Satyam Developers Limited

Annual Report 2015-16

General Information

Board of Directors	Hanubhai R. Sangani Vyomesh V. Patel Shitalkumar C. Desai
Bankers	ICICI Bank Axis Bank Kotak Mahindra Bank Limited
Auditors	B H MANGAROLIA & CO. Chartered Accountants 408, Mahakant, Opp. V. S. Hospital, Ashram Road, Ahmedabad -380006
Company Law Consultant	ARVIND GAUDANA & COMPANY Company Secretaries
Registered Office	Satyam House, B/h Rajpath Club, S.G. Highway, Ahmedabad- 380059 Gujarat
Website	www.satyamdevelopers.com

B. H. Mangarolia & Co.
CHARTERED ACCOUNTANTS

B. H. MANGAROLIA B.Com, F.C.A.
P. B. MANGAROLIA B.Com, F.C.A.,DISA(ICAI)

408, "Mahakant" Opp V S Hospital,Ashram Road. Ahmedabad-380006
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INDEPENDENT AUDITORS' REPORT

To the Members of
Satyam Developers Limited

Report on the Financial Statements

01. We have audited the accompanying financial statements of Satyam Developers Limited (the "Company"),which comprise the Balance Sheet as at 31st March, 2016, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information, which we have signed under reference to this report.

Management's Responsibility for the Financial Statements

02. The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

03. Our responsibility is to express an opinion on these financial statements based on our audit.

04. 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.

B.H. MANGAROLIA & CO. AHMEDABAD FRN 105972W CHARTERED ACCOUNTANTS

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

06. An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's directors, as well as evaluating the overall presentation of the financial statements.

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

Opinion

08. In our opinion, and to the best of our information and according to the explanations given to us, the accompanying 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 31st March, 2016; and its profit and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

09. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, and on the basis of such checks of the books and records of the company as we considered appropriate and according to the information and explanations given to us, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order.

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10. As required by section 143(3) of the Act, we report that:

a) we have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with the books of account of the Company;

d) In our opinion, the aforesaid standalone financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;

e) On the basis of written representations received from the Directors as on 31st March, 2016 and taken on record by the Board of Directors, we report that none of the Directors is disqualified as on 31st March, 2016 from being appointed as a Director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

(i) The Company does not have any pending litigations which would impact its financial position.

(ii) The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, and as required on long-term contracts including derivative contracts.

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

For, B H MANGAROLIA & CO.
Chartered Accountants
(FRN 105972W)

B.H. MANGAROLIA & CO. AHMEDABAD FRN 105972W CHARTERED ACCOUNTANTS

(B H MANGAROLIA)
Partner
M. No. 032693

Place: Ahmedabad
Date: 02.09.2016

B. H. Mangarolia & Co.
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ANNEXURE 'A' TO INDEPENDENT AUDITORS' REPORT

[Referred to in Paragraph 9 of our Report of even date]

01. a) The Company has maintained proper records showing full particulars including quantitative details and location of all its fixed assets on the basis of available information.

b) We are informed that the Company has a regular programme of physical verification of its fixed assets in a phased manner over a period of three years. Accordingly, the physical verification of part of the fixed assets has been carried out by the Management during the year and no material discrepancies have been noticed on such verification.

c) The Company has not aquired any Immovable properties and hence reporting under clause 3(i)(c) of the Order is not applicable.

02. The inventory i.e. construction materials has been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable.The discrepancies noticed on physical verification, between physical stocks and books records, were not material in relation to the operations of the company and have been properly dealt with in the books of account.

03. As explained to us, the company has not granted any loans, secured or unsecured, to any companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.

04. In our opinion and according to the information and explanations given to us, the company has not given loans, not made investments and not provided guarantees and securities.

05. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public within the meaning of section 73 to 76, or any other relevant provisions of the Companies Act and the rules framed thereunder.

06. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government of India, the maintenance of cost records has been specified under Section 148(1) of the Companies Act, 2013 and are of the opinion that prima facie the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

07. a) According to information and explanations given to us, the company is generally regular in depositing with Appropriate Authorities undisputed statutory dues including Income Tax, Provident fund, Employees State Insurance, VAT/Sales tax, Excise-duty, Custom Duty, Service Tax and other material statutory dues applicable to it. According to the information and explanations given to us, there were no undisputed amounts payable in respect of such dues which were outstanding as on 31st March, 2016 for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us there are no any disputed dues which have not been deposited, of income Tax, VAT/Sales Tax, Service Tax, Custom Duty, Excise Duty, Cess as at 31st March, 2016 and therefore no further information is required to be furnished under this clause.

B. H. MANGAROLIA & CO. AHMEDABAD FRN 106972W CHARTERED ACCOUNTANTS

B. H. Mangarolia & Co.
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08. Based on our audit procedures and on the information and explanations given by the management, the Company has not defaulted in repayment of the dues to any bank and financial institutions. The Company has not issued debentures during the year.

09. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable.

10. According to the information and explanations given to us, no material fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the course of our audit.

11. According to the information and explanations give to us, the Company has paid/provided for managerial remuneration in accordance with the provisions of section 197 read with Schedule V to the Act.

12. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.

13. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the standalone financial statements as required by the applicable accounting standards.

14. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.

15. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its Directors and hence reporting under clause 3(xv) of the Order is not applicable to the Company.

16. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For, B H MANGAROLIA & CO.
Chartered Accountants
(FRN 105972W)

B.H. MANGAROLIA & CO. AHMEDABAD FRN 105972W CHARTERED ACCOUNTANTS

(B H MANGAROLIA)
Partner
M. No. 032693

Place: Ahmedabad
Date: 02.09.2016

B. H. Mangarolia & Co.
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ANNEXURE 'B' TO INDEPENDENT AUDITORS' REPORT

[Referred to in Paragraph 10(f) of our Report of even date]

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

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

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the 'Guidance Note'). 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 over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act and the Guidance Note, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

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Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

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

Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For, B H MANGAROLIA & CO.
Chartered Accountants
(FRN 105972W)

B.H. MANGAROLIA & CO. AHMEDABAD FRN 105972W CHARTERED ACCOUNTANTS

(B H MANGAROLIA)
Partner
M. No. 032693

Place: Ahmedabad
Date: 02.09.2016

Satyam Developers Limited

Balance Sheet as at 31st March, 2016

PARTICULARS	Note No.	Rs.	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
I EQUITY AND LIABILITIES				
1 Shareholders' funds				
a. Share capital	03	34,931,250		34,931,250
b. Reserves and surplus	04	326,221,524		322,090,154
c. Money received against share warrants				
			361,152,774	357,021,404
2 Share application money pending allotment				
3 Non-current liabilities				
a. Long-term borrowings	05	364,910,071		460,648,696
b. Deferred tax liabilities (net)	06			
c. Other long-term liabilities				
d. Long-term provisions				
			364,910,071	460,648,696
4 Current liabilities				
a. Short-term borrowings				
b. Trade payables	07	23,640,962		28,410,676
c. Other current liabilities	08	283,830,196		219,863,102
d. Short-term provisions				
			307,471,158	248,273,778
TOTAL			1,033,534,003	1,065,943,878
II ASSETS				
1 Non-current assets				
a. Fixed assets				
i. Tangible assets	09	5,841,031		9,475,580
ii. Intangible assets				
iii. Capital work-in-progress				
iv. Intangible assets under development				
v. Fixed assets held for sale				
		5,841,031		9,475,580
b. Non-current investments		-		
c. Deferred tax assets (net)	06	2,467,474		2,235,148
d. Long-term loans and advances	10	156,266		156,266
e. Other non-current assets		-		
			8,464,771	11,866,994
2 Current assets				
a. Current investments				
b. Inventories	11	967,507,365		1,011,369,874
c. Trade receivables	12	3,048,232		
d. Cash and bank balances	13	24,646,407		39,065,503
e. Short-term loans and advances	14	29,867,228		3,641,507
f. Other current assets				
			1,025,069,232	1,054,076,884
Significant Accounting Policies	02			
TOTAL			1,033,534,003	1,065,943,878

See accompanying notes forming part of the financial statements

As per our report of even date

For, B H MANGAROLIA & CO.
Chartered Accountants
(FRN 105972W)

B.H. MANGAROLIA & CO. AHMEDABAD FRN 105972W CHARTERED ACCOUNTANTS

(B H MANGAROLIA)
Partner
M. No. 032693

Place: Ahmedabad
Date: 02.09.2016

For and on behalf of the Board

(Hanubhai R. Sangani)
Director

(Vyomesh V. Patel)
Director

Satyam Developers Limited

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

PARTICULARS	Note No.		For the year ended 31.03.2016	31.03.2015
		Rs.	Rs.	Rs.
I. Revenue from operations (gross)	15	304,703,400		697,048,000
Less: Excise duty				
Revenue from operations (net)			304,703,400	697,048,000
II. Other income	16		1,742,861	1,488,236
III. Total revenue (I + II)			306,446,261	698,536,236
IV. Expenses				
a. Cost of construction materials consumed	17	46,541,759		143,288,129
b. Land cost & Expenses related with project	18	148,747,486		153,287,064
c. Purchase of finished properties				
d. Changes in inventories of finished goods, work-in-progress and stock-in-trade	19	43,114,540		331,939,233
e. Employee benefits expense	20	11,056,792		12,112,328
f. Finance costs	21	33,176,957		25,194,606
g. Depreciation and amortisation expense	22	2,728,873		4,442,468
h. Other expenses	23	15,068,810		12,379,318
Total expenses			300,435,217	682,643,146
V. Profit / (Loss) before exceptional and extraordinary items and tax (III - IV)			6,011,044	15,893,090
VI. Exceptional items				
VII. Profit / (Loss) before extraordinary items and tax (V - VI)			6,011,044	15,893,090
VIII. Extraordinary items				
IX. Profit / (Loss) before tax (VII - VIII)			6/011,044	15,893,090
X. Tax expense:				
a. Current Tax		2,112,000		5,825,000
b. Deferred Tax		(232,326)		(662,401)
			1,879,674	5,162,599
XI. Profit / (Loss) for the period from continuing operations (IX - X)			4,131,370	10,730,491
XII. Profit / (Loss) from discontinuing operations				
XIII. Tax expense of discontinuing operations				
XIV. Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)			-	-
XV. Profit (Loss) for the period (XI + XIV)			4,131,370	10,730,491
XVI. Earnings per equity share				
a. Basic			1.18	3.07
Significant Accounting Policies	02			

See accompanying notes forming part of the financial statements

As per our report of even date

For, B H MANGAROLIA & CO.
Chartered Accountants
(FRN 105972W)

B. H. MANGAROLIA & CO. AHMEDABAD FRN 105972W CHARTERED ACCOUNTANTS

(B H MANGAROLIA)
Partner
M. No. 032693

Place: Ahmedabad
Date: 02.09.2016

For and on behalf of the Board

(Hanubhai R. Sangani)
Director

(Vyomesh V. Patel)
Director

Satyam Developers Limited

Cash Flow Statement for the year 2015-16

Particulars	31.03.2016 Rs.	31.03.2015 Rs.
A. Cash flow from operating activities		
Net profit before taxation, and extraordinary items	6,011,044	15,893,090
Adiustments for:		
Depreciation	2,728,873	4,442,468
Loss on sale of fixed Assets	65,176	
Interest income	(1,742,861)	(1,488,236)
Interest expense	33,176,957	25,194,606
Operating profit before working capital changes	40,239,189	44,041,928
Movements in workina capital		
(Increase)/Decrease in Trade Receivables	(3,048,232)	-
(Increase)/Decrease in inventories	43,862,509	333,996,028
(Increase)/Decrease other Receivables	(26,052,374)	7,880,894
(Decrease)/Increase in current liabilities	51,357,380	(586,926,118)
Cash (used in)/generated from operations	106,358,472	(201,007,268)
Taxes paid (net of refunds)	5,554,653	(7,331,998)
Cash flow before extraordinary items	111,913,125	(208,339,266)
Extraordinary item		
Net cash (used in)/ from operating activities (A)	111,913,125	(208,339,266)
B. Cash flows from investina activities		
Purchase of fixed assets	(160,450)	-
Proceeds from sale of fixed assets	1,000,950	-
Interest received	1,742,861	1,488,236
Net cash (used in)/ from investing activities (B)	2,583,361	1,488,236

B.H. MANGAROLIA & CO.
AHMEDABAD
FRN
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Satyam Developers Limited

Cash Flow Statement for the year 2015-16

Particulars	31.03.2016 Rs.	31.03.2015 Rs.
C. Cash flows from financina activities		
Repayment of long-term borrowings	(95,738,625)	(55,216,114)
Interest paid	(33,176,957)	(25,194,606)
Net cash introduced from /(used in) financing activities (C)	(128,915,582)	(80,410,720)
Net (decrease)/increase in cash & cash equiv. (A+B+C)	**(14,419,096)**	**(287,261,750)**
Cash and cash equivalents at the beginning of the year	39,065,503	326,327,253
Cash and cash equivalents at the end of the year	24,646,407	39,065,503
	(14,419,096)	**(287,261,750)**

As per our report of even date

For, B **H MANGAROLIA & CO.**

Chartered Accountants

(FRN 105972W)

B.H. MANGAROLIA & CO. AHMEDABAD FRN 105972W CHARTERED ACCOUNTANTS

(B H MANGAROLIA)

Partner

M. No. 032693

Place: Ahmedabad

Date: 02.09.2016

For and on behalf of the Board

(Hanubhai R. Sangani)

Director

(Vyomesh V. Patel)

Director

01. **Company Overview**

Satyam Developers Limited ('the company'), incorporated under the Companies Act, 1956 vide CIN -U45201GJ2007PLC050008 having its registered office at Satyam House, B/h Rajpath Club, S.G. Highway, Ahmedabad-380059 Gujarat and engaged in Real Estate Developers, Construction Activities, Consulting Engineers & Builders etc.

02. **Significant accounting policies**

2.01 Basis for Preparation of Financial Statements

These financial statements have been prepared to comply with the Generally Accepted Accounting Principles in India (Indian GAAP), including the Accounting Standards notified under the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

2.02 Use of estimates

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that the estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

2.03 Inventories

Related to contractual and real estate activitv: Direct expenditure relating to construction activity is inventorised. Indirect expenditure (including borrowing costs) during construction period is inventorised to the extent the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is neither related to the construction activity nor is incidental thereto is charged to the statement of profit and loss.

Work-in-proqress - Real estate proiects (including land inventorv):: Represents cost incurred in respect of unsold area of the real estate development projects or cost incurred on projects where the revenue is yet to be recognized. Real estate work-inprogress is valued at lower of cost and net realisable value.

Finished goods - Flats: Valued at lower of cost and net realisable Value

Land inventorv: Valued at lower of cost and net realisable value. Land inventory which is under development or held for development/ sale in near future is classified as current asset and included in total work in proqress.

Construction materials are valued at cost.

B.H. MANGAROLIA & CO. AHMEDABAD FRN 105972W CHARTERED ACCOUNTANTS

2.04 Cash and cash eauivalents (for purposes of Cash Flow Statement)

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

2.05 Cash flow statement

Cash flows are reported using the indirect method, whereby profit / (loss) before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are seqreqated based nn the available *infnrmatinn.*

2.06 Depreciation and amortisation

Depreciation, on fixed assets, based on useful life of the assets as prescribed in Schedule II to the Companies Act, 2013, on Written Down Value (WDV) method. Depreciation on additions during the year is provided on prorata time basis.

2.07 Revenue recoqnition

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

Recoanition of revenue from real estate projects

Revenue from real estate under development/ sale of developed property is recognized upon transfer of all significant risks and rewards of ownership of such real estate/ property, as per the terms of the contracts entered into with buyers, which generally coincides with the confirming of the sales contracts/ agreements.

Revenue from real estate projects is recognized when it is reasonably certain that the ultimate collection will be made and that there is buyer's commitment to make the complete pavment.

2.08 Tanaible fixed assets

Fixed assets are carried at cost less accumulated depreciation and impairment losses, if any. The cost of fixed assets includes interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use and other incidental expenses incurred up to that date. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such asset beyond its previously assessed standard of performance.

2.09 Employee benefits

Short Term Employee Benefits
All employee benefits payable wholly within twelve months of rendering the service are classified as short-term employee benefits. Benefits such as salaries, wages, and short term compensated absences, etc. are recognized in the period in which the employee renders the related services.

Post- Employment Benefits

Defined contribution plans
The Company's contribution to provident fund is considered as defined contribution plans and is charged as an expense as they fall due based on the amount of contribution reauired to be made.

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2.10 Borrowing costs

Borrowing costs include interest, amortisation of ancillary costs incurred and exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Costs in connection with the borrowing of funds to the extent not directly related to the acquisition of qualifying assets are charged to the Statement of Profit and Loss over the tenure of the loan. Borrowing costs, allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction / development of the qualifying asset upto the date of capitalisation of such asset is added to the cost of the assets. Capitalisation of borrowing costs is suspended and charged to the Statement of Profit and Loss during extended periods when active development activity on the qualifying assets is interrupted.

2.11 Earnings per share

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year.

2.12 Taxes on income

Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961.

Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantially enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each Balance Sheet date for their realisability.

2.13 Impairment of assets

The carrying values of assets at each Balance Sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, except in case of revalued assets.

2.14 Provisions, Contingent Liabilities and Contingent Assets

Provisions involving substantial degree of estimation in measurement are recognized when there is a present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent Liabilities are not recognised but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

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Notes forming part of the financial statements (**2015-16**)

03. Share Capital

Particulars	As at 31.03.2016 Number	As at 31.03.2016 Rs.	As at 31.03.2015 Number	As at 31.03.2015 Rs.
Authorised				
Equity shares of Rs. 10 each	5,000,000	50,000,000	5,000,000	50,000,000
Issued				
Equity shares of Rs. 10 each	3,493,125	34,931,250	3,493,125	34,931,250
Subscribed and fully paid up				
Equity shares of Rs. 10 each	3,493,125	34,931,250	3,493,125	34,931,250
Subscribed but not fully paid up				
Equity shares of Rs. 10 each				
Total Share Capital	3,493,125	34,931,250	3,493,125	34,931,250

Reconciliation of Share Capital

	Particulars	As at 31.03.2016 Number	As at 31.03.2016 Rs.	As at 31.03.2015 Number	As at 31.03.2015 Rs.
	Equity shares of Rs. 10 each				
i	outstanding at the beginning of the year	3,493,125	34,931,250	3,493,125	34,931,250
ii	Issued during the year				
iii	bought back during the year				
iv	outstanding at the end of the year	3,493,125	34,931,250	3,493,125	34,931,250

Details of shares held by each shareholder holding more than 5% shares

Equity shares of Rs. 10 each

Sr. No.	Name of Shareholder	As at 31.03.2016 Number	As at 31.03.2016 %	As at 31.03.2015 Number	As at 31.03.2015 %
1	Hanubhai R. Sangani	908,124	26.00	908,124	26.00
2	Vyomesh V. Patel	681,262	19.50	681,262	19.50
3	Shital C. Desai	681,262	19.50	681,262	19.50
4	Thirdeye Mercantile LLP	611,750	17.51	611,750	17.51
5	Nilmani Merchants LLP	609,375	17.44	609,375	17.44

04. Reserves and surplus

Particulars	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
Securities premium account		
Opening balance	291,768,750	291,768,750
Add : Premium on shares issued during the year		
Less : Utilised during the year		
Closing balance	291,768,750	291,768,750

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Surplus / (Deficit) in Statement of Profit and Loss		
Opening balance	30,321,404	19,590,913
Add: Profit / (Loss) for the year	4,131,370	10,730,491
Less:		
Proposed Dividend		
Tax on dividend		
Transferred to:		
General reserve	-	-
Closing balance	34,452,774	30,321,404
Total Reserves and surplus	326,221,524	322,090,154

05. Long-term borrowings

Particulars		As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
Secured			
Working Capital Demand Loan(WCDL)			
a. From ICICI bank	41,296,472		72,157,439
Securitv *All the piece & parcel of land located at Block no. 256 paiki of mouje Chongodar, Sub district Sanand, District Ahmedabad, ad measuring approx. 8,014 sq. mtrs., including all the structures thereon both present & future.* *Guarantee:- Personal Guarantee of Mr. Hanubhai Sangani, Mr. Shital Desai and Mr. Vyomesh Patel* *Repayment: To repay to the Lender the principal amounts of the RTL II in 10 monthly installments commencing from April 15, 2017*			
b. From ICICI bank			204,720,615
Registered Mortgage of N.A. Land(admeasuring approx 7323 Sq. Mtrs.) situated at FP No. 88 TPS No. 04, Mauje Jodhpur, Taluka City, Dist Ahmedabad in the name of company including all the structures thereon both present & future *Irrevocable and unconditional Personal guarantee (Class 111) of Mr Hanu Sangani, Mr Vyomesh Patel and Mr Shital Desai.* *principal amounts of the RTL in 20 monthly installments commencing from June 15, 2015.*			
c. From ICICI bank	130,326,182		
All the piece & parcel of land located at survey no. 274/1, town planning scheme no 28, final plot no 64, sola, Ahmedabad-8 (solo), District Ahmedabad ad measuring approximately 3,048 sq. mtrs., including all the structures thereon both present & future. *Unconditional and irrevocable personal guarantee of Mr Hanu Sangani, Mr Vyomesh Patel and Mr Shital Desai* *Principal amounts of the RTL in 24 monthly installments commencing from December 15, 2017.*			

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d. From Kotak Mahindra bank	129,886,061		
Loan against Property situated at Satyam House, B/h Rajpath Club, S.G. Highway, Ahmedabad (Property in the name of Mr Hanubhai Sangani, Mr Vyomesh Patel and Mr Shital Desai)			
Personal guarantee of Mr Hanubhai Sangani, Mr Vyomesh Patel and Mr Shital Desai.			
The loan (TL I) is repayable, in monthly instalments, amounting to Rs. 23,57,571/- by March, 2021			
The loan (TL II) is repayable, in monthly instalments, amounting to Rs. 10,29,744/- by May, 2021			
e. Vehicle Loan from Axis Bank			1,303,316
(Secured by hypothecation of vehicle EMI over a period of 60 months amounting to Rs. 146,790/- each, The loan is repayable, in monthly instalments, by Dec, 2016)			
		301,508,715	278,181,370
Other loans and advances			
Total Secured Long Term Borrowings		301,508,715	278,181,370
Unsecured			
Loans and advances from related parties		63,401,356	182,467,326
Other loans and advances			
Total unsecured Long Term Borrowings		63,401,356	182,467,326
Total Long-term borrowings		364,910,071	460,648,696

Installments falling due in respect of all the above secured term loans upto 31.03.2017 have been grouped under "Current maturities of long-term debt" (Refer Note 08.)

06. Deferred tax liability/ Asset

	Particulars	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
a	*Tax effect of items constitutinu deferred tax liability*		
i	Fixed assets: Impact of difference between tax depreciation and depreciation1 amortization charged for the financial reporting		
	Deferred tax liability		
b	*Tax effect of items constitutinu deferred tax Assets*		
i	Fixed assets: Impact of difference between tax depreciation and depreciation1 amortization charged for the financial reporting	2,467,474	2,235,148
	Deferred tax asset	2,467,474	2,235,148
	Net Deferred Tax Liability1 Asset	(2,467,474)	(2,235,148)

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07. Trade payables

Particulars		As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
Trade payables		23,640,962	28,410,676
	Total Trade payables	23,640,962	28,410,676

Micro and small enterprises
The Company is in the process of compiling relevant information from its suppliers about their coverage under the Micro, Small and Medium Enterprises Development Act, 2006. Since the relevant information is not readily available, no disclosures have been made in the Accounts.

08. Other current liabilities

Particulars		As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
Current maturities of long-term debt		139,897,766	1,553,767
Interest accrued but not due on borrowings		1,558,032	1,897,092
Other payables			
Statutory remittances	276,988		4,301,963
Payables for Expenses	407,027		14,869,918
Bank Overdrawn Accounts	-		85,007
Advances from customers	141,690,383		197,155,355
		142,374,398	216,412,243
	Total Other current liabilities	283,830,196	219,863,102

09. Tangible assets

Particulars	Gross block			
	Balance as at 01.04.2015 Rs.	Additions Rs.	Disposals Rs.	Balance as at 31.03.2016 Rs.
Plant and Equipment	3,180,963		1,757,754	1,423,209
Furniture and Fixtures	16,042,596			16,042,596
Vehicles	9,705,602			9,705,602
Computer	3,003,989	160,450		3,164,439
Total	31,933,150	160,450	1,757,754	30,335,846
Previous year	31,933,150			31,933,150

Particulars	Accumulated Depreciation			
	Balance as at 01.04.2015 Rs.	Depreciation for the year Rs.	Eliminated on disposal of assets Rs.	Balance as at 31.03.2016 Rs.
Plant and Equipment	1,357,571	198,594	691,628	864,537
Furniture and Fixtures	12,021,322	1,322,180	-	13,343,502
Vehicles	6,229,578	1,149,950	-	7,379,528
Computer	2,849,099	58,149		2,907,248
Total	22,457,570	2,728,873	691,628	24,494,815
Previous year	18,015,102	4,442,468		22,457,570

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Notes forming part of the financial statements (2015-16)

Particulars	Net Block	
	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
Plant and Equipment	558,672	1,823,392
Furniture and Fixtures	2,699,094	4,021,274
Vehicles	2,326,074	3,476,024
Computer	257,191	154,890
Total Tangible assets	5,841,031	9,475,580
Previous year	9,475,580	13,918,048

10. Long-term loans and advances

Particulars	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
(Unsecured, considered good)		
Capital advances	-	-
Security deposits	156,266	156,266
Total Long-term loans and advances	156,266	156,266

11. Inventories

Particulars	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
(At lower of cost and net realisable value)		
[As per inventory taken, valued and certified by the management]		
Construction materials	2,940	750,909
Work-in-progress (Project under Progress)	944,939,975	988,054,515
Stock in Trade (finished property)	22,564,450	22,564,450
Total Inventories	967,507,365	1,011,369,874

12. Trade receivables

Particulars	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
(Unsecured, considered good)		
Trade receivables outstanding for a period exceeding six months from the date they were due for payment		
Other Trade receivables	3,048,232	-
Total Trade receivables	3,048,232	

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Notes forming part of the financial statements (2015-16)

13. Cash and bank balances

Particulars		As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
Cash and cash equivalents			
Balances with banks			
In current accounts	766,203		20,286,048
Cash on hand	282,843		40,043
		1,049,046	20,326,091
Other bank balances			
Balances held as margin money or security against borrowings, guarantees and other commitments	23,597,361		18,739,412
		23,597,361	18,739,412
Total Cash and bank balances		24,646,407	39,065,503

14. Short-term loans and advances

Particulars		As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
(Unsecured, considered good)			
Prepaid expenses		283,461	316,881
Balances with government authorities			
Service Tax credit receivable	1,264,576		205,050
		1,264,576	205,050
Advance income tax (net of provisions)		326,746	153,399
Others		27,992,445	2,966,177
Total Short-term loans and advances		29,867,228	3,641,507

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Notes forming part of the financial statements (2015-16)

15. Revenue from operations

Particulars	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
Gross		
Sale of Real estate property	304,703,400	697,048,000
Sale of services	-	-
Other operating revenues		
	304,703,400	697,048,000
Less:		
Excise duty	-	-
Total Revenue from operations	304,703,400	697,048,000

16. Other income

Particulars	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
Interest income	1,742,861	1,488,236
Total Other income	1,742,861	1,488,236
Interest income comprises:		
Interest from banks on Deposits	1,742,861	1,488,236
Other interest		-
Total	1,742,861	1,488,236

17. Cost of construction materials consumed

Particulars	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
Opening stock	750,909	2,807,704
Add: Purchases	45,793,790	141,231,334
	46,544,699	144,039,038
Less: Closing stock	2,940	750,909
	46,541,759	143,288,129
Total Cost of construction materials consumed	46,541,759	143,288,129

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Notes forming part of the financial statements (2015-16)

18. Land cost & Expenses related with project

Particulars	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
Land & Land Development Exps.	60,200,558	1,587,679
Expenses related with project (Direct)		
Plan Passing / BU Exps.	17,213,676	28,594,502
Borewell Exps.	-	235,500
Labour Charges & Welfare	21,030,551	34,588,308
Electric Burning & Connection Exps.	1,029,983	3,907,916
Freight Exps.	2,389,239	8,930,746
Gardening Exps.	255,753	343,740
Gas Line Exps.		799,135
Intercom & CCTV Exps.		176,400
Lift Exps.	-	4,000
Machinery Hire Charges	584,895	2,581,813
Professional Fees (Site)	995,804	3,393,060
Site Staff Salary, Bonus & Allowances	-	185,735
Security Charges	691,192	525,210
Site Misc. Exps.	42,264	76,893
Brokerage	666,000	1,127,282
	44,899,357	85,470,240
Expenses related with project (Indirect]		
Advertisement Expenses	6,749,148	9,258,286
Bank Charges	7,305	4,122
Internet Expenses	75,650	172,322
Bank Loan Interest	32,662,779	55,233,037
Bank Loan Processing Charges	2,750,000	-
Legal Expenses	1,152,600	1,125,610
Insurance Exps.	198,677	253,987
Donation	-	1,111
House Keeping Exps.	51,412	164,880
Office and other Misc. Exps.	-	15,787
Other Interest Exps.		3
	43,647,571	66,229,145
Total Land cost & Expenses related with project	148,747,486	153,287,064

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Notes forming part of the financial statements (2015-16)

19. Changes in inventories of finished goods, work-in-progress and stock-in-trade

Particulars	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
Inventories at the end of the year:		
Work-in-progress (Project under Progress)	944,939,975	988,054,515
Stock in Trade (finished property)	22,564,450	22,564,450
	967,504,425	1,010,618,965
Inventories at the beginning of the year:		
Work-in-progress (Project under Progress)	988,054,515	1,316,922,348
Stock in Trade (finished property)	22,564,450	25,635,850
	1,010,618,965	1,342,558,198
Net (increase) / decrease in inventories	43,114,540	331,939,233

20. Employee benefits expense

Particulars	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
Salaries	10,592,961	11,667,775
Contributions to Provident Fund	356,015	335,185
Staff welfare expenses	107,816	109,368
Total Employee benefits expense	11,056,792	12,112,328

21. Finance costs

Particulars	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
Interest expense on		
Borrowings	32,090,941	25,173,751
Others		
Interest on delayed / deferred payment of Income Tax		1,800
Others	128,147	10,437
	128,147	12,237
Other borrowing costs	957,869	8,618
Total Finance costs	33,176,957	25,194,606

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Notes forming part of the financial statements (2015-16)

22. Depreciation and amortisation expense

Particulars	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
Depreciation and amortisation for the year on tangible assets	2,728,873	4,442,468
Depreciation and amortisation for the year on intangible assets	-	
Total Depreciation and amortisation expense	2,728,873	4,442,468

23. Other expenses

Particulars	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
Administrative & Other Expenses		
Office Rent	8,244,000	8,089,920
Repairs and maintenance - Buildings	21,174	181,519
Repairs and maintenance - Others	608,985	406,811
Insurance	128,388	131,910
Rates and taxes	2,170,907	1,418,404
Communication Exps.	229,365	100,451
Printing and stationery	74,072	121,904
Vehicle Running & Maintenance Exps.	310,825	85,956
Electricity Exps.	1,056,814	968,061
Advertisement Exps.	209,652	
Business promotion	64,322	66,630
Donations	-	25,000
Legal and professional	1,331,794	176,903
Payments to auditors	85,875	84,270
Loss on fixed assets sold / scrapped / written off	65,176	-
Other Miscellaneous expenses	467,461	521,579
Total Other expenses	15,068,810	12,379,318

Particulars	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
Payments to the auditors comprises		
As auditors	57,250	56,180
For taxation matters	28,625	28,090
Total	85,875	84,270

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Satyam Developers Limited

Notes forminq part of the financial statements (2015-16)

24. Value of imports calculated on CIF basis

Particulars	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
Material		
Capital goods		

25. Expenditure in foreign currency

Particulars	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
Foreign Traveling Exps.		
Total	-	-

26. Contingent liabilities and commitments

Particulars	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
Contingent liabilities		
Claims against the Company not acknowledged as debt		
Total		
Commitments		
Estimated amount of contracts remaining to be executed on capital account and not provided for		
Total		

27. The registered sale deed in respect of Land on which the ongoing project undertaken by the company known as "Satyam Mall" at Changodar is yet to be executed.

28. Related party transactions

a Names of related parties and related party relationship

<u>Kev manauement personnel</u>

Hanubhai R Sangani, Shitalkumar C Desai, Vyomeshbhai V patel

<u>Relatives of kev manauement personnel</u>

--

<u>Enterprises owned or significantly influenced bv kev manauement personnel or their relatives</u>

Satyam Corporation, Satyam Import Export LLP, Sangani Infrastructure India Pvt Ltd

Note : Related party relationship is as identified by the management and relied upon by the auditors.

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Satyam Developers Limited

Notes forming part of the financial statements (2015-16)

b Related party transactions

The following table provides the total amount of transactions that have been entered into with related parties for the relevant financial year

Particulars	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
- Kev manaaement personnel		
- *Salary*		
Hanubhai R Sangani	1,440,000	1,440,000
Vyomeshbhai V patel	1,440,000	1,440,000
Shitalkumar C Desai	1,440,000	1,440,000
Total	4,320,000	4,320,000
- *Interest expense*		
Hanubhai R Sangani	5,034,500	11,524,697
Vyomeshbhai V patel	3,081,888	9,632,309
Shitalkumar C Desai	4,142,324	3,664,771
Total	12,258,712	24,821,777
- *Office Rent Expense*		
Hanubhai R Sangani	3,297,600	3,235,968
Vyomeshbhai V patel	2,473,200	2,426,976
Shitalkumar C Desai	2,473,200	2,426,976
Total	8,244,000	8,089,920
- Enterprises owned or sianificantlv influenced bv kev manaaement personnel or their relatives		
- *Purchases (Construction Material)*		
Satyam Import Export Private Limited	102,000	255,000
Satyam Corporation	306,700	501,300
Total	408,700	756,300
- *Sale of Machinerv*		
Sangani Infrastructure India Pvt Ltd	1,051,000	

c Balance as at the year end

Particulars	As at 31.03.2016 Rs.	As at 31.03.2015 Rs.
- Kev management personnel		
- *Lonu-term borrowinusfunsecured)*		
Hanubhai R Sangani	37,185,745	71,073,379
Shitalkumar C Desai	16,522,720	62,139,891
Vyomeshbhai V patel	9,692,891	49,254,056
Total	63,401,356	182,467,326

Satyam Developers Limited

Notes forming part of the financial statements (2015-16)

- Enterprises owned or significantly influenced by key management personnel or their relatives
  - *Trade payables*

Satyam Import Export LLP		352,000	438,770
Satyam Corporation		-	601,675
	Total	352,000	1,040,445

29. Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

As per our report of even date

For, B H MANGAROLIA & CO.

Chartered Accountants

(FRN 105972W)

(B H MANGAROLIA)

Partner

M. No. 032693

Place: Ahmedabad

Date: 02.09.2016

For and on behalf of the Board

(Hanubhai R. Sangani)

Director

(Vyomesh V. Patel)

Director