

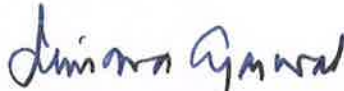
PARSVNATH FILM CITY LIMITED
Balance Sheet as at 31 March, 2016

| | Note No. | As at 31 March, 2016 ₹ | As at 31 March, 2015 ₹ |
|--|-------------|------------------------------|------------------------------|
| I EQUITY AND LIABILITIES | | | |
| 1. Shareholders' funds | | | |
| (a) Share capital | 3 | 1,75,00,000 | 1,75,00,000 |
| (b) Reserves and surplus | 4 | <u>(1,87,92,492)</u> | <u>(1,76,41,777)</u> |
| | | (12,92,492) | (1,41,777) |
| 2. Current liabilities | | | |
| (a) Short-term borrowings | 5 | 48,35,44,647 | 48,25,68,497 |
| (b) Trade payables | 6 | | |
| Total outstanding dues of creditors other than micro and small enterprises | | 6,27,610 | 1,63,860 |
| (c) Other current liabilities | 7 | <u>15,000</u> | <u>10,500</u> |
| | | 48,41,87,257 | 48,27,42,857 |
| TOTAL | | 48,28,94,765 | 48,26,01,080 |
| II ASSETS | | | |
| 1. Non - Current assets | | | |
| (a) Long-term loans and advances | 8 | 48,25,83,697 | 48,25,83,697 |
| 2. Current assets | | | |
| (a) Cash and cash equivalents | 9 | 3,11,068 | 17,383 |
| TOTAL | | 48,28,94,765 | 48,26,01,080 |

See accompanying notes forming part of the financial statements 1-19

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



Pradeep Kumar Jain
Director
DIN:00333486

Place: Delhi
Date: May 21, 2016



Sanjeev Kumar Jain
Director
DIN:00333881

PARSVNATH FILM CITY 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 ₹ |
|--|-------------|-----------------------------------|-----------------------------------|
| 1. Revenue from operations | | - | - |
| Total revenue | | - | - |
| 2. Expenses | | | |
| Other expenses | 10 | 11,50,715 | 3,57,005 |
| Total expenses | | 11,50,715 | 3,57,005 |
| 3. Net loss for the year (1-2) | | (11,50,715) | (3,57,005) |
| 4. Earnings per equity share [nominal value of share ₹ 10 each] | 11 | | |
| (a) Basic | | (0.66) | (0.20) |
| (b) Diluted | | (0.66) | (0.20) |

See accompanying notes forming part of the financial statements 1-19

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



Pradeep Kumar Jain
Director
DIN:00333486

Place: Delhi
Date: May 21, 2016



Sanjeev Kumar Jain
Director
DIN:00333881

PARSVNATH FILM CITY 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 | (11,50,715) | (3,57,005) |
| Operating loss before working capital changes | (11,50,715) | (3,57,005) |
| Adjustments for : | | |
| Trade payable | 4,63,750 | 63,180 |
| Other current liabilities | 4,500 | - |
| Net cash flow from/(used in) operating activities (A) | (6,82,465) | (2,93,825) |
| B. CASH FLOW FROM INVESTING ACTIVITIES | | |
| Net cash flow from/(used in) investing activities (B) | - | - |
| C. CASH FLOW FROM FINANCING ACTIVITIES | | |
| Proceeds from short term borrowings | 9,76,150 | 2,79,650 |
| Net cash flow from/(used in) financing activities (C) | 9,76,150 | 2,79,650 |
| D. Net increase/ (decrease) in cash and cash equivalents (A+B+C) | 2,93,685 | (14,175) |
| E. Cash and cash equivalents as at the beginning of the year | 17,383 | 31,558 |
| F. Cash and cash equivalents as at the end of the year (see note 9) | 3,11,068 | 17,383 |

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



PRADEEP KUMAR JAIN
Director
DIN:00333486



SANJEEV KUMAR JAIN
Director
DIN:00333881

Place: Delhi
Date: May 21, 2016

PARSVNATH FILM CITY LIMITED
Notes forming part of the financial statements

Note 1: Corporate Information

Parsvnath Film City Limited ('the Company') is a wholly owned Subsidiary Company of Parsvnath Developers Limited and has been set up to construct and develop facilities for production of motion pictures.

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 as prescribed under Section 133 of the Companies Act, 2013 ("the 2013 Act"), and the relevant provisions of the Companies Act, 2013 ("the 2013 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. 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.

d. 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.

e. 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.


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PARSVNATH FILM CITY LIMITED
Notes forming part of the financial statements

f. 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.

g. 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.

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.

h. 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.

i. 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



PARSVNATH FILM CITY LIMITED
Notes forming part of the financial statements

reflect the current management estimate. Contingent Liabilities are disclosed in the Notes. Contingent assets are not recognised in the financial statements.

j. 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 FILM CITY 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 | 5,00,00,000 | 50,00,00,000 | 5,00,00,000 | 50,00,00,000 |
| | 5,00,00,000 | 50,00,00,000 | 5,00,00,000 | 50,00,00,000 |
| ii. Issued, subscribed and fully paid-up | | | | |
| Equity Shares of ₹ 10 each fully paid | 17,50,000 | 1,75,00,000 | 17,50,000 | 1,75,00,000 |
| | 17,50,000 | 1,75,00,000 | 17,50,000 | 1,75,00,000 |

(a) Reconciliation of number of shares and amount outstanding as at the beginning and as at the end of the period

| | | | | |
|--|-----------|-------------|-----------|-------------|
| i. Shares outstanding at the beginning of the year | 17,50,000 | 1,75,00,000 | 17,50,000 | 1,75,00,000 |
| ii. Add: Shares issued during the year | - | - | - | - |
| ii. Shares outstanding at the end of the year | 17,50,000 | 1,75,00,000 | 17,50,000 | 1,75,00,000 |

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

The Company has issued only one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share held. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

(c) Shares held by holding company

| | <u>As at</u> <u>31 March, 2016</u> | <u>As at</u> <u>31 March, 2015</u> |
|---|---------------------------------------|---------------------------------------|
| | Number | Number |
| Parsvnath Developers Limited and its nominees | 17,50,000 | 17,50,000 |

(a) Details of 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 |
| Equity shares of ₹ 10 each fully paid | | | | |
| Parsvnath Developers Limited and its nominees | 17,50,000 | 100.00% | 17,50,000 | 100.00% |

Prasad

[Signature]

PARSVNATH FILM CITY 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 4: Reserves and surplus | | |
| Deficit in the Statement of Profit and Loss | | |
| Opening balance | (1,76,41,777) | (1,72,84,772) |
| Add: Loss for the year | (11,50,715) | (3,57,005) |
| Closing balance | <u>(1,87,92,492)</u> | <u>(1,76,41,777)</u> |
| Note 5: Short-term borrowings | | |
| Unsecured - payable on demand | | |
| Interest free loan from Holding Company | <u>48,35,44,647</u> | <u>48,25,68,497</u> |
| Note 6: Trade payables | | |
| Trade payables - other than acceptances | <u>6,27,610</u> | <u>1,63,860</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. | | |
| Note 7: Other current liabilities | | |
| Statutory liabilities | <u>15,000</u> | <u>10,500</u> |
| Note 8: Long-term loans and advances (Unsecured, considered good) | | |
| Amount due from Chandigarh Administration (see note 12) | <u>48,25,83,697</u> | <u>48,25,83,697</u> |
| Note 9: Cash and cash equivalents | | |
| i. Cash on hand | 254 | 4,932 |
| ii. Balance with banks: | | |
| a. In current accounts | <u>3,10,814</u> | <u>12,451</u> |
| | <u>3,11,068</u> | <u>17,383</u> |




PARSVNATH FILM CITY LIMITED
Notes forming part of the financial statements

| | Year ended 31 March, 2016 | Year ended 31 March, 2015 |
|---|------------------------------|------------------------------|
| | ₹ | ₹ |
| Note 10: Other expenses | | |
| i. Rates and taxes | 2,529 | 4,324 |
| ii. Legal and professional charges | 10,88,559 | 2,95,215 |
| iii. Payment to auditors (see note 'i' below) | 57,250 | 56,180 |
| iv. Bank charges | 412 | 1,061 |
| v. Miscellaneous expenses | 1,965 | 225 |
| | 11,50,715 | 3,57,005 |

Note 'i'
Payment to auditors

| | | |
|--------------------------|---------------|---------------|
| i. Statutory audit fees | 50,000 | 50,000 |
| ii. Service Tax on above | 7,250 | 6,180 |
| | 57,250 | 56,180 |

Note 11: Earnings per share

| | | |
|--|-------------|------------|
| i. Net loss for calculation of basic and diluted earnings per share | (11,50,715) | (3,57,005) |
| ii. Weighted average number of equity shares outstanding during the year | 17,50,000 | 17,50,000 |
| iii. Basic and diluted earnings per share | (0.66) | (0.20) |
| iv. Nominal value of equity shares | 10 | 10 |

Note 12:

The Company had given an advance of ₹ 47,75,00,000 to Chandigarh Administration (CA) being 25% of the consideration amount for acquisition of development right in respect of plot of land measuring 30 acres from CA, under Development Agreement dated 2 March, 2007 for development of a "Multimedia -cum-Film city" complex. The CA could not handover the possession of the said land in terms of the development agreement. The Company accordingly invoked the arbitration clause for seeking refund of allotment money paid along with compensation, cost incurred and interest thereon. The amount of advance paid and incidental expenses incurred on project aggregating to ₹ 48,25,83,697 has been reflected as amount due from CA. The Arbitral panel vide their order dated 10 March, 2012, decided the matter in favour of the Company and awarded refund of ₹ 49,19,00,000 towards the earnest money paid and other expenses incurred by the Company along with interest @ 12% per annum.

Subsequently, the CA filed a petition before the Additional District Judge (ADJ) at Chandigarh challenging the award under section 34 of The Arbitration and Conciliation Act, 1996. The said petition was dismissed by the Hon'ble Judge vide his order dated 07th May 2015. The Execution Petition was filed before ADJ, Chandigarh for the execution of the Arbitral Award by the Company. In the meantime, CA filed an appeal under section 37 of the Arbitration and Conciliation Act, 1996 before the Punjab and Haryana High Court at Chandigarh against the orders of the ADJ, Chandigarh pertaining to the Award of Arbitral Tribunal. The Hon'ble High Court allowed the appeal filed by CA and set aside the Arbitral Award vide its orders dated 17 March, 2016. The Company has now filed a Special Leave Petition (SLP) before the Hon'ble Supreme Court of India.





PARSVNATH FILM CITY LIMITED
Notes forming part of the financial statements

Note 13:

The Company does not have any pending litigations, other than described in note 12, which would impact its financial position.

Note 14:

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

Note 15: Related party disclosures

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

- Parsvnath Developers Limited

ii. Balances outstanding/transactions with related parties

| | <u>Holding Company</u> |
|---|--------------------------------|
| | ₹ |
| (a) Transactions during the year | |
| - Loan received | 9,76,150 (2,79,650) |
| (b) Balances at year-end | |
| - Short term borrowings | 48,35,44,647 (48,25,68,497) |

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

Note 16: 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 17: Segment reporting

As the company operates in single business segment, the reporting requirements as prescribed by Accounting Standard -17 are not applicable for the year ended 31 March, 2016. There being no business outside India, the entire business has been considered as single geographic Segment.

Note 18:

As at the Balance Sheet date, the net worth of the Company has been fully eroded. However these financial statements have been prepared on the fundamental assumption of going concern after considering the financial support committed by the Holding Company.

Note 19: Previous Year's figures

Previous year's 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



PRADEEP KUMAR JAIN
Director
DIN:00333486



SANJEEV KUMAR JAIN
Director
DIN:00333881

Place: Delhi
Date: May 21, 2016