act, 1961 | 13,631,800 | 16,200,870 |
| Other disallowances | 1,363,304 | 1,108,149 |
| | <u>14,995,104</u> | <u>18,804,384</u> |
| Deferred tax liabilities : | | |
| Difference between book depreciation and depreciation as per the Income-tax Act, 1961 | 1,178,607 | - |
| | <u>1,178,607</u> | <u>-</u> |
| Deferred tax assets | <u><u>13,816,497</u></u> | <u><u>18,804,384</u></u> |
| 3.11 Non-current investments <i>(Valued at cost unless otherwise stated)</i> | | |
| Trade investment (unquoted) <i>Investment in equity instruments</i> <i>In wholly owned subsidiary</i> | | |
| 10,000 (2017: 10,000) Renaissance Maintenance Private Limited (Face value per share of Rs 10 each) | 100,000 | 100,000 |
| | <u>100,000</u> | <u>100,000</u> |
| Aggregate book value of unquoted non current investments | <u>100,000</u> | <u>100,000</u> |
| 3.12 Long-term loans and advances <i>(Unsecured and considered good)</i> | | |
| Security deposit | 1,040,028 | 7,114,810 |
| Advance income tax [net of provision Rs 3,042,640 (2017 : Rs 3,042,640)] | 153,900 | 594,651 |
| | <u>1,193,928</u> | <u>7,709,461</u> |
| 3.13 Other non-current assets | | |
| Bank deposits due to mature after 12 months of the reporting date* | 1,181,000 | 1,181,000 |
| | <u>1,181,000</u> | <u>1,181,000</u> |

*The bank deposit is under lien with bank for guarantee given to The Regional Manager, West Bengal State Electricity Distribution Company Limited.



Shrachi Burdwan Developers Private Limited

Notes to the standalone financial statements (continued) for the year ended 31 March 2018

(Currency: Indian rupees)

| | 2018 | 2017 |
|---|--------------------|----------------------|
| 3.14 Inventories | | |
| <i>(Valued at lower of cost and net realisable value)</i> | | |
| <i>Construction work in progress</i> | | |
| Development rights | 190,738,310 | 217,556,161 |
| Construction costs | 313,282,974 | 509,579,106 |
| Borrowing costs | 70,300,425 | 94,431,345 |
| Depreciation expense | 4,531,799 | 5,728,792 |
| Other expenses | 39,090,020 | 120,173,293 |
| | <u>617,943,528</u> | <u>947,468,697</u> |
| Finished developed units | <u>124,157,932</u> | <u>179,928,944</u> |
| | <u>742,101,460</u> | <u>1,127,397,641</u> |
| 3.15 Trade receivables | | |
| <i>(Unsecured, considered doubtful)</i> | | |
| Receivables outstanding for a period exceeding six months from the date they became due for payment | 289,980 | 293,268 |
| Provision for bad and doubtful debts | (289,980) | (293,268) |
| | <u>-</u> | <u>-</u> |
| 3.16 Cash and bank balances | | |
| Cash and cash equivalents | | |
| Cash on hand | 354,849 | 216,518 |
| Balances with banks : | | |
| - on current accounts | 5,577,680 | 73,734,097 |
| | <u>5,932,529</u> | <u>73,950,615</u> |
| Details of bank balances / deposits: | | |
| Bank balance available on demand/ deposit with original maturity of 3 months or less included under 'Cash and cash equivalents' | 5,577,680 | 73,734,097 |
| Deposits due to mature within 12 months of the reporting date included under 'Other bank balances' | - | - |
| Bank deposits due to mature after 12 months of the reporting date included under 'Other non-current assets' (refer note 3.13) | 1,181,000 | 1,181,000 |
| | <u>6,758,680</u> | <u>74,915,097</u> |



Shrachi Burdwan Developers Private Limited

Notes to the standalone financial statements (continued) for the year ended 31 March 2018

(Currency: Indian rupees)

| | 2018 | 2017 |
|--|--------------------|--------------------|
| 3.17 Short-term loans and advances | | |
| <i>(Unsecured, considered good)</i> | | |
| <i>To parties other than related parties</i> | | |
| Prepaid expenses | 620,086 | 853,923 |
| Advance to suppliers | 3,116,072 | 6,588,409 |
| Mobilisation advances | 264,459 | 8,929,721 |
| Advances to employees | 387,485 | 72,526 |
| Deposit paid for legal case | 10,724,066 | - |
| Other advance | 465,415 | 891,118 |
| Service tax receivable | - | 6,032,519 |
| Goods and service tax receivable | 10,280,637 | - |
| Advance for Value Added Tax | - | 50,642 |
| <i>(Unsecured, considered doubtful)</i> | | |
| Advance to suppliers | 500,000 | 500,000 |
| Provision for bad and doubtful advance | (500,000) | (500,000) |
| <i>To related parties</i> | | |
| Short-term loans to related parties * (refer note 3.28) | | |
| - Shrachi Realty Private Limited (interest free) | - | 8,706,257 |
| - Shrachi Virtuous Retail Projects Private Limited | 8,248,648 | 8,048,648 |
| - Neobeam Properties Private Limited (interest free) | 250,000,000 | - |
| - Brijlaxmi Paper Products Private Limited (interest free) | - | 600,000 |
| - Renaissance Maintenance Private Limited (interest free) | 49,268,716 | 112,537,300 |
| | 333,375,584 | 153,311,063 |

* Short-term loan to related party:

- Shrachi Realty Private Limited, a company in which key management personnel can exercise significant influence.
- Shrachi Virtuous Retail Projects Private Limited, a company in which key management personnel can exercise significant influence.
- Neobeam Properties Private Limited, a company in which key management personnel can exercise significant influence.
- Brijlaxmi Paper Products Private Limited, a company in which key management personnel can exercise significant influence.
- Renaissance Maintenance Private Limited, a wholly owned subsidiary of the Company.

3.18 Other current assets *(Unsecured, considered good)*

| | | |
|---|------------------|------------------|
| Interest accrued on bank deposits | 87,566 | 9,649 |
| Interest accrued on loan to a related party (refer note 3.28) | 7,608,756 | 6,522,115 |
| Other receivable | 1,584,605 | 429,080 |
| | 9,280,927 | 6,960,844 |



Shrachi Burdwan Developers Private Limited

Notes to the standalone financial statements (continued) for the year ended 31 March 2018

(Currency: Indian rupees)

| | 2018 | 2017 |
|--|---------------------|--------------------|
| 3.19 Revenue from operations | | |
| Sale of developed land | 310,673,072 | 249,833,614 |
| Revenue from construction and sale of real estate | 288,245,681 | 463,708,548 |
| Other operating revenue | | |
| Realisation from cancellation/ transfer of booking | 3,204,480 | 5,390,681 |
| Rental income from immovable property (school building) | 8,847,677 | - |
| | <u>610,970,910</u> | <u>718,932,843</u> |
| 3.20 Other income | | |
| Interest income | | |
| - on loan | 1,207,379 | 1,207,297 |
| - on others | 4,463,563 | 12,071,477 |
| Profit on sale of current investments (mutual funds) | - | 282,157 |
| Unspent liabilities no longer required written back | 291,815 | 23,897 |
| Miscellaneous receipts | 93,797 | 84,005 |
| | <u>6,056,554</u> | <u>13,668,833</u> |
| 3.21 Net decrease in inventories of work in progress and finished developed units | | |
| Project work-in-progress: | | |
| Opening project work-in-progress | 947,468,697 | 1,097,858,657 |
| Less: Transferred to property, plant and equipment | 99,615,608 | - |
| Less: Closing project work-in-progress | 617,943,528 | 947,468,697 |
| Decrease in work-in-progress | <u>229,909,561</u> | <u>150,389,960</u> |
| Finished stock of developed units: | | |
| Opening stock of developed units | 179,928,944 | 250,187,922 |
| Less: Closing stock of finished developed units | 124,157,932 | 179,928,944 |
| Decrease in finished developed units | <u>55,771,012</u> | <u>70,258,978</u> |
| | <u>285,680,573</u> | <u>220,648,938</u> |
| 3.22 Construction costs | | |
| Cost of civil works | 146,946,939 | 244,770,538 |
| Depreciation expense | 1,436,477 | 2,215,263 |
| Borrowing costs | 34,963,256 | 44,810,792 |
| Other expenses | 27,046,107 | 64,916,183 |
| | <u>210,392,779</u> | <u>356,712,776</u> |
| Less: Transferred to property, plant and equipment | <u>(47,373,163)</u> | - |
| | <u>163,019,616</u> | <u>356,712,776</u> |



Shrachi Burdwan Developers Private Limited

Notes to the standalone financial statements (continued) for the year ended 31 March 2018

(Currency: Indian rupees)

| | 2018 | 2017 |
|--|-------------------|-------------------|
| 3.23 Employee benefits expense | | |
| Salaries, bonus and allowances | 41,268,227 | 34,210,997 |
| Contribution to provident and other funds | 4,261,202 | 2,481,606 |
| Staff welfare expenses | 878,911 | 943,949 |
| | <u>46,408,340</u> | <u>37,636,552</u> |
| Less: Transferred to construction work-in-progress | (17,731,266) | (16,432,231) |
| | <u>28,677,074</u> | <u>21,204,321</u> |
| 3.24 Finance costs | | |
| Interest expense | | |
| - on short term borrowings | 45,155,410 | 43,195,274 |
| - on debentures | 4,187,500 | - |
| - on vehicle loan | 93,054 | 174,107 |
| - on others | 657,361 | 104,195 |
| - on late payment of advance tax | 1,019,408 | 4,649,037 |
| Other borrowing cost | 3,598,308 | 1,927,409 |
| | <u>54,711,041</u> | <u>50,050,022</u> |
| Less: Borrowing costs transferred to construction work-in-progress | (34,963,256) | (44,810,792) |
| | <u>19,747,785</u> | <u>5,239,230</u> |
| 3.25 Other expenses | | |
| Rates and taxes | 1,601,581 | 359,292 |
| Repairs and maintenance | 6,550,003 | 4,563,523 |
| Security and housekeeping charges | 10,727,818 | - |
| Insurance | 556,555 | 560,124 |
| Advertisement expenses | 18,900,285 | 20,805,194 |
| Rent | 2,949,480 | - |
| Travelling and conveyance | 6,643,348 | 4,151,181 |
| Communication expenses | 737,012 | 800,880 |
| Legal and professional fees | 8,685,053 | 8,182,906 |
| Management fees | 5,000,000 | - |
| Brokerage and commission | 7,965,771 | 6,869,878 |
| Provision for compensation | - | 49,000,000 |
| Advances / sundry balance written off | 500,736 | 827,720 |
| Payment to auditors (refer note below) | 844,500 | 851,150 |
| Miscellaneous expenses | 5,003,618 | 1,461,445 |
| | <u>76,665,760</u> | <u>98,433,293</u> |
| Less: Transferred to construction work-in-progress | (2,224,438) | (14,033,126) |
| | <u>74,441,322</u> | <u>84,400,167</u> |
| Note: Payment to auditors | | |
| Statutory audit | 650,000 | 650,000 |
| Others | 150,000 | 150,000 |
| Reimbursement of expenses | 44,500 | 51,150 |
| | <u>844,500</u> | <u>851,150</u> |



Shrachi Burdwan Developers Private Limited

Notes to the standalone financial statements (continued)
for the year ended 31 March 2018

(Currency: Indian rupees)

3.26 Earnings per share

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

| Particulars | | 2018 | 2017 |
|--|-------|------------|------------|
| Net profit after tax attributable to equity shareholders | (A) | 23,198,713 | 28,239,088 |
| Number of equity shares at the beginning and end of the year | | 3,517,768 | 3,517,768 |
| Weighted average number of equity shares outstanding during the year | (B) | 3,517,768 | 3,517,768 |
| Basic and diluted earnings per equity share * | (A/B) | 6.59 | 8.03 |
| Face value per share | | 10.00 | 10.00 |

* For 16.75% Fully convertible debentures, the number and amount of the equity shares will be determined by the Board of Directors of the Company at the time of exit of the investors and therefore these have not been considered for the purposes of dilutive equity shares.

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

| Particulars | 2018 | 2017 |
|---|-------------|--------|
| Income tax claims against the Company not acknowledged as debts and disputed by the Company | 13,010 | 13,010 |
| Estimated amount of contracts remaining to be executed on capital account (net of capital advances) and not provided for | - | - |
| Securities mortgaged by the Company on behalf of Bengal Shrachi Housing Development Limited (a related party) to secure financial assistance. (refer note below for security details) | 500,000,000 | - |

Notes:

Details of properties mortgaged for loan availed by Bengal Shrachi Housing Development Limited:

- Land and unsold area of approximately 164,200 sqft along with all sold receivable, fixtures, building and development rights within Renaissance Phase I
- Land and unsold area of approximately 618,820 sqft along with all sold receivable fixtures, building and development rights in project Renaissance Phase II
- The above guarantee is also secured by personal guarantee of the Ravi Todi and Rahul Todi, promoter directors of the Company.
- The above guarantee is provided at zero charges as per the approval of board of directors vide meeting dated 25 September 2017



Shrachi Burdwan Developers Private Limited

Notes to the standalone financial statements (continued)
for the year ended 31 March 2018

(Currency: Indian rupees)

3.28 Related party disclosures

Names of related parties

| Relationship | Names of related party |
|--|---|
| Parties where control exists Control through substantial interest in voting power and power to direct through agreement i.e. Co-venturers | Bengal Shrachi Housing Development Limited Xander Investment Holding VI Limited (till 28 December 2017) Haridham Construction Private Limited (from 28 December 2017) |
| Wholly owned subsidiary | Renaissance Maintenance Private Limited |
| Other related parties with whom transactions have taken place during the year Enterprises in which the co-venturers have significant influence Enterprises in which the key management personnel have significant influence | Nalonrod Holdings Limited (till 28 December 2017) Shrachi Virtuous Retail Projects Private Limited Shrachi Realty Private Limited Neobeam Properties Private Limited BTL EPC Limited (formerly known as Bengal Tools Limited) Nadia Printing & Packaging Private Limited Brijjalxmi Paper Products Private Limited Shrawan Kumar Todi (HUF) Ravi Todi (HUF) Sri Balaji Nidhi Bhagwan Ram Sita Seva Nidhi Brijlal Shrawan Kumar HUF Brijlal Todi HUF Chitra Family Trust Rahul Todi HUF Ravi Todi Family Trust Shrawan Kumar Ravi Todi HUF |
| Key management personnel (KMP) | Ravi Todi, Director Rahul Todi, Director |
| Relatives of Key management personnel | Shrawan Kumar Todi, father of Ravi Todi |



Shrachi Burdwan Developers Private Limited

Notes to the standalone financial statements (continued)
for the year ended 31 March 2018

(Currency: Indian rupees)

3.28 Related party disclosures (continued)

Related party transactions and outstanding balances

| Nature of transaction/ balance | Co-venturers | Wholly owned subsidiary | Enterprise significantly influenced by co-venturers | Enterprise in which KMP has significant influence | Key management personnel | Relatives of Key Management Personnel | Total |
|--|--------------|-------------------------|---|---|--------------------------|---------------------------------------|--------------|
| Printing and stationary | | | | | | | |
| Brijlaxmi Paper Products Private Limited | - | - | - | 376,491 | - | - | 376,491 |
| | (-) | (-) | (-) | (31,750) | (-) | (-) | (31,750) |
| Project management fee | | | | | | | |
| Bengal Shrachi Housing Development Limited | 5,000,000 | - | - | - | - | - | 5,000,000 |
| | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Rent | | | | | | | |
| Sri Balaji Nidhi | - | - | - | - | - | 252,000 | 252,000 |
| | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Bhagwan Ram Sita Seva Nidhi | - | - | - | - | - | 414,000 | 414,000 |
| | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Brijlal Shrawan Kumar HUF | - | - | - | - | - | 231,480 | 231,480 |
| | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Brijlal Todi HUF | - | - | - | - | - | 360,000 | 360,000 |
| | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Chitra Family Trust | - | - | - | - | - | 417,600 | 417,600 |
| | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Rahul Todi HUF | - | - | - | - | - | 536,400 | 536,400 |
| | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Ravi Todi Family Trust | - | - | - | - | - | 396,000 | 396,000 |
| | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Shrawan Kumar Ravi Todi HUF | - | - | - | - | - | 342,000 | 342,000 |
| | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Interest on debentures | | | | | | | |
| Ravi Todi HUF | - | - | - | - | - | 2,093,750 | 2,093,750 |
| | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Shrawan Kumar Ravi Todi HUF | - | - | - | - | - | 2,093,750 | 2,093,750 |
| | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Unsecured borrowings received | | | | | | | |
| Rahul Todi | - | - | - | - | 97,100,000 | - | 97,100,000 |
| | (-) | (-) | (-) | (-) | (70,000,000) | (-) | (70,000,000) |
| Ravi Todi | - | - | - | - | 36,000,000 | - | 36,000,000 |
| | (-) | (-) | (-) | (-) | (44,500,000) | (-) | (44,500,000) |
| Nadia Printing & Packaging Private Limited | - | - | - | - | 36,200,000 | - | 36,200,000 |
| | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Unsecured borrowings refunded | | | | | | | |
| Rahul Todi | - | - | - | - | 48,401,569 | - | 48,401,569 |
| | (-) | (-) | (-) | (-) | (70,000,000) | (-) | (70,000,000) |
| Ravi Todi | - | - | - | - | 24,734,800 | - | 24,734,800 |
| | (-) | (-) | (-) | (-) | (44,500,000) | (-) | (44,500,000) |
| Nadia Printing & Packaging Private Limited | - | - | - | - | 73,800,000 | - | 73,800,000 |
| | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Finance costs on unsecured borrowings | | | | | | | |
| Nadia Printing & Packaging Private Limited | - | - | - | 4,851,792 | - | - | 4,851,792 |
| | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Unsecured interest free loan given | | | | | | | |
| Shrachi Realty Private Limited | - | - | - | - | - | - | - |
| | (-) | (-) | (-) | (12,263,507) | (-) | (-) | (12,263,507) |
| Brijlaxmi Paper Products Private Limited | - | - | - | - | - | - | - |
| | (-) | (-) | (-) | (1,350,000) | (-) | (-) | (1,350,000) |
| Renaissance Maintenance Private Limited | - | 50,117,292 | - | - | - | - | 50,117,292 |
| | (-) | (64,147,332) | (-) | (-) | (-) | (-) | (64,147,332) |
| Neobeam Properties Private Limited | - | - | - | 250,000,000 | - | - | 250,000,000 |
| | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Unsecured loan given | | | | | | | |
| Shrachi Virtuous Retail Projects Private Limited | - | - | - | 200,000 | - | - | 200,000 |
| | (-) | (-) | (-) | (-) | (-) | (-) | (-) |



Shrachi Burdwan Developers Private Limited

Notes to the standalone financial statements (continued)
for the year ended 31 March 2018

(Currency: Indian rupees)

3.28 Related party disclosures (continued)

Related party transactions and outstanding balances

| Nature of transaction/ balance | Co-venturers | Wholly owned subsidiary | Enterprise significantly influenced by co-venturers | Enterprise in which KMP has significant influence | Key management personnel | Relatives of Key Management Personnel | Total |
|--|--------------|-------------------------|---|---|--------------------------|---------------------------------------|---------------|
| Unsecured interest free loan refunded | | | | | | | |
| Shrachi Realty Private Limited | - | - | - | 8,706,257 | - | - | 8,706,257 |
| | (-) | (-) | (-) | (3,557,250) | (-) | (-) | (3,557,250) |
| Brijlaxmi Paper Products Private Limited | - | - | - | 600,000 | - | - | 600,000 |
| | (-) | (-) | (-) | (750,000) | (-) | (-) | (750,000) |
| Renaissance Maintenance Private Limited | - | 113,385,876 | - | - | - | - | 113,385,876 |
| | (-) | (130,899,621) | (-) | (-) | (-) | (-) | (130,899,621) |
| Interest income on unsecured loan given | | | | | | | |
| Shrachi Virtuous Retail Projects Private Limited | - | - | - | 1,207,379 | - | - | 1,207,379 |
| | (-) | (-) | (-) | (1,207,297) | (-) | (-) | (1,207,297) |
| Premium accrued during the year on redeemable preference shares | | | | | | | |
| Bengal Shrachi Housing Development Limited | - | - | - | - | - | - | - |
| | (2,192,660) | (-) | (-) | (-) | (-) | (-) | (2,192,660) |
| Xander Investment Holding VI Limited | - | - | - | - | - | - | - |
| | (466,896) | (-) | (-) | (-) | (-) | (-) | (466,896) |
| Premium repaid during the year on redeemable preference shares due to redemption of preference shares | | | | | | | |
| Bengal Shrachi Housing Development Limited | 9,000,000 | - | - | - | - | - | 9,000,000 |
| | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Haridham Construction Private Limited | 3,169,848 | - | - | - | - | - | 3,169,848 |
| | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Excess premium reversed during the year on redeemable preference shares | | | | | | | |
| Bengal Shrachi Housing Development Limited | 659,185 | - | - | - | - | - | 659,185 |
| | - | (-) | (-) | (-) | (-) | (-) | (-) |
| Haridham Construction Private Limited | 565,320 | - | - | - | - | - | 565,320 |
| | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Balance outstanding as at the end of the year | | | | | | | |
| Unsecured short term loans - receivable | | | | | | | |
| Renaissance Maintenance Private Limited | - | 49,268,716 | - | - | - | - | 49,268,716 |
| | (-) | (112,537,300) | (-) | (-) | (-) | (-) | (112,537,300) |
| Shrachi Realty Private Limited | - | - | - | - | - | - | - |
| | (-) | (-) | (-) | (8,706,257) | (-) | (-) | (8,706,257) |
| Brijlaxmi Paper Products Private Limited | - | - | - | - | - | - | - |
| | (-) | (-) | (-) | (600,000) | (-) | (-) | (600,000) |
| Neobeam Properties Private Limited | - | - | - | 250,000,000 | - | - | 250,000,000 |
| | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Shrachi Virtuous Retail Projects Private Limited | - | - | - | 8,248,648 | - | - | 8,248,648 |
| | (-) | (-) | (-) | (8,048,648) | (-) | (-) | (8,048,648) |
| Interest accrued on unsecured loan | | | | | | | |
| Shrachi Virtuous Retail Projects Private Limited | - | - | - | 7,608,756 | - | - | 7,608,756 |
| | (-) | (-) | (-) | (6,522,115) | (-) | (-) | (6,522,115) |
| Other receivable | | | | | | | |
| Bengal Shrachi Housing Development Limited | - | - | - | - | - | - | - |
| | (429,080) | (-) | (-) | (-) | (-) | (-) | (429,080) |



Shrachi Burdwan Developers Private Limited

Notes to the standalone financial statements (continued)
for the year ended 31 March 2018

(Currency: Indian rupees)

3.28 Related party disclosures (continued)

Related party transactions and outstanding balances

| Nature of transaction/ balance | Co-venturers | Wholly owned subsidiary | Enterprise significantly influenced by co-venturers | Enterprise in which KMP has significant influence | Key management personnel | Relatives of Key Management Personnel | Total |
|---|--------------|-------------------------|---|---|--------------------------|---------------------------------------|--------------|
| Unsecured short-term borrowings | | | | | | | |
| Nadia Printing & Packaging Private Limited | - | - | - | 45,900,000 | - | - | 45,900,000 |
| Ravi Todi (interest free) | (-) | (-) | (-) | (-) | (-) | (-) | - |
| Rahul Todi (interest free) | (-) | (-) | (-) | (-) | 11,265,200 | - | 11,265,200 |
| | (-) | (-) | (-) | (-) | 48,698,431 | - | 48,698,431 |
| | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Debentures outstanding at the end of the year | | | | | | | |
| Ravi Todi HUF | - | - | - | - | - | 12,500,000 | 12,500,000 |
| Shrawan Kumar Ravi Todi HUF | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Ravi Todi | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Shrawan Kumar Todi | (-) | (-) | (-) | (-) | (-) | (12,500,000) | (12,500,000) |
| | (-) | (-) | (-) | (-) | (-) | (12,500,000) | (12,500,000) |
| Trade payables | | | | | | | |
| BTL EPC Limited (formerly known as Bengal Tools Limited) | - | - | - | (35,580) | (-) | (-) | (35,580) |
| Nalonrod Holdings Limited | (-) | (-) | (247,808) | (-) | (-) | (-) | (247,808) |
| Sri Balaji Nidhi | (-) | (-) | (-) | (-) | (-) | 226,800 | 226,800 |
| Bhagwan Ram Sita Seva Nidhi | (-) | (-) | (-) | (-) | (-) | 372,600 | 372,600 |
| Brijlal Shrawan Kumar HUF | (-) | (-) | (-) | (-) | (-) | 208,332 | 208,332 |
| Brijlal Todi HUF | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Chitra Family Trust | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Rahul Todi HUF | (-) | (-) | (-) | (-) | (-) | 375,840 | 375,840 |
| Ravi Todi Family Trust | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Shrawan Kumar Ravi Todi HUF | (-) | (-) | (-) | (-) | (-) | 307,800 | 307,800 |
| Bengal Shrachi Housing Development Limited | 5,400,000 | (-) | (-) | (-) | (-) | (-) | 5,400,000 |
| | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Retention money payable | | | | | | | |
| Bengal Shrachi Housing Development Limited | 700,349 | (-) | (-) | (-) | (-) | (-) | 700,349 |
| | (700,349) | (-) | (-) | (-) | (-) | (-) | (700,349) |
| Interest payable on borrowings | | | | | | | |
| Nadia Printing & Packaging Private Limited | - | - | - | 4,366,614 | - | - | 4,366,614 |
| Ravi Todi HUF - interest on debentures | (-) | (-) | (-) | (-) | (-) | 1,884,375 | 1,884,375 |
| Shrawan Kumar Ravi Todi HUF - interest on debentures | (-) | (-) | (-) | (-) | (-) | 1,884,375 | 1,884,375 |
| | (-) | (-) | (-) | (-) | (-) | (-) | (-) |
| Accrued premium on redeemable preference shares as at year end | | | | | | | |
| Bengal Shrachi Housing Development Limited | 7,882,095 | (-) | (-) | (-) | (-) | (-) | 7,882,095 |
| | (17,541,280) | (-) | (-) | (-) | (-) | (-) | (17,541,280) |
| Xander Investment Holding VI Limited | (3,735,168) | (-) | (-) | (-) | (-) | (-) | (3,735,168) |
| Security provided for loan availed by Bengal Shrachi Housing Development Limited (Refer note 3.27) | 500,000,000 | (-) | (-) | (-) | (-) | (-) | 500,000,000 |
| | (-) | (-) | (-) | (-) | (-) | (-) | (-) |

Note: Amounts in brackets represent prior year comparatives



Shrachi Burdwan Developers Private Limited

Notes to the standalone financial statements (continued)
for the year ended 31 March 2018

(Currency: Indian rupees)

3.29 Segment information

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

3.30 Due to Micro, Small and Medium Enterprises

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

| | 2018 | 2017 |
|--|------|------|
| a) The principal amount and the interest due thereon remaining unpaid to any supplier at the end of each accounting year; | | |
| - Principal | - | - |
| - Interest | - | - |
| b) The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006, along with the amount of the payment made to the supplier beyond the appointed day during each accounting year; | - | - |
| c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006; | - | - |
| d) The amount of interest accrued and remaining unpaid at the end of each accounting year; and | - | - |
| e) The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006. | - | - |



Shrachi Burdwan Developers Private Limited

Notes to the standalone financial statements (continued)
for the year ended 31 March 2018

(Currency: Indian rupees)

3.31 Disclosure pursuant to Accounting standard – 15 'Employee Benefits'

Defined contribution plans

The Company makes contributions, determined as a specified percentage of employee salaries, in respect of qualifying employees towards Provident Fund which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognised as an expense towards contribution to Provident Fund for the year aggregated to Rs 2,183,445 (2017: Rs 1,676,321)

Compensated absences (Other long term employment benefit):

The leave wages are payable to all eligible employees at the rate of daily salary for each day of accumulated leave on death or on resignation or upon retirement on attaining superannuation age. The liability towards compensated absences for the year ended 31 March 2018 based on actuarial valuation using the projected accrued benefit method amounting to Rs 851,440 (2017: Rs 568,066) has been recognised in the Statement of Profit and Loss.

Gratuity (Defined benefit plan):

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on death or resignation or retirement calculated as per the Payment of Gratuity Act.

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



Shrachi Burdwan Developers Private Limited

Notes to the standalone financial statements (continued)
for the year ended 31 March 2018

(Currency: Indian rupees)

3.31 Disclosure pursuant to Accounting standard – 15 'Employee Benefits' (continued)

| Gratuity | 2018 | 2017 | | | |
|--|---------------------|-------------|-------------|-----------|-----------|
| I Net employee expense | | | | | |
| Current service cost | 1,098,512 | 874,615 | | | |
| Past service cost | 113,931 | - | | | |
| Interest cost on benefit obligation | 277,873 | 252,233 | | | |
| Expected return on plan assets | (196,235) | (169,483) | | | |
| Net actuarial loss / (gain) recognised in the year | 112,698 | (533,009) | | | |
| Net benefit expenses | 1,406,779 | 424,356 | | | |
| II Amount recognised in the balance sheet | | | | | |
| Defined benefits obligation | 4,911,992 | 3,860,153 | | | |
| Plan asset | 2,487,492 | 2,452,940 | | | |
| Amount recognised in the balance sheet | 2,424,500 | 1,407,213 | | | |
| III Movement in benefit liability | | | | | |
| Opening defined benefit obligation | 3,860,153 | 3,488,039 | | | |
| Interest cost | 277,873 | 252,233 | | | |
| Current service cost | 1,098,512 | 874,615 | | | |
| Past service cost | 113,931 | - | | | |
| Benefits paid | (502,805) | (249,866) | | | |
| Actuarial losses / (gain) on obligation | 64,328 | (504,868) | | | |
| Closing benefit obligation | 4,911,992 | 3,860,153 | | | |
| IV Changes in the fair value of plan assets | | | | | |
| Opening fair value of plan assets | 2,452,940 | 2,198,220 | | | |
| Expected return | 196,235 | 169,483 | | | |
| Contributions by employer | 389,493 | 306,962 | | | |
| Benefits paid | (502,805) | (249,866) | | | |
| Actuarial (loss) / gain | (48,370) | 28,141 | | | |
| Closing fair value of plan assets | 2,487,492 | 2,452,940 | | | |
| V Actual return on plan assets | | | | | |
| Expected return on plan assets | 196,235 | 169,483 | | | |
| Actuarial (gain) / loss on plan assets | (48,370) | 28,141 | | | |
| VI The Principal actuarial assumptions are as follows | | | | | |
| Discount rate | 7.70% p.a. | 7.50 % p.a. | | | |
| Salary increase | 10% p.a. | 10% p.a. | | | |
| Withdrawal rate | 10 per thousand p.a | | | | |
| VII Experience adjustments: Amounts for the current and previous four years are as follows: | | | | | |
| | 2018 | 2017 | 2016 | 2015 | 2014 |
| Defined benefit obligation | 4,911,992 | 3,860,153 | 3,488,039 | 1,357,320 | 838,423 |
| Fair value of plan assets | 2,487,492 | 2,452,940 | 2,198,220 | 876,469 | 580,572 |
| Surplus/ (Deficit) | (2,424,500) | (1,407,213) | (1,289,819) | (480,851) | (257,851) |
| Experience adjustment on plan liabilities [(gain)/loss] | 182,967 | (809,615) | 201,810 | (126,245) | (20,483) |
| Experience adjustment on plan assets [gain/(loss)] | (55,484) | 45,506 | 17,453 | 15,363 | 7,743 |



Shrachi Burdwan Developers Private Limited

Notes to the standalone financial statements (continued)
for the year ended 31 March 2018

(Currency: Indian rupees)

3.31 Disclosure pursuant to Accounting standard – 15 'Employee Benefits' (continued)

Investment detail of plan assets:

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

Estimates of future salary increases, considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

Assumptions regarding future mortality are based on published statistics and mortality tables. The calculation of the defined benefit obligation is sensitive to the mortality assumptions

The overall expected long-term rate of return on assets is 8.00% (2017: 7.71%). The expected long-term rate of return is based on the portfolio as a whole and not on the sum of the returns on individual asset categories. The return is based exclusively on historical returns, without adjustments.

3.32 Dividend on 14% Class "C" and Class "D" Non cumulative preference shares

The preference shareholders have waived their right to preference dividend in respect of the current year ended 31 March 2018 and previous year ended 31 March 2017. Accordingly, provision for preference dividend has not been created as at 31 March 2018 and 31 March 2017.

3.33 The Company had taken 254.74 acres of land from Burdwan Development Authority (BDA) on 27 August 2010 on long term lease basis for 99 years with option of renewal for the purpose of construction and development of Satellite Township. As per the agreement the Company had with BDA, the Company had paid full amount as cost of development rights.

In the earlier years, few land owners who sold their land to BDA, claimed higher compensation from BDA.

The Company has signed a Memorandum of Understanding (MoU) dated 29 August 2014 with BDA and Samity. As per the terms of the MoU, the Company agreed to transfer all its leasehold rights over a portion of project land not exceeding 30 acres and Samity represented by erstwhile land owners agreed to withdraw all legal cases/ other disputes. However, the final agreement between the parties is yet to be reached.

3.34 Disclosure under section 186 of the Companies Act, 2013

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

3.35 During the year, the Company has given a loan of Rs 200,000 to Shrachi Virtuous Retail Private Limited which is in non-compliance of Section 185 of the Companies Act 2013. The loans given in the previous year to Shrachi Realty Private Limited and Brijlaxmi Paper Products Private Limited aggregating to Rs 8,706,257 and Rs 600,000 respectively which were in non-compliance of section 185 of the Companies Act 2013 has been regularised during the current year by refund back of such loan amount. The Company is in the process of taking necessary steps under Companies Act, 2013 with respect to same. The management of the Company believes that the penalty to be determined is not expected to be material to these standalone financial statements and accordingly no adjustment has been made in the standalone financial statements.



Shrachi Burdwan Developers Private Limited

Notes to the standalone financial statements (continued)
for the year ended 31 March 2018

(Currency: Indian rupees)

3.36 Expenditure in foreign currency

| | 2018 | 2017 |
|---------------------|---------|------|
| Travelling expenses | 341,413 | - |

3.37 Corporate social responsibility (CSR)

The Company does not meet the applicability threshold of CSR as per Section 135 of the Companies Act 2013.

3.38 Operating lease

The Company has taken office on operating lease arrangements. Minimum lease payment charged during the year to the statement of Profit and Loss aggregated to Rs 2,949,480 (2017: Rs Nil).

3.39 Disclosure on Specified Bank Notes (SBN):

The details of Specified Bank Notes (SBN) held and transacted during the period from 8 November 2016 to 30 December 2016, as required by MCA notification G.S.R. 308(E) dated 30 March 2017 are given below:

| Particulars | SBNs(Rs) | Other denomination notes (Rs) | Total (Rs) |
|---------------------------------------|----------|-------------------------------|------------|
| Closing cash in hand as on 8-11-2016 | 458,500 | 297 | 458,797 |
| (+) Permitted receipts | - | 425,887 | 425,887 |
| (-) Permitted payments | - | 264,881 | 264,881 |
| (-) Amount deposited in Banks | 458,500 | - | 458,500 |
| Closing cash in hand as on 30-12-2016 | - | 161,703 | 161,703 |

* For the purposes of this clause, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8 November 2016.

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

As per our report of even date attached.

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

Jayanta Mukhopadhyay
Partner
Membership No.: 055757

Place: Kolkata
Date: 18 September 2018



For and on behalf of the Board of Directors
Shrachi Burdwan Developers Private Limited
CIN: U45200WB2006PTC111545

Sanjeev Agarwal
Director
DIN: 00080755

Ravi Todi
Director
DIN: 00080388

Shweta Priy
Company Secretary

Place: Kolkata
Date: 18 September 2018