



**PARSVNATH RAIL LAND PROJECT**  
**PRIVATE LIMITED**

**ANNUAL REPORT 2012-13**

**PARSVNATH RAIL LAND PROJECT PRIVATE LIMITED**  
**Notes forming part of the financial statements**

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**Note 21**

Parsvnath Developers Limited (PDL), the holding Company was selected as bidder for grant of lease for development of a project on plot of land at Sarai Rohilla, Kishanganj by 'Rail Land Development Authority (RLDA) vide its 'Letter of Acceptance' (LOA) dated 26 November, 2010. The Parsvnath Promoters and Developers Private Limited (PPDPL) was formed as a Special Purpose Vehicle (SPV) for the purposes of development of the project and the RLDA accorded approval on 7 February, 2011 adopting PPDPL as SPV for the development and implementation of the project.

Subsequently, RLDA vide its letter dated 13 July, 2011 informed that the permission for using PPDPL as a SPV was not in accordance with the provisions of the Request For Proposal (RFP) and advised PDL to incorporate a new SPV for development and implementation of the project. Pursuant to this PDL has incorporated the Company as its wholly owned subsidiary. The RLDA vide its letter dated 3 August, 2012 has approved implementation of the project by the new Company.

Pursuant to the above the Company has entered into an irrevocable assignment agreement with PDL and PPDPL on 1 January, 2013 for transfer of assets and liabilities of the project to the Company by PPDPL for a consideration of ₹ 3,75,41,13,573 and all assets and liabilities have been accordingly transferred to the Company by PPDPL. The agreement further provides that in case of delay in redemption of optionally convertible debentures (OCD), the interest on OCD from 1 April, 2013 till redemption will be paid by PPDPL and assigned to the Company.

**Note 22: Segment reporting**

As the Company has not yet started its operations, the reporting requirements for primary and secondary segment disclosures prescribed by Accounting Standard AS-17 on 'Segment Reporting' are not applicable for the year.

**Note 23: Deferred tax assets**

The Company has carried out its tax computation in accordance with mandatory Accounting Standard AS 22 - 'Taxes on Income'. There has been a net deferred tax asset on account of accumulated losses. However as a principle of prudence, and as there is no virtual certainty as on the date of the balance sheet that there will be sufficient taxable income available to realize such assets in near future, the Company has not provided for deferred tax assets.

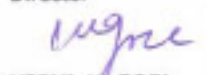
**Note 24: Previous Year's figures**

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

For and on behalf of the Board of Directors

  
P.K. JAIN  
Director

  
R. N. MALOO  
Director

  
VIPUL K. GOEL  
Company Secretary

Place: New Delhi  
Date: 23 May, 2013



**PARSVNATH RAIL LAND PROJECT PRIVATE LIMITED**  
Notes forming part of the financial statements

**Note 20: Related party disclosures**

**i. List of related parties**  
**(a) Holding Company**

- Parsvnath Developers Limited (PDL)

**(b) Fellow subsidiaries**

- Parsvnath Promoters and Developers Private Limited (PPDPL)

**ii. Balances outstanding/transactions with related parties**

	<u>PDL</u> ₹	<u>PPDPL</u> ₹
<b>(a) Transactions during the year</b>		
Issue of share capital	-	-
	(1,00,000)	(-)
Debenture application money received	33,50,000	-
	(-)	(-)
Security deposit paid	16,93,25,000	-
	(-)	(-)
Interest income	22,19,179	-
	(-)	(-)
Assignment on acquisition of inventory and other assets	-	3,79,09,73,666
	(-)	(-)
<b>(b) Balances at year-end</b>		
Debenture application money	33,50,000	-
	(-)	(-)
Security deposit (assets)	26,93,25,000	-
	(-)	(-)
Interest accrued on margin money deposit	17,44,408	-
	(-)	(-)
Other payables	-	3,79,09,73,666
	(-)	(-)

Note: Figures in brackets represent figures as at and for the year ended 31 March, 2012.






**PARSVNATH RAIL LAND PROJECT PRIVATE LIMITED**  
Notes forming part of the financial statements

	Year Ended 31 Mar, 2013 ₹	Year Ended 31 Mar, 2012 ₹
<b>Note 14: Other income</b>		
(i) Interest on margin money	22,19,179	-
(ii) Interest on fixed deposits	1,46,354	-
	<u>23,65,533</u>	<u>-</u>
<b>Note 15: Cost of materials consumed</b>		
Material consumed	<u>6,841</u>	<u>-</u>
<b>Note 16: Changes in inventories of work-in-progress</b>		
(i) Opening stock of work-in-progress	-	-
(ii) Add: Assignment from related party (see note 21)	35,92,47,284	-
(iii) Add: Interest expenses assigned by related party (see note 21)	3,68,60,093	-
(iv) Closing stock of work-in-progress	62,15,00,840	-
(v) Increase in work-in-progress	<u>(22,53,93,463)</u>	<u>-</u>
<b>Note 17: Finance costs</b>		
(i) Interest expenses on:		
a. debentures	15,09,04,110	-
b. payment for land purchase	1,00,000	-
	<u>15,10,04,110</u>	<u>-</u>
(ii) Other borrowing costs	6,05,07,780	719
	<u>21,15,11,890</u>	<u>719</u>
<b>Note 18: Other expenses</b>		
(i) Fees and taxes	46,15,193	-
(ii) Legal and professional charges	1,13,05,121	11,030
(iii) Payment to auditors (see note 'I' below)	1,00,000	28,090
(iv) Printing and stationery	2,047	-
(v) Miscellaneous expenses	12,288	-
	<u>1,60,34,649</u>	<u>39,120</u>
<b>Note 'I'</b>		
<b>Payment to auditors (net of service tax input credit where applicable)</b>		
(i) Statutory audit fee	1,00,000	25,000
(ii) Service Tax on above	-	3,090
	<u>1,00,000</u>	<u>28,090</u>
<b>Note 19: Earnings per share</b>		
i. Net Profit/ (loss) for calculation of basic and diluted earnings per share	92,860	(39,839)
ii. Weighted average number of equity shares outstanding during the year	10,000	10,000
iii. Basic and diluted earnings per share	9.29	(3.98)
iv. Nominal value of equity shares	10	10

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**PARSVNATH RAIL LAND PROJECT PRIVATE LIMITED**  
Notes forming part of the financial statements

	As at 31 March, 2013 ₹	As at 31 March, 2012 ₹
<b>Note 8: Other current liabilities</b>		
(i) Statutory liabilities	1,60,28,604	-
(ii) Interest accrued but not due on borrowings	13,58,13,699	-
(iii) Preliminary and professional expenses payable	-	11,030
	<u>15,18,42,303</u>	<u>11,030</u>
<b>Note 9: Long term loans and advances</b>		
(i) Security deposits to Holding Company	26,93,25,000	-
(ii) Advance income tax (net of provision for income tax ₹ 41,530 previous year ₹ Nil)	1,95,024	-
	<u>26,95,20,024</u>	<u>-</u>
<b>Note 10: Inventories (Valued at lower of cost and net realisable value)</b>		
Work-in-progress	62,15,00,840	-
	<u>62,15,00,840</u>	<u>-</u>
Note: Inventory of work-in-progress comprise 'Properties under development'		
<b>Note 11: Cash and cash equivalents</b>		
(i) Cash on hand	32,762	-
(ii) Balance with banks in		
- Current accounts	39,42,870	99,281
- Deposit accounts	4,10,00,000	-
	<u>4,49,75,632</u>	<u>99,281</u>
<b>Note 12: Short term loans and advances</b>		
(i) Advances for purchase of land	6,60,60,40,000	-
(ii) Prepaid expenses	96,596	-
(iii) Balance with Government authorities		
- Cenvat credit receivable	87,31,929	-
	<u>6,61,48,68,525</u>	<u>-</u>
<b>Note 13: Other Current Assets</b>		
(i) Interest accrued on deposits	51,458	-
(ii) Interest accrued on margin money	17,44,408	-
	<u>17,95,866</u>	<u>-</u>

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**PARSVNATH RAIL LAND PROJECT PRIVATE LIMITED**  
Notes forming part of the financial statements

	As at <u>31 March, 2013</u>	As at <u>31 March, 2012</u>
	₹	₹
<b>Note 4: Reserves and surplus</b>		
<b>Surplus/(Deficit) in the statement of Profit and Loss</b>		
Opening Balance	(39,839)	-
Add: Profit/(Loss) for the year	<u>92,860</u>	<u>(39,839)</u>
Closing Balance	<u><u>53,021</u></u>	<u><u>(39,839)</u></u>

**Note 5: Long term borrowings**

**Secured Debentures**

360 (previous year Nil) 15% redeemable non-convertible debentures of ₹ 1,00,00,000, each

3,60,00,00,000

-

(i) a) First charge by way of hypothecation of asseets, contracts receivables, all present and future book debts, outstandings, monies receivables, claims and receivables together with all and any interest accruing thereon.

b) First and exclusive charge in favour of the Debenture Trustee in respect of the leasehold rights of the company over such site parcels leased by the RLDA to the company upon payment of the second lease installment and in respect of the remaining site parcels by execution of the subsequent Indenture of mortgage.

(ii) Interest is compounded annually and payable on 31 March every year or on redemption date.

(iii) Debentures are redeemable after the expiry of a period of 36 months but before the expiry of 120 months from the date of allotment i.e. 20 December, 2012.

**Note 6: Other non-current liabilities**

Debenture application money

33,50,000

-

**Note 7: Trade payables**

(Other than acceptances)

Trade payables

3,79,73,15,563

28,090

3,79,73,15,563

28,090

As per the information available with the Company, trade payables do not include any amount due to Micro, Medium and Small Enterprises as defined under "Micro, Small and Medium Enterprises Developments Act, 2006 (MSMED Act, 2006) and no interest has been paid or payable in terms of MSMED Act, 2006. This has been relied upon by the auditors.

**PARSVNATH RAIL LAND PROJECT PRIVATE LIMITED**  
Notes forming part of the financial statements

**Note 3: Share capital**

	<u>As at 31 March, 2013</u>		<u>As at 31 March, 2012</u>	
	Number	₹	Number	₹
<b>i. Authorised</b>				
Equity shares of ₹ 10 each	2,93,50,000	29,35,00,000	10,000	1,00,000
	<u>2,93,50,000</u>	<u>29,35,00,000</u>	<u>10,000</u>	<u>1,00,000</u>
<b>ii. Issued, subscribed and fully paid-up shares</b>				
Equity Shares of ₹ 10 each fully paid	10,000	1,00,000	10,000	1,00,000
	<u>10,000</u>	<u>1,00,000</u>	<u>10,000</u>	<u>1,00,000</u>
<b>(a) Reconciliation of number and amount of equity shares outstanding as at the beginning and end of the year</b>				
i. Shares outstanding at the beginning of the year	10,000	1,00,000	-	-
ii. Add: Issued during the year	-	-	10,000	1,00,000
iii. Shares outstanding at the end of the year	<u>10,000</u>	<u>1,00,000</u>	<u>10,000</u>	<u>1,00,000</u>
<b>(b) Rights, preferences, and restrictions attached to equity shares</b>				
The Company has issued only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is				
<b>(c) Equity Shares held by holding company</b>			<u>As at 31 March, 2013</u>	<u>As at 31 March, 2012</u>
			Number	Number
Parsvnath Developers Limited and its nominees			10,000	10,000
<b>(d) Details of equity shares held by each shareholder holding more than 5% shares</b>				
	<u>As at 31 March, 2013</u>	<u>As at 31 March, 2012</u>		
	Number	% holding	Number	% holding
Parsvnath Developers Limited and its nominees	10,000	100%	10,000	100%

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is probable that future economic benefit associated with it will flow to the Company.

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 substantively enacted as at the reporting date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets are recognised for timing differences of items other than unabsorbed depreciation and carry forward losses only to the extent that reasonable certainty exists that sufficient future taxable income will be available against which these can be realised. However, if there are unabsorbed depreciation and carry forward of losses, deferred tax assets are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets. 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.

**k. Impairment of assets**


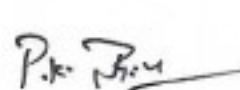


The carrying values of assets / cash generating units at each balance sheet date are reviewed for impairment. If any indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. 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.

**l. Provisions and contingencies**

Provision is recognised when an enterprise has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on management estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimate.

**m. Operating Cycle**

Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 48 months for the purpose of classification of its assets and liabilities as current and non-current.



**f. 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 segregated based on the available information.

**g. Other income**

Interest income is accounted on accrual basis. Dividend income is accounted for when the right to receive it is established.

**h. 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.

**i. 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. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post-tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. The dilutive potential equity shares are adjusted for the proceeds receivable had the shares been actually issued at fair value (i.e. average market value of the outstanding shares). Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

**j. 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.

The bottom of the page contains several handwritten signatures and initials in blue ink. From left to right, there is a circular stamp or signature, followed by a long signature that appears to be 'P. K. B.', then the word 'ugae' written in a cursive style, and finally a single letter 'Jh'.

**Note 1: Corporate information**

Parsvnath Rail Land Project Private Limited ('the Company') was incorporated on 11 November, 2011 as a wholly owned Subsidiary Company of Parsvnath Developers Limited.

The company is engaged in the business of promotion, construction and development of a residential project.

**Note 2: Significant accounting policies**

**a. Basis of accounting**

The financial statements of the Company have been prepared in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. 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.

**b. 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.

**c. Inventories**

Inventory comprises property under construction (work-in-progress) and is valued at lower of cost and net realizable value. Cost includes land, development rights, material, services, overheads related to projects under construction and apportioned borrowing costs.

**d. Cost of construction/development**

Cost of Construction/Development of properties (including cost of land and development rights) incurred is charged to the statement of profit and loss proportionate to project area sold. Adjustments, if required, are made on completion of the respective projects

**e. Cash and cash equivalents (for purposes of Cash Flow Statement)**

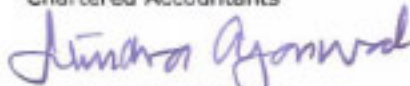
Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant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

 P. R. Nagarajan

**PARSVNATH RAIL LAND PROJECT PRIVATE LIMITED**  
**Cash Flow Statement for year ended 31 March, 2013**

	<u>Year Ended 31</u> <u>March, 2013</u> ₹	<u>Year Ended 31</u> <u>March, 2012</u> ₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit/ (Loss) before tax	1,34,390	(39,839)
Adjustments for :		
Finance costs	21,15,11,890	-
Interest income	(23,65,533)	-
Operating profit/(loss) before working capital changes	<u>20,92,80,748</u>	<u>(39,839)</u>
Adjustments for :		
Inventories	(62,15,00,840)	-
Short term loans and advances	(2,92,38,94,859)	-
Trade payables	63,13,807	28,090
Other current liabilities	1,60,17,574	11,030
Cash generated from/(used in) operations	(3,31,37,83,571)	(719)
Direct taxes paid/deducted at source (net)	(2,36,554)	-
<b>Net cash flow used in operating activities</b>	<u>(3,31,40,20,125)</u>	<u>(719)</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Increase in long term loans and advances	(16,93,25,000)	-
Interest received	5,69,667	-
<b>Net cash flow used in investing activities</b>	<u>(16,87,55,333)</u>	<u>-</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Finance costs paid	(7,56,98,191)	-
Proceeds from issued of debentures	3,60,00,00,000	-
Proceeds from Debenture application money	33,50,000	-
Proceeds from issue of share capital	-	1,00,000
<b>Net cash flow from financing activities</b>	<u>3,52,76,51,809</u>	<u>1,00,000</u>
<b>D. Net increase/ (decrease) in cash and cash equivalents</b>	<b>4,48,76,351</b>	<b>99,281</b>
<b>E. Cash and cash equivalents as at the beginning of the year</b>	<b>99,281</b>	<b>-</b>
<b>F. Cash and cash equivalents as at the end of the year (see note 10)</b>	<u><b>4,49,75,632</b></u>	<u><b>99,281</b></u>

In terms of our report attached  
For Deloitte Haskin & Sells  
Chartered Accountants

  
**JITENDRA AGARWAL**  
Partner

For and on behalf of the Board of Directors

  
**P.K. JAIN**  
Director

  
**R.N. MALOO**  
Director

  
**VIPUL K. GOEL**  
Company Secretary


Place: New Delhi  
Date: 23 May, 2013

Place: New Delhi  
Date: 23 May, 2013

**PARSVNATH RAIL LAND PROJECT PRIVATE LIMITED**  
**Statement of Profit and Loss for the year ended 31 March, 2013**

	Note No.	Year ended 31 March, 2013 ₹	Year ended 31 March, 2012 ₹
<b>1. Other income</b>	14	23,65,533	-
<b>Total revenue</b>		<u>23,65,533</u>	<u>-</u>
<b>2. Expenses</b>			
(a) Cost of materials consumed	15	6,841	-
(b) Contract cost, labour and other charges		71,225	-
(c) Changes in inventories of work in progress	16	(22,53,93,463)	-
(d) Finance costs	17	21,15,11,890	719
(e) Other expenses	18	1,60,34,649	39,120
<b>Total expenses</b>		<u>22,31,143</u>	<u>39,839</u>
<b>3. Profit/(loss) before tax (1-2)</b>		<b>1,34,390</b>	<b>(39,839)</b>
<b>4. Tax expense</b>			
Current tax		<u>41,530</u>	<u>-</u>
<b>5. Profit/(Loss) after tax (3-4)</b>		<u><b>92,860</b></u>	<u><b>(39,839)</b></u>
<b>6. Earnings per equity share [nominal value of share]</b>	19		
(a) Basic		9.29	(3.98)
(b) Diluted		9.29	(3.98)
See accompanying notes forming part of the financial statements	1-24		

In terms of our report attached  
For **Deloitte Haskin & Sells**  
Chartered Accountants



**JITENDRA AGARWAL**  
Partner

For and on behalf of the Board of Directors



**P.K. JAIN**  
Director



**R. N. MALOO**  
Director



**VIPUL K. GOEL**  
Company Secretary

Place: New Delhi  
Date: 23 May, 2013

Place: New Delhi  
Date: 23 May, 2013

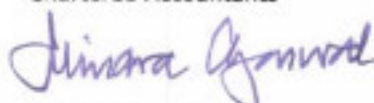
**PARSVNATH RAIL LAND PROJECT PRIVATE LIMITED**  
**Balance Sheet as at 31 March, 2013**

	Note No.	As at 31 March, 2013	As at 31 March, 2012
		₹	₹
<b>I EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' funds</b>			
(a) Share capital	3	1,00,000	1,00,000
(b) Reserves and surplus	4	<u>53,021</u>	<u>(39,839)</u>
		<b>1,53,021</b>	<b>60,161</b>
<b>2. Non-current liabilities</b>			
(a) Long-term borrowings	5	3,60,00,00,000	-
(b) Other non-current liabilities	6	<u>33,50,000</u>	<u>-</u>
		<b>3,60,33,50,000</b>	<b>-</b>
<b>3 Current liabilities</b>			
(b) Trade payables	7	3,79,73,15,563	28,090
(c) Other current liabilities	8	<u>15,18,42,303</u>	<u>11,030</u>
		<b>3,94,91,57,866</b>	<b>39,120</b>
<b>Total</b>		<b><u>7,55,26,60,887</u></b>	<b><u>99,281</u></b>
<b>II ASSETS</b>			
<b>1. Non-current assets</b>			
Long-term loans and advances	9	26,95,20,024	-
<b>2 Current assets</b>			
(a) Inventories	10	62,15,00,840	-
(b) Cash and cash equivalents	11	4,49,75,632	99,281
(c) Short-term loans and advances	12	6,61,48,68,525	-
(d) Other Current Assets	13	<u>17,95,866</u>	<u>-</u>
		<b>7,28,31,40,863</b>	<b>99,281</b>
<b>Total</b>		<b><u>7,55,26,60,887</u></b>	<b><u>99,281</u></b>

See accompanying notes forming part of the financial statements

1-24

In terms of our report attached  
For **Deloitte Haskin & Sells**  
Chartered Accountants



**JITENDRA AGARWAL**  
Partner

For and on behalf of the Board of Directors



**P.K. JAIN**  
Director



**R. N. MALOO**  
Director



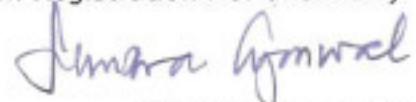
**VIPUL K. GOEL**  
Company Secretary

Place: New Delhi  
Date: 23 May, 2013

Place: New Delhi  
Date: 23 May, 2013

- (e) On the basis of the written representations received from the directors as on 31 March, 2013 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2013 from being appointed as a director in terms of Section 274(1)(g) of the Act.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Firm Registration No. 015125N)



**Jitendra Agarwal**  
Partner  
(Membership No. 87104)

**NEW DELHI, 23 May, 2013**

**Opinion**

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

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2013;
- (b) in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

- 1. This report does not include a statement on the matters specified in Paragraph 4 and 5 of the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government in terms of Section 227(4A) of the Act, since in our opinion and according to the information and explanations given to us, the said order is not applicable to the Company.
- 2. As required by Section 227(3) of the Act, we report that:
  - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
  - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards referred to in Section 211(3C) of the Act.



## **INDEPENDENT AUDITORS' REPORT TO THE MEMBERS OF PARSVNATH RAIL LAND PROJECT PRIVATE LIMITED**

### **Report on the Financial Statements**

We have audited the accompanying financial statements of **PARSVNATH RAIL LAND PROJECT PRIVATE LIMITED** ("the Company"), which comprise the Balance Sheet as at 31 March, 2013, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The Company's Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in Section 211(3C) of the Companies Act, 1956 ("the Act") and in accordance with the accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control 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**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

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

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



# **PARSVNATH RAIL LAND PROJECT PRIVATE LIMITED**

Regd. Office: Parsvnath Metro Tower, Near Shahdara Metro Station, Shahdara, Delhi 110032

## **AUDITORS**

M/s Deloitte Haskins & Sells, Chartered Accountants (Registration No. 015125N), Statutory Auditors of the Company shall retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. It is proposed to re-appoint them as Statutory Auditors of the Company to hold office until the conclusion of the next Annual General Meeting and a certificate from the Auditors to the effect that in case of their re-appointment, the same would be within the limits of Section 224(1B) of the Companies Act, 1956 has been received by the Company.

## **OBSERVATIONS OF AUDITORS**

The observations of the Auditors are self-explanatory and/or suitably explained/clarified in the notes to Accounts.

## **PARTICULARS OF EMPLOYEES**

The Company had no employee during the year and hence the disclosure under Section 217(2A) of the Companies Act, 1956 read with Companies (Particulars of Employees) Rules, 1975, as amended from time to time, is not required.

## **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO**

The nature of activities of the Company does not require disclosure of information under the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, concerning conservation of energy and technology absorption respectively.

The Company has neither incurred any expenditure nor earned any income in foreign currency during the year under review.

## **PUBLIC DEPOSITS**

The Company has not accepted any Public Deposits and as such, no amount on account of principal or interest was outstanding on the date of the Balance Sheet.

## **ACKNOWLEDGEMENTS**

The Directors wish to place on record their appreciation of the support and co-operation extended by investors, bankers and various other stakeholders.

On behalf of the Board of Directors  
For Parsvnath Rail Land Project Pvt. Ltd.

Place : Delhi  
Date : May 23, 2013

  
Sanjeev Kumar Jain  
Director

  
Prehlad Kumar Jain  
Director

# PARSVNATH RAIL LAND PROJECT PRIVATE LIMITED

Regd. Office: Parsvnath Metro Tower, Near Shahdara Metro Station, Shahdara, Delhi 110032

## INVESTMENT AGREEMENT

During the year under review, your Company has inked an Investment and Security Holders' Agreement dated 20<sup>th</sup> December, 2012 with Tango Investments Holdings Limited and Vamous Enterprises Limited ("Investors")-, Parsvnath Developers Limited and other current shareholders as mentioned in Annex 1A thereof for implementing the Project at Sarai Rohilla - Kishanganj, Delhi.

## DIVIDEND

Since the Company has not yet commenced its operations, no dividend has been recommended for the year under review.

## DIRECTORS

Mr. Kalyan Yanmendra Chakrabarti was co-opted as an Additional Director on the Board of the Company with effect from November 28, 2012 and will hold office till the date of the ensuing Annual General Meeting (AGM) of the Company. Being eligible, Mr. Kalyan Yanmendra Chakrabarti is proposed to be appointed as a Director at the forthcoming AGM of the Company. Notice under section 257 of the Companies Act, 1956 has been received along with requisite deposit of Rs. 500/- in respect of the proposed appointment.

Mr. Sanjeev Kumar Jain, who has been longest in office, retires by rotation and being eligible, offers himself for re-appointment at the forthcoming AGM of the Company.

## DIRECTORS' RESPONSIBILITY STATEMENT

In terms of the provisions of Section 217(2AA) of the Companies Act, 1956 ('the Act'), your Directors confirm that:

- a) in preparation of the annual accounts for the financial year ended March 31, 2013, the applicable accounting standards have been followed and that there are no material departures;
- b) the accounting policies selected and applied are consistent and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at the end of the financial year and of the profit of the Company for that year;
- c) proper and sufficient care has been taken for the 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; and
- d) the annual accounts have been prepared on a going concern basis.



# PARSVNATH RAIL LAND PROJECT PRIVATE LIMITED

Regd. Office: Parsvnath Metro Tower, Near Shahdara Metro Station, Shahdara, Delhi 110032

## DIRECTORS' REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the Second Annual Report, together with the Audited Accounts of the Company for the year ended March 31, 2013.

### FINANCIAL RESULTS

Item	Year Ended March 31, 2013 ₹	Period Ended March 31, 2012 ₹
Total Revenue	23,65,533	-
Less: Total Expenses	(22,31,143)	(39,839)
Profit/ (Loss) Before Tax	1,34,390	(39,839)
Less: Tax Expense	(41,530)	-
Profit/ (Loss) After Tax	92,860	(39,839)

### REVIEW OF OPERATIONS & FUTURE OUTLOOK

The Company was incorporated on 11<sup>th</sup> November, 2011 as a Special Purpose Vehicle duly approved by Rail Land Development Authority (RLDA) for developing the railway land located at Sarai Rohilla - Kishanganj, Delhi involving redevelopment of existing railway colony and to develop private group housing, commercial and other facilities (Project) in terms of bid awarded in favour of Parsvnath Developers Limited, a holding company, by RLDA.

The Company has executed an Assignment Agreement with Parsvnath Promoters And Developers Pvt Ltd (PPDPL), (a company which was originally identified and approved by RLDA as special purpose vehicle for implementing this Project, which approval was later on revoked by RLDA) and Parsvnath Developers Ltd on 1st January, 2013 whereby PPDPL has assigned all its assets and liabilities pertaining to the Project including various contracts executed by PPDPL in favour of the Company to enable the Company to implement and develop the Project.

The Company is discussing with RLDA for executing the Development Agreement pursuant to making payment of the second installment as per agreed terms and as such it is expected that the same shall be signed shortly upon completing other formalities, as may be required.

### ISSUE OF DEBENTURES

During the year under review, the Company has issued 360 no. of 15% Secured Redeemable Cumulative Non-Convertible Debentures of face value of Rs. 1 Crore each aggregating to Rs. 360 Crores by way of private placement to Grainwell Ventures Limited, Cyprus. These Debentures are listed on the BSE.

# Corporate Information

## BOARD OF DIRECTORS

Shri Sanjeev Kumar Jain	Non-Executive Director
Shri P.K. Jain	Non-Executive Director
Shri R.N. Maloo	Non-Executive Director

## COMPANY SECRETARY

Shri Vipul K. Goel

## AUDITORS

M/s Deloitte Haskins & Sells  
Chartered Accountants  
7th Floor, Building No. 10, Tower B  
DLF Cyber City Complex  
DLF City, Phase - II  
Gurgaon - 122002

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1. Directors' Report
2. Auditors' Report
3. Financial Accounts

## REGISTERED OFFICE

Parsvnath Metro Tower,  
Near Shahdara Metro Station,  
Shahdara,  
Delhi - 110032