

SAHANA CONSTRUCTIONS PRIVATE LIMITED

AUDIT REPORT

AND

FINANCIAL STATEMENT

FOR THE YEAR ENDED 31 MARCH 2018

Bothra & Co.

CHARTERED ACCOUNTANTS

103, Vidya Chambers

305, Tardeo Road

Near Nana Chowk

Mumbai - 400 007

**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
SAHANA CONSTRUCTION PRIVATE LIMITED**

Report on the Financial Statements

- We have audited the accompanying standalone financial statements of **SAHANA CONSTRUCTION PRIVATE LIMITED** ("the Company") which comprise the Balance Sheet as at 31st March, 2018 and the Profit and Loss Statement and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

- The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these 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 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 financial statements that that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

- Our responsibility is to express an opinion on these 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 there under and the Order under section 143(11) of the Act.
- 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.



- 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 standalone financial statement 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 Board of Directors, as well as evaluating the overall presentation of the standalone financial statements.
- We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the standalone financial statements.

Basis for Qualified Opinion

We draw attention to Note No. 20 regarding preparation of the Financial Statements of the Company on going concern basis notwithstanding the fact that the company has incurred cash losses and its net worth is fully eroded as on 31st March, 2018. Further the Company's current liabilities exceeds its current assets as at the date of the Balance Sheet. However, the financial statement of the Company have been prepared on a going concern basis for the reasons stated in the said notes

Attention is invited to Note No. 24 in respect of interest free 'Other Loans and Advances' amounting to Rs. 37,95,05,922/- as shown under the head "Long Term Loans and Advances" (Refer Note No.10) for which no documentary evidence have been produced to us to ascertain the term and conditions of the said loans and/or advances. Hence, we are unable to express any opinion about accrual of any income on such loans and/or advances including their recoverability.

We draw attention to Note No. 25 regarding non providing of interest payable to SICOM Limited amounting to Rs. 9,19,03,624/- for the year ended 31st March, 2018 as the Company has applied for one time settlement. Therefore, the loss for the year is under stated consequentially the liabilities are understated to the extent of the above mentioned amount.

Our report is qualified on the above issues.



Qualified Opinion

- In our opinion and to the best of our information and according to the explanations given to us, except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph, 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 March 31, 2018 and its loss and its cash flows for the year ended on that date.

Emphasis of Matters

- i. Attention is invited to Note No. 22 to the statement of accounts regarding investment made in various companies the value of which are lower than cost but in view of long term strategic investment no provision is made for deterioration in the value of such investment.

Our report is not qualified on the above points.

Report on Other Legal and Regulatory Requirements

1. 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 accounts 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, Profit and Loss Statement, 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 March 31, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 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 over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in “Annexure A”.
- (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 explanation given to us :
- (i) The Company has no pending litigation which have any impact on its financial positions.
- (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.
- (iii) There were no amounts that were required to be transferred to the Investor Education and Protection Fund by the Company during the year.
2. As required by the Companies (Auditor's Report) Order, 2016 (“the Order”) issued by the Central Government in terms of Section 143(11) of the Act, we give in “Annexure B” a statement on the matters specified in paragraph 3 and 4 of the Order.

PLACE : MUMBAI

DATED: 4th September 2018

FOR BOTHRA & CO.
CHARTERED ACCOUNTANTS
FIRM REGN. NO. 101578W

Uttam Chand Bothra

(UTTAM CHAND BOTHRA)
PROPRIETOR
MEMBERSHIP NO. 12180



'ANNEXURE 'A'

to the Independent Auditors' Report on the Standalone Financial Statement Of Sahana Construction Private Limited.

(Referred to in paragraph 1 (f) under "Report on Other legal and Regulatory Requirements 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 Sahana Construction Private Limited ("the Company") as of March, 31, 2018 in conjunction with our audit of the standalone financial statement of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS:

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Notes") issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the 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 requested under the Companies Act, 2013.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards of Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls are in operation effectively in all material respects.



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

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

MEANING OF INTERNAL FINANCIAL CONTROL 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 statement for external purpose 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 receipt and payments of the company are being made only in accordance with authorization of management and directors of the company; and
- (3) provide reasonable assurance regarding prevention of timely direction of unauthorized 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 limitation 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 further periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.



Basis for Qualified Opinion

According to the information and explanations given to us and based on our audit, material weakness have been identified in the Company's internal financial controls over financial reporting as at March 31, 2018, in relation to :

Non production / availability of relevant documents in relation to interest free Long Terms loan/ advances to various parties amounting to Rs. 37,95,05,922/- shown under the head "Long Term Loans and Advances (Refer Note No. 10 and Note No. 26).

A 'Material Weakness' is a deficiency, or a combination of deficiencies, in internal financial control over financial reporting, such that there is a reasonable possibility that a material misstatement to the company's annual or interim financial statements will not be prevented to detected on a timely basis.

Qualified Opinion

In our opinion, except for the effect / possible effect of the material weakness described above on the achievement of the objectives of the control criteria, to the best of our information and according to the explanation given to us, the Company has, in all material respects, an adequate internal financial control system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March 2018, 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 Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

PLACE : MUMBAI

DATED: 4th September
2018



FOR BOTHRA & CO.
CHARTERED ACCOUNTANTS
FIRM REGN. NO. 101578W

Uttam Chand Bothra

(UTTAM CHAND BOTHRA)
PROPRIETOR
MEMBERSHIP NO. 12180

‘ANNEXURE “B” to the Independent Auditors’ Report on the Standalone Financial Statement of SAHANA CONSTRUCTION PRIVATE LIMITED

(Referred to in paragraph 2, under “Report on Other Legal and Regulatory Requirements’ section of our Report of even date)

1. In respect of the fixed assets :

- (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) During the year, fixed assets of the Company have been physically verified by the management and as informed, no material discrepancies were noticed on such verification. In our opinion, the frequency of verification is reasonable having regard to the size of the Company and nature of its assets.
- (c) The Company does not have any immovable property under the head fixed assets and therefore, clause 1(c) of the Order is not applicable to the Company.

2. Inventory comprising of constructed residential units including expenditure incurred on development rights and other expenditure on construction and development thereof has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable. As informed, no material discrepancies were noticed on physical verification carried out during the year.

3. (a) The company has granted unsecured loans to companies, firms, Limited Liability Partnership or other parties covered in the register maintained under Section 189 of the Act.

- (b) According to the information and explanation given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions of the aforesaid loans granted by the Company are not prejudicial to the interest of the Company.

- (c) The schedule of repayment of principal and payment of interest in respect of such loans shows that the repayment or receipt is regular and there are no overdue amounts for more than ninety days.



4. Based on the information and explanation given to us in respect of loans, the Company has complied with the provisions of Section 185 and 186 of the Act, except in respect of loans to one Company in which directors are interested as Directors and shareholder of the recipient Company Maximum amount of loan outstanding from such companies during the year and outstanding amount of such loan as on March 31, 2018 is amounting to Rs. 30,00,000/-

Further, the provision of Section 186 of the Act are not applicable to the Company as it is engaged in the business of Real Estate & Construction.

5. The Company has not accepted any deposits from the public within the meaning of Sections 73 to 76 of the Act and the Rules framed there under to the extent notified.
6. The provision relating to maintenance of cost records as prescribed under section 148 of the Act are not applicable in the case of the company.
7. a) According to information and explanations given to us, the company is regular in depositing with appropriate authorities undisputed statutory dues including income tax, and other statutory dues to the extent applicable to it. Further, as explained to us, the provisions regarding provident fund, employees state insurance, sales tax, service tax, custom duty, excise duty, value added tax and cess are presently not applicable to the Company.

According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2018 for a period of more than six months from the date of becoming payable.

- b) There is no dues on account of Sales Tax, Income Tax, Excise Duty, Service tax, wealth tax, custom duty, value added tax and cess which is disputed by the company and not being paid.
8. In our opinion and according to the information and explanation given to us, the Company has not defaulted in the repayment of loans or borrowing to financial institution, banks and Government except in case of payment of principal amount and interest to SICOM Limited (refer notes no. 30) attached to financial statement.
9. The Company has neither raised any money by way of debt instrument nor has obtained any term loans. Therefore, the provision of Clause 13 of Paragraph 3 of the Order is not applicable to the Company.




10. In our opinion and according to the information and explanations given to us, no material fraud by the Company or on the Company by its Officer or employees has been noticed or reported during the year.
11. As the Company has not paid any managerial remuneration, therefore, the provision of Clause (xi) of paragraph 3 of the Order is not applicable to the Company.
12. In our opinion and according to the explanation given to us, the Company is not a Nidhi Company. Therefore, the provision of Clause (xii) of paragraph 3 of the Order is not applicable to the Company.
13. According to the information and explanation given to us, all transactions entered into by the Company with the related parties are in compliance with Section 177 and 188 of the Act, where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.
14. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Therefore, the provision of Clause (xiv) of paragraph 3 of the Order is not applicable to the Company.
15. As per the information and explanation given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the year.
16. According to the information and explanation given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

PLACE : MUMBAI

DATED: 4th September 2018



FOR BOTHRA & CO.
CHARTERED ACCOUNTANTS
FIRM REGN. NO. 101578W


(UTTAM CHAND BOTHRA)
PROPRIETOR
MEMBERSHIP NO. 12180

SAHANA CONSTRUCTIONS PRIVATE LIMITED
Balance Sheet as at 31st March 2018

Particulars	Note	As at	As at
		31st March 2018	31st March 2017
I. EQUITY AND LIABILITIES			
Shareholder's Funds			
Share Capital	1	1,000,000	1,000,000
Reserve and surplus	2	(998,324,397)	(996,060,557)
		(997,324,397)	(995,060,557)
Non-current liabilities			
Long Term Borrowings	3	1,143,322,411	1,135,345,437
		1,143,322,411	1,135,345,437
Current Liabilities			
Short Term Borrowings	4	155,070,743	150,740,644
Trade Payables	5	8,132,027	7,771,096
Other Current Liabilities	6	1,001,694,282	968,765,310
Other Provision	7	3,730,914	3,236,088
		1,168,627,966	1,130,013,138
Total		1,314,625,980	1,270,298,018
II. ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	8	373,602	603,200
		373,602	603,200
Non Current Investments	9	317,794,682	307,794,682
Long-Term Loans and Advances	10	426,706,272	596,700,655
		744,500,954	904,495,337
Current Assets			
Inventories	11	524,613,470	345,313,186
Cash and Bank Balances	12	530,160	360,546
Other Current Assets	13	44,607,794	19,525,749
		569,751,424	365,199,481
Total		1,314,625,980	1,270,298,018

The accompanying notes are forming part of standalone financial statement.


In terms of our Report attached


For BOTHRA & CO
CHARTERED ACCOUNTANTS
Firm Registration No. 101578W




(UTTAM CHAND BOTHRA)
Proprietor
Membership No. 12180

For and on behalf of the Board
SAHANA CONSTRUCTIONS PRIVATE LIMITED


(JAYASHEELA SHETTY)
DIRECTOR
DIN: 00726150


(HEMLATA S. SHETTY)
DIRECTOR
DIN: 00726123



Place: Mumbai

Date: 4/9/2018



SAHANA CONSTRUCTIONS PRIVATE LIMITED
Statement of Profit and Loss for the year ended 31st March 2018

Particulars	Note	FOR THE YEAR ENDED 31ST MARCH, 2018	FOR THE YEAR ENDED 31ST MARCH, 2017
INCOME			
Other Income	14	37,291,029	64,336,306
Total Revenue		37,291,029	64,336,306
EXPENDITURE			
Project Related Expenses	15	10,143,571	11,738,486
Change in Inventories of Work in Progress	16	(179,300,284)	(63,518,070)
Finance cost	17	207,537,639	276,109,021
Depreciation & Amortisation Expenses		231,641	282,708
Other Expenses	18	942,303	549,618
Total Expenses		39,554,870	225,161,763
Loss before Tax		(2,263,841)	(160,825,457)
Loss after Tax		(2,263,841)	(160,825,457)

Earning Per Share
Basic and Diluted EPS (22.64) (1,608.25)

The accompanying notes are forming part of standalone financial statement.

In terms of our Report attached

For BOTHRA & CO
CHARTERED ACCOUNTANTS
Firm Registration No. 101578W

I or and on behalf of the Board
SAHANA CONSTRUCTIONS PRIVATE LIMITED



(UTTAM CHAND BOTHRA)
Proprietor
Membership No. 12180



(JAYASHEELA SHETTY)
DIRECTOR
DIN: 00726160





(HEMLATA S. SHETTY)
DIRECTOR
DIN: 00726123

Place: Mumbai
Date: 4/9/2018



SAHANA CONSTRUCTION PRIVATE LIMITED
Cash Flow Statement For the year ended 31st March, 2018

A	CASH FLOW FROM OPERATING ACTIVITIES	AS AT 31ST MARCH, 2018	AS AT 31ST MARCH, 2017
	Net Profit Before Tax	(2,263,841)	(224,343,527)
	Adjustments for Non-Operating/Non-Cash Items:		
	<u>Additions</u>		
	Loss from sale of Fixed Assets	-	.11
	Loss from Partnership Firms	-	5,905
	Depreciation	231,641	282,708
	Interest & Finance Charges	207,537,639	276,109,021
	<u>Subtraction</u>		
	Interest	(37,291,029)	(64,336,306)
	Operating Profit before Working Capital Changes	170,478,251	212,061,339
		168,214,410	(12,282,188)
	Adjustments for:		
	Current Assets		
	Decrease/(Increase) in WIP	(179,300,284)	(63,518,071)
	Decrease/(Increase) in Loans & Advances	169,994,383	120,466,958
	Short-term Loans and Advances	-	-
	Other Current Assets	(25,082,045)	-
	Current Liabilities		
	Increase/(Decrease) in Payables	860,931	(274,779)
	Increase/(Decrease) in Provisions	494,826	3,181,457
	Increase/(Decrease) in Other Liabilities	32,928,972	171,339,642
	Cash generated from operations	168,111,194	314,058,247
	Income Tax paid during the Year	-	531,765
	Net Cash flow from Operating activities	168,111,194	313,526,482
	B CASH FLOW FROM INVESTING ACTIVITIES		
	(Purchase) / Sale of Fixed Assets	(2,043)	(19,308)
	Interest Received	37,291,029	64,336,306
	Decrease/(Increase) in Other Non Current Assets	-	31,627,157
	Investment in Shares	(10,000,000)	-
	Net Cash used in Investing activities	27,288,986	95,944,155
	C CASH FLOW FROM FINANCING ACTIVITIES		
	Interest paid	(207,537,639)	(276,109,021)
	Proceeds from Long term borrowings	7,976,974	150,109,601
	Proceeds from Short term borrowings	4,330,099	(250,645,922)
	Net Cash used in financing activities	(195,230,566)	(376,645,342)
	D Increase/ (Decrease) in Cash & Cash Equivalent	169,614	32,825,294
	Net Increase / (Decrease) in Cash & Cash Equivalent	169,614	1,198,137
	Cash and Cash equivalents as at the beginning	360,546	(837,591)
	Cash and Cash equivalents as at the end	530,160	360,546
	Cash & Cash Equivalents		
	Cash in Hand	89,600	74,898
	Cash at Bank	440,551	285,648
	Cash & Cash equivalents as stated	530,160	360,546

The accompanying notes are forming part of the financial statements

In terms of our report attached

For BOTHRA & CO.
CHARTERED ACCOUNTANTS
Firm Regn. No. 101578W
Uttam Chand Bothra
(UTTAM CHAND BOTHRA)
PROPRIETOR
Membership No. 12180

Place : Mumbai
Dated : 4/9/2018

For and on behalf of the Board

Jayashree (JAYASHEELA SHEETTY) DIRECTOR
DIN: 007261221
H. S. Shelke (HEMLATA SHEETTY) DIRECTOR
DIN: 007261223



SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST
MARCH 2018

1 SIGNIFICANT ACCOUNTING POLICIES

A. BASIS

The financial statements are prepared under the historical cost convention in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) under the Historical Cost Convention on an accrual basis of accounting. The Company has prepared Financial Statement to comply in all material respects with the Accounting Standards specified under section 133 of the Companies Act, 2013 read with rule 7 of the Companies (Accounts) Rules, 2014.

The Accounting Policies adopted in the preparation of Financial Statements are consistent with those of previous year.

B. USE OF ESTIMATES AND JUDGMENTS

In preparation of the Financial Statements, in conformity with Indian GAAP the management is required to make judgments, estimates and assumptions that affect the reported amount of assets and liabilities and disclosures of contingent liabilities on the date of Financial Statements and the reported amount of revenue and expenses for the year. All though these estimates are based on the management's best knowledge of current events and actions, uncertainty of these assumption and estimates could result in the outcomes different from the estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Any revision to accounting estimates is recognised prospectively in the current and future periods.

C. FIXED ASSETS

Fixed Assets are shown at cost net of recoverable taxes including cost of, freight and other incidental expenses relating to acquisition and installation including allocation of all the pre-operative expenses.

D. IMPAIRMENT OF FIXED ASSETS

In accordance with Accounting Standards (AS-28) on 'Impairment of Assets' where there is an indication of impairment of the Company's assets, the carrying amount of the Company's assets are reviewed at each Balance Sheet date to determine whether there is any impairment. The recoverable amount of the assets (or where applicable that of the cash generating unit to which the assets belongs) is estimated at the higher of its net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of the assets and from its disposal at the end of its useful life. An impairment loss is recognised whenever the carrying amount of an asset or a cash-generating unit exceeds its recoverable amount. Impairment loss is recognised in the Statement of the Profit and Loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the lower of recoverable amount and the carrying amount that would have been determined had no impairment loss being recognised.

E. REVENUE RECOGNITION

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

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



SAHANA CONSTRUCTIONS PRIVATE LIMITED
SIGNIFICANT ACCOUNTING POLICIES AND NOTES FORMING PART OF THE ACCOUNTS FOR THE YEAR ENDED 31ST
MARCH 2018

F. DEPRECIATION

Depreciation on Fixed Assets is provided on written down value basis as per the useful life prescribed in Schedule II of the Companies Act, 2013

G. INVENTORIES

- a) Inventories comprised of Finished Realty Stock representing unsold premises in closed project (ii) Realty Work-in-progress is representing properties under construction/development.
- b) Inventory are valued at cost.
- c) Cost of Realty construction/development is charged to the Statement of Profit and Loss in proportion to revenue recognised during the period and the balance cost is carried over under inventory as part of either Realty Work in Progress or Finished Realty Stock. Cost of Realt construction/development includes all costs directly related to the Project and other expenditure as identified by the Management which are incurred for the purpose of executing and securing the completion of project.

H. GRATUITY AND LEAVE ENCASHMENT

Gratuity & Leave encashment entitlement to be provided for on cash basis.

I. TAXES ON INCOME

Tax on income for the current period is determined on the basis of taxable income and tax credits computed in accordance with the provisions of the Income tax Act, 1961 and based on expected outcome of assessment/appeals.

Deferred tax is recognised on timing differences between the accounting income and the taxable income for the year, and quantified using the tax rates and laws enacted or substantively enacted as on the Balance Sheet date.

Deferred tax assets are recognised and carried forward to the extent that there is a reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realised.

J. BORROWING COST

Borrowing cost less any income on temporary investment of those borrowing funds that are attributable to construction of qualifying assets are capitalised as part of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are chargeable to Statement of Profit and Loss.

K. CONTINGENT LIABILITIES

- i) A provision is recognised when:
 - a) The Company has a present obligation as a result of past event.
 - b) It is probable that an outflow of resources embodying economic benefits will be required to settle the obligation; and
 - c) A reliable estimate can be made of the amount of obligation.
- ii) A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but probably may not, require an outflow of resources.
- iii) Where there is a possible obligation or a present obligation such that there is a likelihood of outflow of resources is remote, no provision or disclosure is made.



SAHANA CONSTRUCTIONS PRIVATE LIMITED
Notes on Financial Statements for the year ended 31st March, 2018

Note	AS AT 31ST MARCH, 2018	AS AT 31ST MARCH, 2017
1		
Share Capital		
Authorized Capital		
100,000 Equity Shares of Rs 10 each (100000)	1,000,000	1,000,000
	<u>1,000,000</u>	<u>1,000,000</u>
Issued, Subscribed and Paidup capital		
100000 Equity shares of Rs 10 each (100000)	1,000,000	1,000,000
	<u>1,000,000</u>	<u>1,000,000</u>

1.1 Reconciliation of shares outstanding at the beginning and end of the reporting period.

Particulars	As at 31ST MARCH, 2018		As at 31ST MARCH, 2017	
	No. of Shares	Amount	No. of Shares	Amount
At the beginning of the year	100,000	1,000,000	100,000	1,000,000
Issued during the year	-	-	-	-
Outstanding at the end of the year	100,000	1,000,000	100,000	1,000,000

1.2 The Details of Shareholders holding more than 5% of Equity shares:

Name	31ST MARCH, 2018		31ST MARCH, 2017	
	No of Shares	% held	No of Shares	% held
Equity Shares				
Sudhakar Shetty	50000	50%	50000	50%
Hemlata Shetty	50000	50%	50000	50%
Total	100000	100%	100000	100%

1.3 Terms/rights attached to equity shares:

The Company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the company after distribution of all the preferential amounts, in proportion to their shareholding.

	AS AT 31ST MARCH, 2018	AS AT 31ST MARCH, 2017
2		
Reserve and Surplus		
Profit and Loss Account		
Loss as per last balance sheet	(996,060,557)	(835,735,100)
Add : Loss for the year	(2,263,841)	(160,825,457)
	<u>(998,324,397)</u>	<u>(996,060,557)</u>
3		
Long Term Borrowings		
Secured		
Dewan Housing Finance Corporation Limited (DHFL)	718,000,000	718,000,000
SICOM Limited	195,000,000	200,000,000
ICICI Bank	-	67,241
Total (A)	<u>913,000,000</u>	<u>918,067,241</u>
Unsecured		
Loans from Related Parties	28,300,000	66,195,196
Loans from Others	202,022,411	151,083,000
Total (B)	<u>230,322,411</u>	<u>217,278,196</u>
Total (A+B)	<u>1,143,322,411</u>	<u>1,135,345,437</u>



SAHANA CONSTRUCTIONS PRIVATE LIMITED
Notes on Financial Statements for the year ended 31st March, 2018

3.1 Maturity Profile of Loans

A. In respect of Dewan Housing Finance Corporation Limited

Since the equated monthly instalments schedule is not applicable in absence of full disbursement of loan, the entire loan is treated as long term borrowings.

B. In case of SICOM Limited and ICICI Bank Limited

Financial Institution	Rate of Interest	No. of Installment	Amount Outstanding as on 31-03-2018	Amount Outstanding as on 31-03-2017	2018-19	2019-20
SICOM Limited	18.75%		350,000,000	350,000,000	155,000,000	195,000,000
ICICI Bank Ltd.	16.12%	36	70,743	807,885	70,743	-

C. Loans from Relating Parties & Others

Rate of Interest	Balance as at 31st March, 2018	Balance as at 31st March, 2017
I. From Related Parties		
15.00%		4,792,672
12.45%	-	45,939,411
10.00%		720,212
12.00%	18,500,000	-
Free of Interest	9,800,000	14,750,000
	28,300,000	66,195,196
II. From Others		
Free of Interest	202,022,411	151,083,000
	202,022,411	151,083,000

3.2 Details of Security

A. Rupee Term

- (i) Loans from Dewan Housing Finance Corporation Limited is secured against equitable mortgage of Amboli Project at Andheri (West) Mumbai. The said charge is subsequent to SICOM Limited's charge.
- (ii) Loan from SICOM Limited is secured by first charge on the development rights of Amboli Project at Andheri (West), Mumbai. The said loan is further secured by mortgage of four flats together along with saleable area of 8880 Sq Ft. belonging to Sahana Dwellers Private Limited. The charge is further secured by mortgage of land at Andheri Mumbai and hypothecation of all the receivables of Amboli Project of the company and all receivables of project of Sahana Dwellers Private Limited. The Loan is further secured by pledge of 51% of shares of the company by the shareholders in favour of SICOM Limited.
- (iii) Loan from ILIHI Bank Limited is against underlying assets.

3.3 Details of Guarantee

The Secured Loan is guaranteed by the Directors of the Company in their personal capacity. The loan is further secured by personal guarantee of Mr. Sudhakar Mallappa Shetty

3.4 Default in repayment of loan

- (i) The Company has defaulted in repayment of interest payable to Deewan Housing Finance Corporation Limited amounting to Rs. 690,873,325/- including interest of earlier years (Previous year Rs.553,546,322/-).
- (ii) The Company has defaulted in repayment of principal amount and interest payable to SICOM LTD. (Refer note No. 21).



SAHANA CONSTRUCTIONS PRIVATE LIMITED
Notes on Financial Statements for the year ended 31st March, 2018

	<u>AS AT</u> <u>31ST MARCH, 2018</u>	<u>AS AT</u> <u>31ST MARCH, 2017</u>
4		
Short Term Borrowing		
Secured		
SICOM Limited	155,000,000	150,000,000
From ICICI bank Ltd.	70,743	740,644
	<u>155,070,743</u>	<u>150,740,644</u>
Note : For secured loans refer note no 3.1 to 3.4		
5		
Trade Payable		
Other than Micro, Small and Medium Enterprises	8,132,027	7,271,096
	<u>8,132,027</u>	<u>7,271,096</u>
5.1		
As stated by the Management, the Company does not have any dues towards Micro, Small & Medium Enterprises		
6		
Other Current Liabilities		
Interest accrued and due	986,428,163	968,684,027
In current account with Partnership firm	7,452	5,905
Statutory Dues	15,258,667	75,378
	<u>1,001,694,282</u>	<u>968,765,310</u>
7		
Other Provision		
Provision for Tax	-	470
Others	3,730,914	3,235,618
	<u>3,730,914</u>	<u>3,236,088</u>



SAHANA CONSTRUCTIONS PRIVATE LIMITED
Notes on Financial Statements for the year ended 31st March, 2018

8 Tangible Assets

Description	Gross block				Depreciation			Amount in Rs		
	Cost as at 1st APRIL, 2017	Additions	Deletions	Cost as at 31ST MARCH, 2018	Upto April, 2017	Deduction	For the Year	Total	As at 31ST MARCH, 2018	As at 31ST MARCH, 2017
Office Equipment	8,697	2,043	-	10,740	3,276	-	2,441	5,719	5,021	5,421
Airconditioner	11,500	-	-	11,500	99	-	2,551	3,051	8,449	11,401
Furniture	3,375	-	-	3,375	2,802	-	141	2,950	425	573
Portable Cabin	209,875	-	-	209,875	199,381	-	-	199,381	10,494	10,494
Motor Car	2,784,117	-	-	2,784,117	2,211,132	-	225,181	2,436,315	347,802	572,985
Printer	27,900	-	-	27,900	25,574	-	911	26,489	1,411	2,326
TOTAL	3,045,464	2,043	-	3,047,507	2,442,264	-	231,641	2,673,905	373,602	603,200
Previous Year	3,043,263	20,197	17,396	3,045,464	2,176,652	17,096	782,731	2,442,262	603,200	866,511



SAHANA CONSTRUCTIONS PRIVATE LIMITED
Notes on Financial Statements for the year ended 31st March 2018

Note	As at 31ST MARCH, 2018	As at 31ST MARCH, 2017
9 Non Current Investments		
Long Term Investment		
<u>Unquoted Fully Paid up</u>		
10000 Equity shares of Sigtia Construction Private Limited of Rs. 10 each fully paid up (10000)	137,749,682	137,249,682
In Equity Shares of Safal Developers Private Limited 250000 Equity shares of Safal Developers Private Limited of Rs. 10 each fully paid up (240000)	180,545,000	170,545,000
	<u>317,794,682</u>	<u>307,794,682</u>
Aggregate Value of Unquoted Investment	317,794,682	307,794,682
9.1 Investment are subject to physical verification		
9.2 Although the book value of certain investments (amount not ascertained) is lower than cost, considering the strategic and long term nature of the investments and asset base of the investee companies, in the opinion of the management such decline is temporary in nature and no provision is necessary for the same. (Refer note no.22)		
10 Long Term Loans and Advances (Unsecured and Considered Good)		
Loans and Advances to Related Parties Refer Note No. 24	3,000,000	348,452
Other Loans and Advances Refer Note No. 24	423,415,922	596,061,853
Security Deposit	290,350	290,350
	<u>426,706,272</u>	<u>596,700,655</u>
11 Inventories		
Work-in-progress	524,613,470	345,313,186
	<u>524,613,470</u>	<u>345,313,186</u>
12 Cash and Bank Balances		
Cash on hand	89,609	74,898
Balances with Banks	440,551	285,648
	<u>530,160</u>	<u>360,546</u>
13 Other Current Assets		
Interest accrued and due	42,456,639	17,255,835
Prepaid Expenses	195,674	199,502
Income Tax Refundable (Net of Provisions)	747,397	919,997
Recoverable from Government Authorities	1,208,084	1,150,415
	<u>44,607,794</u>	<u>19,525,749</u>



SAHANA CONSTRUCTIONS PRIVATE LIMITED
Notes on Financial Statements for the year ended 31st March 2018

Note	For the Year ended 31ST March 2018	For the Year ended 31ST March 2017
14 Other Income		
Interest Income	37,291,029	64,336,306
	<u>37,291,029</u>	<u>64,336,306</u>
15 Projected Related Expenses		
Prior Period Expenses	2,722,603	2,231,479
Electricity Charges	49,767	93,819
Printing & Stationery	4,984	32,296
Professional fees	258,000	25,000
Rates & taxes	422,231	59,602
M C G M	77,656	-
Repair & Maintenance	20,430	6,767
Security Charges	-	591,268
Compensation	6,101,415	0,200,450
Miscellaneous Expenses	28,395	19,352
Site Expenses	17,640	41,897
Insurance Charges	265,090	193,558
Water Charges	115,360	149,990
	<u>10,143,571</u>	<u>11,738,486</u>
16 Increase in Work in Progress		
Closing Work in progress	524,613,470	345,313,186
Less : Opening Work in progress	345,313,186	281,795,116
	<u>179,300,284</u>	<u>63,518,070</u>
17 Finance Costs		
Interest on Loan to Related Parties	53,784,326	69,280,686
Interest on Term Loan	152,659,417	205,906,158
Interest on Others	1,093,896	922,177
	<u>207,537,639</u>	<u>276,109,021</u>
18 OTHER EXPENSES		
<u>Payment to Auditors</u>		
For Statutory Audit	150,000	150,000
For Tax Audit	75,000	75,000
For Taxation Matter	443,000	150,000
Miscellaneous Expenses	100,539	93,619
Repairs & Maintenance (Vehicles)	138,305	36,920
Insurance Charges	28,912	36,163
Loss from Partnership firm	1,547	5,905
Loss on sale of assets	-	11
Rate & Taxes	5,000	2,000
	<u>942,303</u>	<u>549,618</u>



SAHANA CONSTRUCTIONS PRIVATE LIMITED
Notes on Financial Statements for the year ended 31st March 2018

NOTES TO ACCOUNTS

19 Contingent Liabilities: Nil

20 The Company is in the business of construction and development activities. The Management is of the opinion that the Company has made Long-Term Investments as well as projects in hand (which are accounted for on project completion basis) which may result in gains in the long run and at the time of completion of projects, past losses will be set off against future profit.

The Company, for the reasons stated above, continues to prepare its financial statements on a going concern basis although the net worth is fully eroded and has incurred cash losses.

21 There is delay in payment of interest and repayment of principal amount on due dates to SICOM Limited. The details of which are as under :-

Due date of payment of interest & repayment of principal	Amount of Principal	Amount of Interest including compounding interest and additional	Amount paid on	Delayed by Number of months as on 31st March, 2018
31/12/2016	50,000,000	-	Not paid	15
31/01/2017	-	854571	Not paid	14
28/02/2017	-	6275296	Not paid	13
31/03/2017	50,000,000	4978886	Not paid	12
30/04/2017	-	6881464	Not paid	11
31/05/2017	-	7242347	Not paid	10
30/06/2017	50,000,000	7242347	Not paid	9
31/07/2017	-	7519144	Not paid	8
31/08/2017	-	7662831	Not paid	7
30/09/2017	50,000,000	7,557,354	Not paid	6
31/10/2017	-	7,799,573	Not paid	5
30/11/2017	-	7,656,420	Not paid	4
31/12/2017	50,000,000	8,057,945	Not paid	3
31/01/2018	-	8,211,929	Not paid	2
28/02/2018	-	7,558,966	Not paid	1
31/03/2018	50,000,000	8,513,304	Not paid	0
	300,000,000	104,012,377		

The Company has requested SICOM Limited for one time settlement. The SICOM Limited has agreed to grant one time settlement, the effect which will be reflected in subsequent year.

22 The Company has made Investment in Equity Shares of various companies as stated in Note No. 9. Although the book value of investments are lower than cost yet considering the strategic and long term nature of the investments, in the opinion of the management, such decline is temporary in nature and no provision is necessary for the same.

23 Investment in partnership firm M/s. Sunrise Realtors in which the Company became partner w.e.f. 24 September, 2014:

Name of the partners	2017-18		2016-17	
	Profit sharing Ratio		Profit sharing Ratio	
	Profit	Loss	Profit	Loss
Skylark Buildcon Private Limited	1	95%	95%	95%
Sahana Construction Private Limited	-	5%	5%	5%



SAHANA CONSTRUCTIONS PRIVATE LIMITED
Notes on Financial Statements for the year ended 31st March 2018

- 24 The Company has made Interest free 'advances to others' amounting to Rs. 37,95,05,922/-. The Schedule of repayment of such advances by the parties and the purpose for which advances were made are not made available to us and hence we are unable to comment on the same.
- 25 The Company has not provided interest payable to SICOM Limited amounting to Rs. 9,19,03,624/- for the year ended on 31st March, 2018 as the Company has applied for one-time settlement. Therefore, the loss for the year is under stated and consequently, the liabilities are understated to the extent of that amount.

26 Loans and Advance in the nature of Loans given to Related Party :

Name	As at 31st March, 2018	As at 31st March, 2017	Maximum Balance During the year
Sahana Properties & Resorts Private Limited	-	348,452	348,452
Safal Developers Private Limited	3,000,000	-	3,000,000
Total	3,000,000	348,452	

- 26 a) Value of Imports of trading goods calculated on CIF basis (excluding imported items purchased locally) amounting to Rs. Nil (previous period Rs. Nil).
- b) Earning in foreign exchange on account of export of goods on FOB basis Rs. Nil (Previous period Rs. Nil)

NOTES TO ACCOUNTS

27 As per Accounting Standard 18 the disclosure of transactions with Related Parties are given below.

I. Enterprises & Associate Concerns over which the key managerial personnel & their relatives have significant influence

Alstone Realtors LLP
 Amaryllis Realtors LLP
 Cenacle Realtors LLP
 Country Retreat Conference Private Limited
 Goodlife Constructions Private Limited
 Goodlife Realtors Private Limited
 Gulvring Realtors LLP
 Harmony Developers Pvt Ltd
 Matolia Realtors Pvt Ltd
 Maxillaria Realty LLP
 Neha Entertainment Private Limited
 Pilot Constructions Private Limited
 Safal Developers Private Limited
 Sahana Builders & Developers Private Limited
 Sahana Bullions Private Limited
 Sahana Exim Private Limited
 Sahana Films Private Limited
 Sahana Gems & Jewelers Private Limited
 Sahana Hotels Private Limited
 Sahana Properties and Resorts Private Limited
 Sahana Realty Private Limited
 Sarveshwar Properties Private Limited
 Shree Vrunda Enterprises
 Skylark Build Dwellers Private Limited
 Skylark Buildcon Private Limited
 Suhan Aviation Private Limited
 Suhan Builders & Developers Private Limited
 Suhan Dwellers Private Limited
 Suhan Properties Private Limited
 Tenacity Real Estate Pvt Ltd



II. Key Managerial Personnel:

Shri Jayasheelia Shetty
 Smt. Hemlatha Shetty



SAHANA CONSTRUCTIONS PRIVATE LIMITED
Notes on Financial Statements for the year ended 31st March 2018

III. Transactions with related parties during the year

Nature of transaction	Name	Enterprises & Associate Concerns over which the key managerial personnel & their relatives have significant influence		Individuals having Control or Significant Influence over the enterprise		Key Managerial Personnel		Total	
		2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Interest Paid	Safal Developers Private Limited	-	1,017,966	-	-	-	-	-	1,017,966
	Skylark Buildcon Private Limited	1,109,126	-	-	-	-	-	1,109,126	-
	Sahana Properties & Resorts Private Limited	-	6,734,017	-	-	-	-	-	6,734,017
	Sahana Hotels Private Limited	-	1,013	-	-	-	-	-	1,013
	Total	1,109,126	7,752,996	-	-	-	-	-	7,752,996
Interest Received	Safal Developers Private Limited	12,090,225	-	-	-	-	-	12,090,225	-
	Skylark Buildcon Private Limited	-	6,973,552	-	-	-	-	-	6,973,552
	Total	12,090,225	6,973,552	-	-	-	-	12,090,225	6,973,552
Long Term Borrowings Received	Skylark Buildcon Private Limited	27,400,000	723,212	-	-	-	-	27,400,000	723,212
	Sahana Realty Private Limited	50,000	9,750,000	-	-	-	-	50,000	9,750,000
	Safal Developers Private Limited	-	4,782,573	-	-	-	-	-	4,782,573
	Total	27,450,000	15,255,785	-	-	-	-	27,450,000	15,255,785
Long Term Borrowings Repaid	Sahana Hotels Private Limited	-	8,191	-	-	-	-	-	8,191
	Sahana Properties & Resorts Private Limited	-	44,045,101	-	-	-	-	-	44,045,101
	Skylark Buildcon Private Limited	9,623,212	-	-	-	-	-	9,623,212	-
	Total	9,623,212	44,053,292	-	-	-	-	9,623,212	44,053,292
Long Term Loans and Advances Received Back	Sahana Builders & Developers Private Limited	-	4,936	-	-	-	-	-	4,936
	Skylark Buildcon Private Limited	-	21,243	-	-	-	-	-	21,243
	Total	-	26,179	-	-	-	-	-	26,179
Loans and Advances given	Safal Developers Private Limited	3,000,000	-	-	-	-	-	3,000,000	-
	Sahana Properties & Resorts Private Limited	-	348,452	-	-	-	-	-	348,452
	Total	3,000,000	348,452	-	-	-	-	3,000,000	348,452



SAHANA CONSTRUCTIONS PRIVATE LIMITED
Notes on Financial Statements for the year ended 31st March 2018

Nature of transaction	Name	Enterprises & Associate Concerns over which the key managerial personnel & their relatives have significant influence		Individuals Having Control Or Significant Influence over the enterprise		Key Managerial Personnel		Total	
		2017-18	2016-17	2017-18	2016-17	2017-18	2016-17	2017-18	2016-17
Long Term Borrowings outstanding as on 31st March	Sahana Realty Private Limited	9,800,000	9,750,000	-	-	-	-	9,800,000	9,750,000
	Safal Developers Private Limited	-	4,782,573	-	-	-	-	-	4,782,573
	Skylark Buildcon Private Limited	18,500,000	723,212	-	-	-	-	18,500,000	723,212
	Total	28,300,000	15,255,785	-	-	-	-	28,300,000	15,255,785
Interest Accrued - Payable as at 31st March	Skylark Buildcon Private Limited	1,109,126	-	-	-	-	-	1,109,126	-
	Sahana Hotels Private Limited	-	1,013	-	-	-	-	-	1,013
	Total	1,109,126	1,013	-	-	-	-	1,109,126	1,013
Advances to Associate Concerns & Directors as at 31st March	Safal Developers Private Limited	3,000,000	-	-	-	-	-	3,000,000	-
	Sahana Properties & Resorts Private Limited	-	348,452	-	-	-	-	-	348,452
	Total	3,000,000	348,452	-	-	-	-	3,000,000	348,452
Investment in Shares as at 31st March	Safal Developers Private Limited	180,545,000	170,545,000	-	-	-	-	180,545,000	170,545,000
	Total	180,545,000	170,545,000	-	-	-	-	180,545,000	170,545,000

28. Previous year figures have also been reclassified to conform to this year's classification.

As per our Report of even date

For BOTHRA & CO.
CHARTERED ACCOUNTANTS
Firm Regn. No. 101578W

(LITAM CHAND BOTHRA)
PROPRIETOR
MEMBERSHIP NO. 12180

PLACE: MUMBAI
DATE:

For and on behalf of the Board
SAHANA CONSTRUCTIONS PRIVATE LIMITED

Jayasheel
M.S. Shetty

(JAYASHEELA SHETTY)
DIRECTOR
DIN: 00726160

(HEMLATA S. SHETTY)
DIRECTOR
DIN: 00726123

