

**PARSVNATH ESTATE DEVELOPERS PRIVATE LIMITED**  
**Balance Sheet as at 31 March , 2016**

	Note No.	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
<b>I EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' funds</b>			
(a) Share capital	3	5,00,00,000	5,00,00,000
(b) Reserves and surplus	4	(54,04,69,984)	(10,49,65,393)
(c) Money received against share warrants	5	4,60,15,000	4,60,15,000
		<b>(44,44,54,984)</b>	<b>(89,50,393)</b>
<b>2. Non-current liabilities</b>			
(a) Long-term borrowings	6	3,80,52,85,000	3,80,52,85,000
(b) Other long-term liabilities	7	23,32,62,786	15,28,89,220
		<b>4,03,85,47,786</b>	<b>3,95,81,74,220</b>
<b>3. Current liabilities</b>			
(a) Short-term borrowings	8	9,16,37,800	7,94,76,868
(b) Trade payables	9		
Total outstanding dues of creditors other than micro and small enterprises		73,96,204	19,06,429
(c) Other current liabilities	10	1,49,18,41,367	1,28,45,60,216
(d) Short-term provisions	11	6,69,062	5,02,076
		<b>1,59,15,44,433</b>	<b>1,36,64,45,589</b>
<b>Total</b>		<b>5,18,56,37,235</b>	<b>5,31,56,69,416</b>
<b>II ASSETS</b>			
<b>1. Non-current assets</b>			
(a) Fixed assets			
(i) Tangible assets	12	3,37,16,16,434	3,55,14,59,268
(ii) Capital work-in-progress	13	53,95,76,810	32,76,40,661
(b) Deferred tax assets	33	7,90,00,000	-
(c) Long-term loans and advances	14	1,06,94,63,971	1,04,30,41,543
		<b>5,05,96,57,215</b>	<b>4,92,21,41,472</b>
<b>2. Current assets</b>			
(a) Trade receivable	15	1,10,79,259	19,47,392
(b) Cash and cash equivalents	16	3,25,58,145	28,56,82,361
(c) Short-term loans and advances	17	8,23,42,616	10,45,77,232
(d) Other current assets	18	-	13,20,959
		<b>12,59,80,020</b>	<b>39,35,27,944</b>
<b>Total</b>		<b>5,18,56,37,235</b>	<b>5,31,56,69,416</b>

See accompanying notes forming part of the financial statements

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In terms of our report attached

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants

  
**JITENDRA AGARWAL**  
Partner

Place: New Delhi  
Date: 24th May, 2016

For and on behalf of the Board of Directors

  
**VIPUL KUMAR GOEL**  
Director  
DIN: 06740206

  
**M.C. JAIN**  
Chief Financial Officer

  
**VIVEK GARG**  
Director  
DIN: 01832495

  
**CHETAN PAREEK**  
Company Secretary

Place: New Delhi  
Date: 24th May, 2016

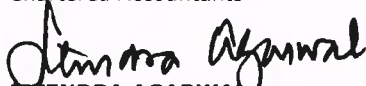
**PARSVNATH ESTATE DEVELOPERS PRIVATE LIMITED**  
**Statement of Profit and Loss for the year ended 31 March, 2016**

	Note No.	Year ended 31 March, 2016 ₹	Year ended 31 March, 2015 ₹
<b>1</b> Revenue from operations	19	43,37,11,788	6,22,00,589
<b>2</b> Other income	20	56,58,769	2,29,72,875
<b>3 Total revenue</b>		<b>43,93,70,557</b>	<b>8,51,73,464</b>
<b>4 Expenses</b>			
(a) Employee benefits expense	21	92,79,886	77,91,114
(b) Depreciation expense	12	19,26,41,432	1,43,93,201
(c) Finance cost	22	54,67,69,095	3,84,78,786
(d) Other expenses	23	20,51,84,735	9,00,24,666
<b>Total expenses</b>		<b>95,38,75,148</b>	<b>15,06,87,767</b>
<b>5 loss before tax (3-4)</b>		<b>(51,45,04,591)</b>	<b>(6,55,14,303)</b>
<b>6 Tax expense/(benefit)</b>			
a. Deferred tax charge/(credit)		(7,90,00,000)	-
<b>Net tax expense/(benefit)</b>		<b>(7,90,00,000)</b>	<b>-</b>
<b>7 Net loss for the year (5-6)</b>		<b>(43,55,04,591)</b>	<b>(6,55,14,303)</b>
<b>8 Earnings per equity share [nominal value of share ₹ 10 each]</b>	24		
(a) Basic		(87.10)	(13.10)
(b) Diluted		(87.10)	(13.10)

See accompanying notes forming part of the financial statements

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Chartered Accountants

  
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Partner

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**PARSVNATH ESTATE DEVELOPERS PRIVATE LIMITED**  
**Cash Flow Statement for the year ended 31 March, 2016**

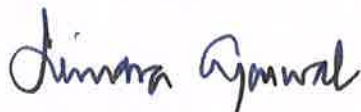
	<u>Year ended</u> <u>31 March, 2016</u>	<u>Year ended</u> <u>31 March, 2015</u>
	₹	₹
<b>A. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net loss before tax	(51,45,04,591)	(6,55,14,303)
Adjustments for:		
Depreciation expense	19,26,41,432	1,43,93,201
Interest income	(56,58,769)	(2,24,70,056)
Finance costs	54,67,69,095	3,82,30,269
Provision for employee benefits	1,66,986	3,83,993
<b>Operating profit/(loss) before working capital changes</b>	<u>21,94,14,153</u>	<u>(3,49,76,896)</u>
<b>Adjustment for (increase)/decrease in operating assets:</b>		
Short-term loans and advances	2,22,34,616	(8,58,94,616)
Trade receivables	(91,31,867)	(19,47,392)
Long-term loans and advances	2,50,55,490	68,59,000
<b>Adjustment for increase/(decrease) in operating liabilities:</b>		
Other long term liabilities	8,03,73,566	14,86,32,695
Trade payables	54,89,775	(3,89,216)
Other current liabilities	1,10,27,502	3,12,48,055
<b>Cash generated from/(used in) operations</b>	<u>35,44,63,235</u>	<u>6,35,31,630</u>
Net income tax paid	(4,18,09,747)	(80,51,906)
<b>Net cash flow from/(used in) operating activities (A)</b>	<u>31,26,53,488</u>	<u>5,54,79,724</u>
<b>B. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Interest received	69,79,728	2,53,93,157
Capital expenditure on fixed assets, including Capital advances	(24,44,88,660)	(50,02,58,140)
<b>Net cash flow from/(used in) investing activities (B)</b>	<u>(23,75,08,932)</u>	<u>(47,48,64,983)</u>
<b>C. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from short-term borrowings	1,21,60,930	-
Repayment of short-term borrowings	-	(9,68,871)
Finance costs paid	(34,04,29,702)	-
<b>Net cash flow from/(used in) financing activities (C)</b>	<u>(32,82,68,772)</u>	<u>(9,68,871)</u>
<b>D. Net increase/ (decrease) in Cash and cash equivalents (A+B+C)</b>	(25,31,24,216)	(42,03,54,131)
<b>E. Cash and cash equivalents as at the beginning of the year</b>	28,56,82,361	70,60,36,492
<b>F. Cash and cash equivalents as at the end of the year (see note 16)</b>	<u>3,25,58,145</u>	<u>28,56,82,361</u>

See accompanying notes forming part of the financial statements

1 to 34

In terms of our report attached

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants



**JITENDRA AGARWAL**  
Partner

Place: New Delhi  
Date: 24th May, 2016

**For and on behalf of the Board of Directors**

   
**VIPUL KUMAR GOEL** **VIVEK GARG**  
 Director Director  
 DIN: 06740206 DIN: 01832495

  
**M.C. JAIN**  
 Chief Financial Officer

  
**CHETAN PAREEK**  
 Company Secretary

Place: New Delhi  
Date: 24th May, 2016

**PARSVNATH ESTATE DEVELOPERS PRIVATE LIMITED**  
**Notes forming part of the financial statements**

**Note 1: Corporate information**

**PARSVNATH ESTATE DEVELOPERS PRIVATE LIMITED** ("the Company") was incorporated on 24<sup>th</sup> July, 2007 under the name Farhat Developers Private Limited and became a subsidiary of Parsvnath Developers Limited with effect from 27<sup>th</sup> August, 2010. The name of the Company was changed to 'Parsvnath Estate Developers Private Limited' with effect from 22 November 2010 and fresh certificate of incorporation was issued by the Registrar of Companies, Delhi and Haryana. The Company is primarily engaged in the business of promotion, construction, development of commercial buildings.

**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 Section 211(3C) of the Companies Act, 1956 ("the 1956 Act") (which continue to be applicable in respect of Section 133 of the Companies Act, 2013 ("the 2013 Act") in terms of General Circular 15/2013 dated 13 September, 2013 of the Ministry of Corporate Affairs) and the relevant provisions of the Companies Act, 2013 ("the 2013 Act")/Companies Act, 1956 ("the 1956 Act"), as applicable. 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 recognized in the periods in which the results are known / materialise.

**c. Fixed assets**

Fixed assets are carried at cost less accumulated depreciation. The cost of fixed assets comprises its purchase price, directly attributable expenditure on making the asset ready for its intended use, other incidental expenses and interest on borrowings attributable to acquisition or construction of qualifying fixed assets, up to the date the asset is ready for its intended use. Subsequent expenditure on fixed assets after its purchase/completion is capitalized only if such expenditure results in an increase in the future benefits from such assets beyond its previously assessed standard of performance.

**d. Depreciation**

- i. Depreciation on fixed assets is provided on straight line method, as per the useful life prescribed in Schedule II to the Companies Act, 2013. Accordingly, the useful life of fixed assets considered as under:

<b>Particulars</b>	<b>Useful life</b>
Plant and machinery	10 years
Furniture & Fixtures	10 years
Computers	6 years
Office Equipment	5 years

- ii. Cost of building on land held on license basis is amortized over the remaining period of license of project facility on straight line basis.

**PARSVNATH ESTATE DEVELOPERS PRIVATE LIMITED**  
**Notes forming part of the financial statements**

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**e. Pre-operative expenditure pending allocation**

Pre-operative expenditure incurred in relation to construction of fixed assets in respect of projects which are yet to be commence commercial operations pending allocation includes:

- i. Incidental expenditure during construction period comprising payment to and provision for employees, professional fees and other administrative expenses pending allocation to fixed assets on completion of the project.
- ii. Interest and financing cost net of interest income pending allocation to fixed assets on completion of the project.

**f. Capital work in progress**

Projects under which tangible fixed assets are not yet ready for their intended use are carried at cost, comprising direct cost, related incidental expenses and attributable interest.

**g. 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.

**h. 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.

**i. Revenue Recognition**

Rent income from Sub- license is recognized on accrual basis in accordance with the terms of agreement with the sub-licensees.

**j. Other income**

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

**k. Foreign currency transactions and translations**

Initial recognition:

Transactions in foreign currencies entered into by the Company are accounted at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Measurement of foreign currency monetary items at the Balance Sheet date:

Foreign currency monetary items of the Company outstanding at the Balance Sheet date are restated at the year-end rates.

Treatment of exchange differences:

Exchange differences arising on settlement / restatement of short-term foreign currency monetary assets and liabilities of the Company are recognized as income or expense in the Statement of profit and loss.

**l. Employee benefits**

Short term employee benefits

The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include performance incentive and compensated absences which are expected to occur within twelve months after the end of the period in which the employee renders the related service.

**PARSVNATH ESTATE DEVELOPERS PRIVATE LIMITED**  
**Notes forming part of the financial statements**

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The cost of short-term compensated absences is accounted as under:

- (a) in case of accumulated compensated absences, when employees render the services that increase their entitlement of future compensated absences; and
- (b) In case of non-accumulating compensated absences, when the absences occur.

The provisions of Gratuity Act, 1972 is not applicable to the Company.

**m. Borrowing costs**

Borrowing costs include interest; and amortisation of ancillary costs incurred. 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 unto 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.

**n. Leases**

Assets leased by the Company in its capacity as a lessee, where substantially all the risks and rewards of ownership vest in the Company are classified as finance leases. Such leases are capitalised at the inception of the lease at the lower of the fair value and the present value of the minimum lease payments and a liability is created for an equivalent amount. Each lease rental paid is allocated between the liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability for each year.

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor are recognised as operating leases. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis.

**o. 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.

**p. Taxes on income**

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

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 supported by convincing evidence 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.

**PARSVNATH ESTATE DEVELOPERS PRIVATE LIMITED**  
**Notes forming part of the financial statements**

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**q. 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 recognized, 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 recognized for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognized in the Statement of Profit and Loss, except in case of revalued assets.

**r. Provisions and contingencies**




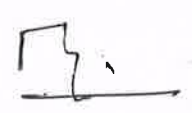
Provision is recognized when an enterprise has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on management estimates required 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. Contingent Liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

**s. Service tax input credit**

Service tax input credit is accounted for in the books in the period in which the underlying service received is accounted and when there is reasonable certainty in availing / utilizing the credits.

**t. 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 12 months for the purpose of classification of its assets and liabilities as current and non-current.

  Chetambawale  

**PARSVNATH ESTATE DEVELOPERS PRIVATE LIMITED**  
Notes forming part of the financial statements

**Note 3: Share capital**

	As at 31 March, 2016		As at 31 March, 2015	
	Number	₹	Number	₹
<b>i. Authorised</b>				
Equity shares of ₹ 10 each				
Class A	37,75,000	3,77,50,000	37,75,000	3,77,50,000
Class B	12,25,000	1,22,50,000	12,25,000	1,22,50,000
	<b>50,00,000</b>	<b>5,00,00,000</b>	<b>50,00,000</b>	<b>5,00,00,000</b>
<b>ii. Issued, Subscribed and Paid up</b>				
Equity Shares of ₹ 10 each fully paid				
Class A	37,75,000	3,77,50,000	37,75,000	3,77,50,000
Class B	12,25,000	1,22,50,000	12,25,000	1,22,50,000
	<b>50,00,000</b>	<b>5,00,00,000</b>	<b>50,00,000</b>	<b>5,00,00,000</b>

**(a) Reconciliation of number and amount of equity shares outstanding as at the beginning and at the end of the year**

**Class A**

i. Shares outstanding at the beginning of the year	37,75,000	3,77,50,000	37,75,000	3,77,50,000
ii. Shares outstanding at the end of the year	<b>37,75,000</b>	<b>3,77,50,000</b>	<b>37,75,000</b>	<b>3,77,50,000</b>

**Class B**

i. Shares outstanding at the beginning of the year	12,25,000	1,22,50,000	12,25,000	1,22,50,000
ii. Shares outstanding at the end of the year	<b>12,25,000</b>	<b>1,22,50,000</b>	<b>12,25,000</b>	<b>1,22,50,000</b>

**(b) Rights, preferences, restrictions attached to equity shares**

- The company has two class of equity shares having a par value of ₹ 10 per share. Each Class A share holder is entitled to one vote per share and Class B shareholder is entitled to three vote per share.
- Class B Shares are entitled to dividend in preference to Class A until the holders have received in aggregate the return as provided in the Shareholders Agreement.

**(c) Equity shares held by holding company**

	As at 31 March, 2016	As at 31 March, 2015
<b>Class A</b>		
Parsvnath Developers Limited	37,75,000	37,75,000

**(d) Details of equity shares held by each shareholder holding more than 5% shares**

	As at 31 March 2016		As at 31 March, 2015	
	Number	% holding	Number	% holding
<b>i. Class A</b>				
Parsvnath Developers Limited	37,75,000	100%	37,75,000	100%
<b>ii. Class B</b>				
City Centre Monuments	12,15,000	99.18%	12,15,000	99.18%

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**PARSVNATH ESTATE DEVELOPERS PRIVATE LIMITED**  
Notes forming part of the financial statements

	<u>As at</u> <u>31 March, 2016</u>	<u>As at</u> <u>31 March, 2015</u>
	₹	₹
<b>Note 4: Reserves and surplus</b>		
<b>Deficit in the Statement of Profit and Loss</b>		
Opening balance	(10,49,65,393)	(3,94,51,090)
Add: loss for the year	(43,55,04,591)	(6,55,14,303)
<b>Closing balance</b>	<b><u>(54,04,69,984)</u></b>	<b><u>(10,49,65,393)</u></b>

**Note 5: Money received against share warrants**

<b>Money received against share warrants</b>	<u>4,60,15,000</u>	<u>4,60,15,000</u>
	<b><u>4,60,15,000</u></b>	<b><u>4,60,15,000</u></b>

The Company had allotted 46,01,500 share warrants during the financial year 2011-12 having face value of ₹ 10 each to its Holding Company (Parsvnath Developers Limited). These warrants shall convert into such securities as may be mutually agreed between the promoter and the investor in terms of Investment and Security holders agreement.

**Note 6: Long-term borrowings**

**i. SECURED LOANS**

a) 210 (previous year 210) 21.00 % Non Convertible Debentures (NCD) of ₹ 1,00,00,000 each	2,10,00,00,000	2,10,00,00,000
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21.00 % NCD is secured by a) first ranking and exclusive charge and hypothecation of b) on monies and investments made by the company and also on all receivables (subject to payment obligation owned by the Company to Delhi Metro Rail Corporation (DMRC) under the Concession Agreement entered by Company With DMRC; c) on Bank accruals and floating charge on all other Company assets. d) Exclusive pledge on 55000 Equity Share, all share warrants and optionally convertible debentures in the company held by Parsvnath Developers Limited (Promoter) e) exclusive pledge of City centre securities held by Cubic developments in City Centre Monuments constituting 100 % of the total share Capcity of City centre Monuments & the Emton Securities held by City Centre Monuments constituting 100 % of the total share capital of Emtons f) Corporate guarantee by Promoter f) Personal Guarantee by Mr. Pradeep Kumar Jain, Chairman of Promoter Company

Interest is compounded quarterly and payable on 31 March every year subject to availability of surplus operating cash flow before redemption anytime or on redemption date.

Debentures are redeemable after the expiry of a period of 12 months but before the expiry of 42 months from the date of allotment i.e 4 February, 2014.

For Current maturities of long term borrowings, refer item (i) of Note 10 - 'Other Current liabilities'.

**ii. UNSECURED LOANS**

Debentures

(a) 1,11,77,500 (previous year 1,11,77,500) 15.50 % Fully Convertible Debentures (FCD) of ₹ 100 each	1,11,77,50,000	1,11,77,50,000
(b) 25,00,000 (previous year 25,00,000) 17.25% Fully Convertible Debentures - Series B of ₹ 100 each	25,00,00,000	25,00,00,000
(c) 17,40,000 (previous year 17,40,000) 17.75 % Fully Convertible Debentures - Series C of ₹ 100 each	17,40,00,000	17,40,00,000
(d) 1,63,53,500 (previous year 1,63,53,500) 15.5% Optionally Convertible Debentures (OCD) of ₹ 10 each	16,35,35,000	16,35,35,000

Each FCD, Series B FCD and Series C FCD shall be converted into 10 class B shares at a time and manner as mutually decided in accordance with the Amended and Restated Investment and Security Holders Agreement dated 14 September 2010.

Each OCD can be converted in nominal number of a different class of shares / securities at a time and manner as mutually decided in accordance with the Amended and Restated Investment and Security Holders Agreement dated 14 September 2010.

<u>1,70,52,85,000</u>	<u>1,70,52,85,000</u>
<b><u>3,80,52,85,000</u></b>	<b><u>3,80,52,85,000</u></b>

**PARSVNATH ESTATE DEVELOPERS PRIVATE LIMITED**  
**Notes forming part of the financial statements**

	<u>As at</u> <u>31 March, 2016</u> ₹	<u>As at</u> <u>31 March, 2015</u> ₹
<b>Note 7: Other-long term liabilities</b>		
Trade/security deposits received	23,32,62,786	15,28,89,220
	<u>23,32,62,786</u>	<u>15,28,89,220</u>
<b>Note 8: Short-term borrowings</b>		
<b>Unsecured</b>		
<b>Loans repayable on demand</b>		
From Holding Company	9,16,37,800	7,94,76,868
	<u>9,16,37,800</u>	<u>7,94,76,868</u>
Loan from Holding Company carries interest @ 22.50%		
<b>Note 9: Trade payables</b>		
Trade payables - other than acceptances	73,96,204	19,06,429
	<u>73,96,204</u>	<u>19,06,429</u>
As per the information available with the Company, trade payables do not include any amount due to Micro 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.		
<b>Note 10: Other current liabilities</b>		
i. Security deposits received	40,16,794	7,57,998
ii. Interest accrued but not due on debentures	1,30,72,50,081	1,10,09,10,688
iii. Service charges payable to holding company not due	10,01,59,884	10,01,59,884
iv. Payables on purchase of fixed assets	1,01,62,821	2,02,48,563
v. Statutory dues (Withholding tax)	7,02,51,787	6,24,83,083
	<u>1,49,18,41,367</u>	<u>1,28,45,60,216</u>
<b>Note 11: Short-term provisions</b>		
Provisions for employees benefits		
i. Provision for gratuity	1,76,500	3,84,491
ii. Provision for compensated absences	4,92,562	1,17,585
	<u>6,69,062</u>	<u>5,02,076</u>

**PARSVNATH ESTATE DEVELOPERS PRIVATE LIMITED**  
Notes forming part of the financial statements

**Note 12: Fixed Assets (leased)**

PARTICULARS	GROSS BLOCK		ACCUMULATED DEPRECIATION			NET BLOCK	
	As at 1 April, 2015	Additions	As at 31 March, 2016	As at 1 April, 2015	For the Year	As at 31 March, 2016	As at 31 March, 2015
Building	2,59,60,72,863 (-)	42,92,563 (2,59,60,72,863)	2,60,03,65,426 (2,59,60,72,863)	85,62,666 (-)	10,39,13,948 (85,62,666)	11,24,76,614 (85,62,666)	2,48,78,88,812 (2,58,75,10,197)
Plant and machinery	36,63,27,494 (-)	56,99,410 (36,63,27,494)	37,20,26,904 (36,63,27,494)	25,58,159 (-)	3,67,68,523 (25,58,159)	3,93,26,682 (25,58,159)	36,37,69,335 (-)
Plant and equipment - others	40,73,73,646 (-)	7,96,630 (40,73,73,646)	40,81,70,276 (40,73,73,646)	22,39,411 (-)	2,71,85,161 (22,39,411)	2,94,24,572 (22,39,411)	40,51,34,235 (-)
Computers	7,07,31,457 (-)	30,316 (7,07,31,457)	7,07,61,773 (7,07,31,457)	9,72,108 (-)	1,17,91,406 (9,72,108)	1,27,63,514 (9,72,108)	6,97,59,349 (-)
Furniture and fixture	12,16,95,576 (-)	17,61,630 (12,16,95,576)	12,34,57,206 (12,16,95,576)	- (-)	1,22,36,906 (-)	1,22,36,906 (-)	12,16,95,576 (-)
Office equipment	36,51,433 (-)	2,18,050 (36,51,433)	38,69,483 (36,51,433)	60,857 (-)	7,45,488 (60,857)	8,06,345 (60,857)	35,90,576 (-)
<b>Total</b>	<b>3,56,58,52,469</b> (-)	<b>1,27,98,599</b> (3,56,58,52,469)	<b>3,57,86,51,068</b> (3,56,58,52,469)	<b>1,43,93,201</b> (-)	<b>19,26,41,432</b> (1,43,93,201)	<b>20,70,34,633</b> (1,43,93,201)	<b>3,37,16,16,434</b> (3,55,14,59,268)
<b>Previous year</b>							

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**PARSVNATH ESTATE DEVELOPERS PRIVATE LIMITED**  
Notes forming part of the financial statements

	As at 31 March, 2016 ₹	As at 31 March, 2015 ₹
<b>Note 13: Capital work-in-progress</b>		
i. Civil work	7,27,16,814	1,48,50,54,115
ii. Plant and machinery under erection	-	28,90,55,280
iii. Incidental expenses pending allocation		
a. Finance costs	38,84,64,276	1,87,71,96,406
b. Legal and professional charges	68,30,686	2,77,22,267
c. Lease charges	7,94,33,114	24,31,12,924
d. Other expenses	-	1,28,53,645
	<b>54,74,44,890</b>	<b>3,93,49,94,637</b>
iv. Less: Interest income on temporary deployment of funds	78,68,080	4,18,21,082
	<b>53,95,76,810</b>	<b>3,89,31,73,555</b>
v. Less: amount capitalised	-	<b>3,56,55,32,894</b>
	<b>53,95,76,810</b>	<b>32,76,40,661</b>

**Note 14: Long-term loans and advances  
(Unsecured, considered good)**

i. Capital advances	1,06,69,269	10,01,098
ii. Advances to vendors	25,14,427	36,69,917
iii. Upfront fees (Unamortised)	58,53,86,301	60,92,86,301
iv. Security deposits	31,41,000	31,41,000
v. Security deposit to Holding Company	36,00,00,000	36,00,00,000
vi. Margin money with Holding Company	5,60,00,000	5,60,00,000
vii. Advance income tax	5,17,52,974	99,43,227
	<b>1,06,94,63,971</b>	<b>1,04,30,41,543</b>

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**PARSVNATH ESTATE DEVELOPERS PRIVATE LIMITED**  
Notes forming part of the financial statements

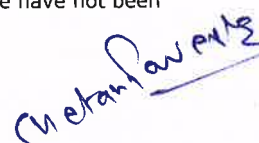
	As at 31 March, 2016 ₹	As at 31 Mar, 2015 ₹
<b>Note 15: Trade Receivable</b> (Unsecured, considered good)		
i. Other trade receivable (due for less than six months)	<u>1,10,79,259</u>	<u>19,47,392</u>
<b>Note 16: Cash and cash equivalents</b>		
i. Cash on hand	1,44,264	1,33,989
ii. Drafts on hand	-	4,30,734
iii. Balance with banks:		
a. In current accounts	3,24,13,881	4,31,98,969
b. In deposit accounts	-	24,19,18,669
	<u>3,25,58,145</u>	<u>28,56,82,361</u>
<b>Note 17: Short-term loans and advances</b> (Unsecured, considered good)		
i. Prepaid expense	17,06,152	13,98,053
ii. Balance with government authorities		
a. CENVAT credit receivables	7,95,36,464	10,21,79,179
iii. Earnest money deposit	1,00,000	-
iv. Others	10,00,000	10,00,000
	<u>8,23,42,616</u>	<u>10,45,77,232</u>
<b>Note 18: Other current assets</b> (Unsecured, considered good)		
i. Interest accrued on bank deposits	-	13,20,959
	<u>-</u>	<u>13,20,959</u>

**PARSVNATH ESTATE DEVELOPERS PRIVATE LIMITED**  
Notes forming part of the financial statements

	Year ended 31 Mar., 2016	Year ended 31 March, 2015
	₹	₹
<b>Note 19: Revenue from operations</b>		
i. Rent received	38,49,38,463	5,18,71,038
ii. Maintenance charges income	4,87,73,325	1,03,29,551
	<b>43,37,11,788</b>	<b>6,22,00,589</b>
<b>Note 20: Other income</b>		
i. Interest on deposits with banks	1,99,303	2,24,70,056
ii. Interest on deposits with others	51,82,218	-
iii. Interest on income tax refund	69,258	57,800
iv. Other income	2,07,990	4,45,019
	<b>56,58,769</b>	<b>2,29,72,875</b>
<b>Note 21: Employee benefits expense</b>		
i. Salary and allowances	91,45,614	77,05,548
ii. Staff welfare expenses	1,34,272	85,566
	<b>92,79,886</b>	<b>77,91,114</b>
<b>Note 22: Finance costs</b>		
i. Interest expenses on:		
-Debentures	53,15,77,038	3,82,30,269
-Other	1,13,18,454	-
-Other borrowing cost	4,68,170	5,433
ii. Interest expense on delayed payment of statutory dues	34,05,433	2,43,084
	<b>54,67,69,095</b>	<b>3,84,78,786</b>
<b>Note 23: Other expenses</b>		
i. Advertisement expenses	2,76,057	4,25,575
ii. Repair and maintenance - machinery	14,30,860	-
iii. Repair and maintenance - building	1,72,68,338	-
iv. Security and house keeping charges	2,07,47,034	15,88,633
v. Electricity and water charges	1,91,15,526	13,98,022
vi. Lease Rentals	6,52,21,118	50,57,298
vii. Brokerage	6,48,10,104	6,92,58,012
viii. Insurance	2,80,839	5,79,022
ix. Legal and professional charges	1,49,18,148	61,19,461
x. Telephone expenses	-	1,014
xi. Payment to auditors (see note 'i' below)	6,00,000	6,00,000
xii. Printing and stationery	2,966	59,267
xiii. Rates and taxes	3,75,527	49,36,272
xiv. Miscellaneous expenses	1,38,218	2,090
	<b>20,51,84,735</b>	<b>9,00,24,666</b>
<b>Note 'i'</b>		
<b>Payment to auditors (net of input tax credit where applicable)</b>		
i. Statutory audit fees	6,00,000	6,00,000
	<b>6,00,000</b>	<b>6,00,000</b>
<b>Note 24: Earnings per share</b>		
i. Net loss for calculation of basic and diluted earnings per share	(43,55,04,591)	(6,55,14,303)
ii. Weighted average number of equity shares outstanding during the year	50,00,000	50,00,000
iii. Basic and diluted earnings per share*	(87.10)	(13.10)
iv. Nominal value of equity shares	10	10

\* Since the effect of potential equity shares in anti-dilutive during the year, these have not been considered for calculation of diluted earnings per share.




**PARSVNATH ESTATE DEVELOPERS PRIVATE LIMITED**  
Notes forming part of the financial statements

**Note 25:**

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

**Note 26:**

The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

**Note 27:**

The Company entered into 'Amended and Restated Investment and Security Holder's Agreement' (in supersession of the Investment and Security Holder's Agreement dated March 25, 2010) dated September 14, 2010 with its Holding Company - Parsvnath Developers Limited (PDL) and two Overseas Investment Entities viz., City Centre Monuments and Emtons Holdings Limited (collectively referred to as 'Investors') for the development of office complex on the plot of land measuring 15,583.83 square metres situated at Bhai Veer Singh Marg, New Delhi on the terms and conditions contained in the aforesaid agreement. The rights in the said plot have been assigned on 'Build Operate Transfer' (BOT) basis to the Company by PDL with the approval of Delhi Metro Rail Corporation Limited (DMRC).

Pursuant to the aforesaid agreement, the Company had allotted 1,225,000 Class B Equity Shares of ₹ 10 each and 11,177,500 Fully Convertible Debentures (carrying interest @15.50% per annum) of ₹ 100 each to the Investors during the Financial Year 2010-11. The Company had also allotted 3,765,000 Class A Equity Shares of ₹ 10 each and 1,74,75,000 Optionally Convertible Debentures (carrying interest @15.50% per annum) of ₹ 10 each to PDL.

Pursuant to the Fourth and the Fifth Supplementary Agreement (in relation to and with reference to the 'Amended and Restated Investment and Security Holder's Agreement' dated September 14, 2010) entered on 10 October, 2011 and 14 December, 2011 respectively, by the Company with PDL and Investors, the Company had allotted 25,00,000 Fully Convertible Debentures - Series B (carrying interest @17.25% per annum) of ₹ 100 each and 17,40,000 Fully Convertible Debentures - Series C (carrying interest @17.75% per annum) of ₹ 100 each to the investors namely Emtons Holdings Limited. The Company also allotted 34,88,000 Optionally Convertible Debentures of ₹ 10 each to PDL. Further, pursuant to the Fourth Supplementary Agreement, 46,09,500 Optionally Convertible Debentures of ₹ 10 each, held by PDL, were redeemed in financial year 2011-12.

**Note 28: Commitments**

**i. Capital Commitments**

	<b>As at 31 March, 2016</b>	<b>As at 31 March, 2015</b>
	₹	₹
Estimated amount of contracts remaining to be executed on capital account (net of advances and not provided for)	5,18,33,947	-

**Note 29: Related party disclosures**

**i. List of related parties**

- (a) Holding Company**  
- Parsvnath Developers Limited
- (b) Companies having significant influence**  
- City Centre Monuments  
- Emtons Holdings Limited

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

	<b>Holding Company</b>	<b>Companies having significant influence</b>
	₹	₹
<b>(a) Transactions during the year</b>		
Interest on debentures (capitalised)	29,44,552 (2,37,81,535)	- (-)
Interest on debentures (expensed)	2,24,72,820 (15,66,390)	- (-)
Interest income on deposits	47,73,807 (-)	- (-)

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**PARSVNATH ESTATE DEVELOPERS PRIVATE LIMITED**  
**Notes forming part of the financial statements**

	<u>Holding Company</u>	<u>Companies having significant influence</u>
	₹	₹
Interest income (netted off from capital work in progress)	-	-
	(52,39,726)	(-)
Short-term borrowings received	1,21,60,932	-
	(-)	(-)
Short-term borrowings repaid	-	-
	(1,48,37,310)	(-)
Interest on borrowings (capitalised)	20,77,303	-
	(1,44,75,588)	(-)
Interest on borrowings (expensed)	1,58,53,984	-
	(9,33,789)	(-)
Margin money repaid	-	-
	(1,00,00,000)	(-)
<b>(b) Balances at year-end</b>		
Security deposits (asset)	36,00,00,000	-
	(36,00,00,000)	(-)
Interest accrued but not due on debentures	12,71,91,157	45,96,11,605
	(10,43,15,522)	(45,96,11,605)
Margin money (asset)	5,60,00,000	-
	(5,60,00,000)	(-)
Other current liabilities	10,01,59,884	-
	(10,01,59,883)	(-)
Fully/optionally Convertible Debentures	16,35,35,000	1,54,17,50,000
	(16,35,35,000)	(1,54,17,50,000)
Short-term borrowings	9,16,37,800	-
	(7,94,76,868)	(-)
Financial guarantees issued by	2,10,00,00,000	-
	(2,10,00,00,000)	(-)

Note: Figures in brackets represent figures as at and for the year ended 31 March, 2015.



**PARSVNATH ESTATE DEVELOPERS PRIVATE LIMITED**  
**Notes forming part of the financial statements**

**Note 30:**

The holder of fully convertible debentures and fully convertible debentures 'Series B' and Series 'C' and the Company by way of board's resolution have decided that interest on these debentures will accrue on the date on which the Company achieves the target sale and if sales target is not achieved by the specified date or such other date as unanimously approved, no interest shall be paid to the debentureholders. Accordingly, the Company has not accrued any interest liability on these debentures for the year.

**Note 31: Segment reporting**

As the Company operates in single business and geographical segment, the reporting requirements for primary and secondary segment disclosures prescribed by Accounting Standard AS-17 on 'Segment Reporting' are not applicable.

**Note 32: Lease commitments**

The Holding Company has assigned its rights under the Concession Agreement with Delhi Metro Rail Corporation (DMRC) to the Company to develop the property covered in the Agreement and sub license it to the customers for a defined period of time. The total of future license payments/charge payable is as follows:

	<u>Year ended 31 March, 2016</u>	<u>Year ended 31 March, 2015</u>
	₹	₹
i. Not Later than one year	6,72,00,000	6,16,00,000
ii. Later than one year but not later than five years	30,24,00,000	28,89,60,000
iii. Later than five years	3,21,19,63,195	3,29,26,03,195
<b>Total</b>	<u><u>3,58,15,63,195</u></u>	<u><u>3,64,31,63,195</u></u>

The Company has given building and facilities under non-cancellable operating lease. The future minimum Lease receivables in respect of these leases as at 31 March 2016 are :

	<u>Year ended 31 March, 2016</u>	<u>Year ended 31 March, 2015</u>
	₹	₹
i. Not Later than one year	55,20,65,136	36,14,29,191
ii. Later than one year but not later than five years	2,27,11,35,708	1,92,24,25,526
iii. Later than five years	1,55,29,60,491	1,46,76,23,123
<b>Total</b>	<u><u>4,37,61,61,335</u></u>	<u><u>3,75,14,77,840</u></u>

**Note 33: Deferred tax assets**

The Company has recognised deferred tax assets on its carried forward business losses. Based on long term lease agreements executed with its tenants, the Company has virtual certainty at the balance sheet date that there will be sufficient taxable income available to realize such assets in near future. The Components of deferred tax assets are as under:

	<u>As at 31 March, 2016</u>	<u>As at 31 March, 2015</u>
	₹	₹
<b>Tax effect of items constituting deferred tax assets</b>		
Unabsorbed depreciation and business loss carried forward	32,80,00,000	-
<b>Less: Tax effect of items constituting deferred tax liabilities</b>		
Amortisation of pre-construction interest	24,90,00,000	-
<b>Deferred tax assets (net)</b>	<u><u>7,90,00,000</u></u>	<u><u>-</u></u>

**Note 34: Previous year's figures**

Previous year'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**

  
**VIPUL KUMAR GOEL**  
Director  
DIN: 06740206

  
**M.C. JAIN**  
Chief Financial Officer

  
**VIVEK GARG**  
Director  
DIN: 01832495

  
**CHETAN PAREEK**  
Company Secretary

Place: New Delhi  
Date: 24th May, 2016

