

PARSVNATH HOTELS LIMITED

Balance Sheet as at 31 March, 2016

	<u>Note No.</u>	<u>As at 31 March, 2016 ₹</u>	<u>As at 31 March, 2015 ₹</u>
I EQUITY AND LIABILITIES			
1. Shareholders' funds			
(a) Share capital	3	5,40,00,000	5,40,00,000
(b) Reserves and surplus	4	<u>1,27,71,767</u>	<u>1,35,98,753</u>
		6,67,71,767	6,75,98,753
2. Non-current liabilities			
(a) Long-term borrowings	5	<u>13,15,48,405</u>	<u>15,37,55,905</u>
		13,15,48,405	15,37,55,905
3. Current liabilities			
(a) Short-term borrowings	6	2,75,00,000	2,75,00,000
(b) Trade payables	7	23,56,049	19,09,073
Total outstanding dues of creditors other than micro and small enterprises			
(c) Other current liabilities	8	1,40,70,958	1,18,04,684
(d) Short-term provisions	9	<u>14,280</u>	<u>-</u>
		4,39,41,287	4,12,13,757
TOTAL		<u>24,22,61,459</u>	<u>26,25,68,415</u>
II ASSETS			
1. Non-current assets			
(a) Fixed assets			
Capital work-in-progress	10	14,34,37,047	12,46,30,191
(b) Long-term loans and advances	11	<u>6,62,81,136</u>	<u>10,49,27,282</u>
		20,97,18,183	22,95,57,473
2. Current assets			
(a) Trade receivables	12	2,60,00,000	2,60,00,000
(b) Cash and cash equivalents	13	20,00,205	16,88,678
(c) Short-term loans and advances	14	<u>45,43,071</u>	<u>53,22,264</u>
		3,25,43,276	3,30,10,942
TOTAL		<u>24,22,61,459</u>	<u>26,25,68,415</u>

See accompanying notes forming part of the financial statements

1-28

In terms of our report attached

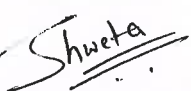
For and on behalf of the Board of Directors

For **DELOITTE HASKINS & SELLS**
Chartered Accountants


Atul Jain
Director
DIN:00102555


Ashish Jain
Director
DIN:06814151


JITENDRA AGARWAL
Partner


Shweta Dua
Company Secretary
M No. ACS 43535

Place: Delhi
Date: May 21, 2016

Place: Delhi
Date: May 21, 2016

PARSVNATH HOTELS LIMITED
Statement of Profit and Loss for the year ended 31 March, 2016

	Note No.	Year ended 31 March, 2016 ₹	Year ended 31 March, ₹
1. Revenue			
(a) Other income	15	43,837	-
Total revenue		43,837	-
2. Expenses			
(a) Employee benefits expense	16	3,69,316	1,25,013
(b) Other expenses	17	5,01,507	23,33,045
Total expenses		8,70,823	24,58,058
3. Loss for the year (1-2)		(8,26,986)	(24,58,058)
4. Tax expense		-	-
5. Profit after tax (3-4)		(8,26,986)	(24,58,058)
6. Earnings per equity share [nominal value of share ₹ 10 each]	18		
(a) Basic		(0.15)	(0.46)
(b) Diluted		(0.15)	(0.46)

See accompanying notes forming part of the financial statements 1-28

In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

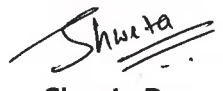


JITENDRA AGARWAL
Partner

Place: Delhi
Date: May 21, 2016

For and on behalf of the Board of Directors


Atul Jain
Director
DIN:00102555


Shweta Dua
Company Secretary
M No. ACS 43535

Place: Delhi
Date: May 21, 2016


Ashish Jain
Director
DIN:06814151

PARSVNATH HOTELS LIMITED
Cash Flow Statement for the year ended 31 March, 2016

	Year ended 31 March, 2016	Year ended 31 March, 2015
	₹	₹
A. CASH FLOW FROM OPERATING ACTIVITIES		
Net loss before tax	(8,26,986)	(24,58,058)
Adjustments for :		
Interest income	(43,837)	-
Provision for doubtful trade receivables	-	15,47,080
Provision for employee benefits	14,280	-
Operating profit/(loss) before working capital changes	<u>(8,56,543)</u>	<u>(9,10,978)</u>
Adjustments for :		
Trade receivables	-	1,37,989
Short term loans and advances	7,79,193	(7,81,758)
Long term loans and advances	3,82,30,621	-
Trade payables	4,46,976	(15,17,528)
Other current liabilities	(93,017)	(13,20,789)
Cash generated from/(used in) operations	<u>3,85,07,230</u>	<u>(43,93,064)</u>
Net income tax (paid)/refund	4,15,525	(22,740)
Net cash flow from/(used in) operating activities (A)	<u>3,89,22,755</u>	<u>(44,15,804)</u>
B. CASH FLOW FROM INVESTING ACTIVITIES		
Capital expenditure on fixed assets including		
Capital work in progress and capital advances	(1,72,74,992)	(2,40,75,887)
Interest received	43,837	-
Net cash flow from/(used in) investing activities (B)	<u>(1,72,31,155)</u>	<u>(2,40,75,887)</u>
C. CASH FLOW FROM FINANCING ACTIVITIES		
Proceeds from Long term borrowings	-	2,81,23,128
Repayment of long term borrowings	(2,13,80,073)	-
Net cash flow from/(used in) financing activities (C)	<u>(2,13,80,073)</u>	<u>2,81,23,128</u>
D. Net increase/ (decrease) in cash and cash equivalents (A+B+C)	3,11,527	(3,68,563)
E. Cash and cash equivalents as at the beginning of the year	4,28,678	7,97,241
F. Cash and cash equivalents as at the end of the year (see note 13)	<u>7,40,205</u>	<u>4,28,678</u>
G. Components of cash and cash equivalents as at:		
Cash on hand	43,750	88,393
Balances with banks:		
In current accounts	6,96,455	3,40,285
Cash and cash equivalents as per cash flow statement	<u>7,40,205</u>	<u>4,28,678</u>
Deposits under lien not considered as cash equivalents	12,60,000	12,60,000
Cash and cash equivalents as per balance sheet (see note 13)	<u>20,00,205</u>	<u>16,88,678</u>

See accompanying notes forming part of the financial statements

In terms of our report attached

For **DELOITTE HASKINS & SELLS**
Chartered Accountants

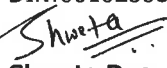


JITENDRA AGARWAL
Partner

Place: Delhi
Date: May 21, 2016

For and on behalf of the Board of Directors


Atul Jain
Director
DIN: 00102555


Shweta Dua
Company Secretary
M No. ACS 43535

Place: Delhi
Date: May 21, 2016


Ashish Jain
Director
DIN: 06814151

PARSVNATH HOTELS LIMITED
Notes forming part of financial statements

Note 1: Corporate information

Parsvnath Hotels Limited is a Subsidiary of Parsvnath Developers Limited and has been set up to engage in the business of development, operation and management of hotels and tourism projects, both in and outside India, including acquisition, construction and development of hotels, resorts, service apartments, tourist complexes, tour operators business etc.

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 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 recognised in the periods in which the results are known / materialise.

c. Inventories

Inventories comprise food and beverages and stores. Inventories are valued at lower of cost and net realizable value. Cost is determined using first-in-first-out method. Cost includes all charges incurred in bringing the inventories to their present location and condition.

d. 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.

e. 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.

f. Depreciation

- i. Depreciation on fixed assets is provided on pro rata basis from the date at which assets is ready for its intended use on written down value method at the rates specified in Schedule XIV to the Companies Act, 1956 or based on the management's estimates of the useful life of the assets, whichever is higher. Accordingly, the depreciation rates used are as follows:

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PARSVNATH HOTELS LIMITED
Notes forming part of financial statements

Building	5.00%
Plant and machinery	30.00%
Kitchen equipment	30.00%
Office equipment	30.00%
Furniture and fixtures	30.00%
Motor vehicles	25.89%
Computers	60.00%

Depreciation on improvement to leasehold properties is provided over a period of 3 years on straight line basis.

- ii. Assets costing ₹ 5,000 or less individually are fully depreciated in the year of purchase.

g. Revenue recognition

i. Sale of goods

Sale of food and beverages is recognised on delivery to the customers. Sales is net of trade discounts and excludes sales tax and value added tax.

ii. Sale from services

Revenue from sale of room and allied services relating to Hotel operations is recognised on rendering of services.

iii. Other Income

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

h. Fixed Assets

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation. Cost includes purchase price and all other attributable costs of bringing the assets to working condition for intended use. Financing costs relating to borrowed funds attributable to acquisition or construction of fixed assets, which takes substantial period of time to get ready for its intended use are also included, for the period till such asset is ready to use.

i. Capital Work In Progress (CWIP)

CWIP includes:

- i. Advances given and expenditure incurred in connection with the purchase/construction of fixed assets and pending allocation to the fixed assets.
- ii. 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.
- iii. Interest and financing cost net of interest income pending allocation to fixed assets on completion of the project.

j. Investments

Long term investments are stated at cost less provision for diminution in value, if such diminution is other than temporary. Current investment are stated at lower of cost and fair value on an individual investment basis.

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Ashwini

PARSVNATH HOTELS LIMITED
Notes forming part of financial statements

k. Employee benefit

Employee benefits include provident fund, gratuity fund and compensated absences.

Defined contribution plans

The Company's contributions to provident fund are considered as defined contribution plan. The Company's contribution to the Employee's Provident Fund is deposited with the Regional Provident Fund Commissioner (RPFC). These are charged to the Statement of Profit and Loss, when the contribution to RPFC is due.

Defined benefit plan:

The Company's gratuity plan is defined benefit plan. The cost of providing benefits is determined using the Projected Unit Credit method, with actuarial valuations being carried out at each Balance Sheet date. Actuarial gains and losses are recognised in the Statement of Profit and Loss in the period in which they occur. Past service cost is recognised immediately to the extent that the benefits are already vested and otherwise is amortised on a straight-line basis over the average period until the benefits become vested. The retirement benefit obligation recognised in the Balance Sheet represents the present value of the defined benefit obligation as adjusted for unrecognised past service cost.

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 recognised during the year when the employees render the services.

Long-term employee benefits:

Compensated absences which are not expected to occur within twelve months after the end of the period in which the employee renders the related services are valued and provided on the basis of actuarial valuation.

l. Borrowing costs

Borrowing cost 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 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.

m. 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.

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Ashiraj

PARSVNATH HOTELS LIMITED
Notes forming part of financial statements

n. 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.

o. 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.

p. 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.

q. 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

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PARSVNATH HOTELS LIMITED
Notes forming part of financial statements

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.

r. 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 / utilising the credits.

s. 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.

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PARSVNATH HOTELS LIMITED
Notes forming part of the financial statements

Note 3: Share capital

	<u>As at 31 March, 2016</u>		<u>As at 31 March, 2015</u>	
	Number	₹	Number	₹
i. Authorised				
Equity shares of ₹ 10 each	2,00,00,000	20,00,00,000	2,00,00,000	20,00,00,000
	<u>2,00,00,000</u>	<u>20,00,00,000</u>	<u>2,00,00,000</u>	<u>20,00,00,000</u>
ii. Issued, subscribed and fully paid-up				
Equity Shares of ₹ 10 each fully paid	54,00,000	5,40,00,000	54,00,000	5,40,00,000
	<u>54,00,000</u>	<u>5,40,00,000</u>	<u>54,00,000</u>	<u>5,40,00,000</u>
(a) Reconciliation of number and amount of equity shares outstanding as at the beginning and at the end of the year				
Shares outstanding at the beginning of the year	54,00,000	5,40,00,000	54,00,000	5,40,00,000
Shares outstanding at the end of the year	<u>54,00,000</u>	<u>5,40,00,000</u>	<u>54,00,000</u>	<u>5,40,00,000</u>

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

The Company has issued one class of equity shares having face value of ₹ 10 each. Each shareholder is entitled to one vote per share. Dividend proposed by the board of directors is subject to approval of the shareholders in Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

(c) Equity shares held by the holding company

	<u>As at 31 March, 2016</u>	<u>As at 31 March, 2015</u>
	Number	Number
Parsvnath Developers Limited and its nominees	54,00,000	54,00,000

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

	<u>As at 31 March, 2016</u>		<u>As at 31 March, 2015</u>	
	Number	% holding	Number	% holding
Parsvnath Developers Limited and its nominees	54,00,000	100.00%	54,00,000	100.00%

PARSVNATH HOTELS LIMITED
Notes forming part of the financial statements

	As at 31 March, 2016	As at 31 March, 2015
	₹	₹
Note 4: Reserves and surplus		
i. Securities premium		
Opening balance	8,10,00,000	8,10,00,000
Closing balance	<u>8,10,00,000</u>	<u>8,10,00,000</u>
ii. Deficit in the statement of Profit and Loss		
Opening balance	(6,74,01,247)	(6,49,43,189)
Add: Loss for the year	(8,26,986)	(24,58,058)
Closing balance	<u>(6,82,28,233)</u>	<u>(6,74,01,247)</u>
TOTAL	<u>1,27,71,767</u>	<u>1,35,98,753</u>

Note 5: Long-term borrowings

a. Secured		
Term loan from bank	11,32,00,000	11,76,00,000
b. Unsecured		
From Holding Company	1,83,48,405	3,61,55,905
	<u>13,15,48,405</u>	<u>15,37,55,905</u>

Term loan from bank is secured by mortgage of hotel project land at Shirdi and first charge on all the movable and immovable assets of the project.

Term loan from bank carries a rate of interest of 3.25% above the Bank's base rate on monthly rests.

Term loan is payable in 30 quarterly installments starting from 3rd quarter of financial year 2015-16.

For Current maturities of long term borrowings, refer item (i) of Note 8 - 'Other current liabilities'.

Note 6: Short-term borrowings

Unsecured - payable on demand		
From related party	<u>2,75,00,000</u>	<u>2,75,00,000</u>

Note 7: Trade payables

Trade Payables - other than acceptances	<u>23,56,049</u>	<u>19,09,073</u>
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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.

Note 8: Other current liabilities

i. Current maturities of long term borrowings (see note 5)	92,27,427	84,00,000
ii. Payables for purchase of fixed assets	46,83,340	31,51,476
iii. Statutory liabilities	1,35,079	2,46,918
iv. Security deposits	25,112	6,290
	<u>1,40,70,958</u>	<u>1,18,04,684</u>

Note 9: Short term provisions

Provision for employee benefits:		
i. Gratuity	9,485	-
ii. Compensated absences	4,795	-
	<u>14,280</u>	<u>-</u>

PARSVNATH HOTELS 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> ₹
Note 10: Capital-work-in progress		
Capital-work-in progress	<u>14,34,37,047</u>	<u>12,46,30,191</u>
Note 11: Long term loans and advances (Unsecured, considered good)		
i. Capital advances to:		
- related party	4,90,11,464	4,90,11,464
- others	1,01,33,555	4,83,64,176
ii. Security deposits	27,20,065	27,20,065
iii. Other loan and advances	43,93,500	43,93,500
iv. Advance income tax	22,552	4,38,077
	<u>6,62,81,136</u>	<u>10,49,27,282</u>
Note 12: Trade receivables (Unsecured, considered good)		
i. Outstanding for a period exceeding six months from the date they are due for payment:		
- Considered good	2,60,00,000	2,60,00,000
- Considered doubtful	15,47,080	15,47,080
	<u>2,75,47,080</u>	<u>2,75,47,080</u>
ii. Other trade receivables	-	-
	<u>2,75,47,080</u>	<u>2,75,47,080</u>
Less provisions for doubtful trade receivables	15,47,080	15,47,080
	<u>2,60,00,000</u>	<u>2,60,00,000</u>
Note 13: Cash and Cash equivalents		
A. Cash and cash equivalents		
i. Cash on hand	43,750	88,393
ii. Balance with banks: in current accounts	6,96,455	3,40,285
	<u>7,40,205</u>	<u>4,28,678</u>
B. Other bank balances		
i. Deposits with bank held as margin money	12,60,000	12,60,000
	<u>20,00,205</u>	<u>16,88,678</u>
Of the above, the balances that meet the definition of cash and cash equivalents as per Accounting Standard-3 "Cash flow Statement"	<u>7,40,205</u>	<u>4,28,678</u>
Note 14: Short term loans and advances (Unsecured, considered good)		
i. Prepaid expenses	-	7,79,193
ii. Balance with government authorities		
a. CENVAT credit receivable	45,40,506	45,40,506
iii. Others	2,565	2,565
	<u>45,43,071</u>	<u>53,22,264</u>

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A.S.D.

Shweta

Ashwin

PARSVNATH HOTELS LIMITED
Notes forming part of the financial statements

	Year ended 31 March, 2016 ₹	Year ended 31 March, 2015 ₹
Note 15: Other income		
Interest on income tax refund	43,837	-
	43,837	-
Note 16: Employee benefits expense		
i. Salaries and wages	3,69,316	1,25,013
	3,69,316	1,25,013
Note 17: Other expenses		
i. Rates and taxes	5,480	14,129
ii. Printing and stationery	711	1,469
iii. Legal and professional charges	5,037	63,176
iv. Payment to auditors (see note 'i')	4,58,000	4,49,440
v. Postage and telephone expenses	12,182	2,509
vi. Bank charges	1,292	59,294
vii. Provision for doubtful trade receivables	-	15,47,080
viii. Balances written off	2,680	-
ix. Miscellaneous expenses	16,125	1,95,948
	5,01,507	23,33,045
Note 'i'		
Payment to auditors		
Statutory audit fees	4,58,000	4,49,440
Note 18: Earnings per share		
i. Net loss for calculation of basic and diluted earnings per share	(8,26,986)	(24,58,058)
ii. Weighted average number of equity shares outstanding during the year	54,00,000	54,00,000
iii. Basic and diluted earnings per share	(0.15)	(0.46)
iv. Nominal value of equity shares	10	10

Abhishek
Sharma

Shweta

Abhishek

PARSVNATH HOTELS LIMITED
Notes forming part of the financial statements

Note 19:

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

Note 20:

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

Note 21:

Contingent liabilities and commitments

	As at 31 March, 2016 Rupees	As at 31 March, 2015 Rupees
(a) Guarantees issued on behalf of Holding Company (see note 22)	1,50,00,00,000	1,65,00,00,000
(b) The company has been granted Export Promotion Capital Goods (EPCG) license against which the future export obligations of ₹ 87,55,000 (Previous year ₹ 87,55,000) are to be fulfilled on or before 31 March, 2021.		

Note 22:

The Company has provided security by way of equitable mortgage by deposit of title deeds of the plot of land admeasuring 3.47 acres situated at Jodhpur, Rajasthan, owned by the Company in favour of various lenders for a loan of ₹ 1,500,000,000 (Previous year Rs. 1,650,000,000) availed by its Holding Company, Parsvnath Developers Limited (PDL) and has also provided a Corporate Guarantee in this regard.

Note 23: Capital work-in-progress

The Company is constructing and developing a hotel. Detail of incidental expenditure during construction and pending capitalisation is as under:

Particulars	Balance as on 31.03.15	Additions during the year	Balance as on 31.03.16
	₹ I	₹ II	₹ III=I+II
A. Project assets			
i. Land	44,12,340	-	44,12,340
ii. Conversion charges	30,22,094	-	30,22,094
iii. Material consumed	1,02,82,964	2,835	1,02,85,799
iv. Labour and other charges	1,61,92,754	17,08,602	1,79,01,356
Total - A	3,39,10,152	17,11,437	3,56,21,589
B. Net incidental expenditure during construction pending allocation			
i. Interest on borrowings	6,95,59,154	1,67,62,111	8,63,21,265
ii. Legal and professional charges	2,48,99,132	1,06,124	2,50,05,256
iii. Other expenses	52,75,027	2,27,184	55,02,211
Total - B	9,97,33,313	1,70,95,419	11,68,28,732
C. Total (A+B)	13,36,43,465	1,88,06,856	15,24,50,321
D. Less: Capitalised	90,13,274	-	90,13,274
E. Balance carried Forward (C-D)	12,46,30,191	1,88,06,856	14,34,37,047

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Shweta

Abhinav

PARSVNATH HOTELS LIMITED
Notes forming part of the financial statements

Note 24: Related party disclosures

i. List of related parties (With whom the Company has transactions during the year)

(a) Holding Company

- Parsvnath Developers Limited (PDL)

(b) Fellow Subsidiary

- Parsvnath Rail Land Project Private Limited (PRLPPL)

ii. Balances outstanding/transactions with related parties

	<u>Holding Company</u> ₹	<u>Fellow Subsidiary</u> ₹
(a) Transactions during the year		
Unsecured loan received	2,08,92,500 (2,81,23,128)	- (-)
Unsecured loan repaid	3,87,00,000 (-)	- (-)
Corporate guarantee given	- (20,00,00,000)	- (-)
(b) Balances at year-end		
Advance against purchase of land/development rights	4,90,11,464 (4,90,11,464)	- (-)
Long-term borrowings	1,83,48,405 (3,61,55,905)	- (-)
Short-term borrowings	- (-)	2,75,00,000 (2,75,00,000)
Corporate guarantee received	12,24,27,427 (12,60,00,000)	- (-)
Corporate guarantee given	1,50,00,00,000 (1,65,00,00,000)	- (-)

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

Note 25: Details of borrowing costs capitalised during the year

	<u>Year ended 31</u> <u>March, 2016</u> Rupees	<u>Year ended 31</u> <u>March, 2015</u> Rupees
Capital work - in- progress	1,67,62,111	1,84,49,818

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PARSVNATH HOTELS LIMITED
Notes forming part of the financial statements

Note 26: 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 for the period.

Note 27: 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 principal 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 28: Previous year's figures

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

For and on behalf of the Board of Directors


Atul Jain
Director
DIN:00102555


Ashish Jain
Director
DIN:06814151


Shweta Dua
Company Secretary
M No. ACS 43535

Place: Delhi
Date: May 21, 2016

