

PARSVNATH HB PROJECTS PRIVATE LIMITED
BALANCE SHEET AS AT 31 MARCH, 2017

	Notes	As at 31-March-17 Rs.	As at 31-March-16 Rs.	As at 1-April-15 Rs.
Assets				
1. Non-current assets				
a. Financial assets				
i. Other financial assets	3	1,08,550	2,03,050	2,03,050
b. Deferred tax assets (net)	15	-	64,28,686	64,28,686
Total non-current assets		<u>1,08,550</u>	<u>66,31,736</u>	<u>66,31,736</u>
2. Current assets				
a. Inventories	4	1,31,42,21,296	1,27,08,04,758	1,16,29,83,108
b. Financial assets				
i. Trade receivables	5	2,15,30,431	1,91,38,438	1,56,29,854
ii. Cash and cash equivalents	6	1,41,009	2,21,274	7,20,941
c. Other current assets	7	17,47,830	17,47,830	17,47,346
Total current assets		<u>1,33,76,40,566</u>	<u>1,29,19,12,300</u>	<u>1,18,10,81,248</u>
Total assets		<u>1,33,77,49,116</u>	<u>1,29,85,44,036</u>	<u>1,18,77,12,984</u>
Equity and Liabilities				
1. Equity				
a. Equity share capital	8	4,90,200	4,90,200	4,90,200
b. Other equity	9	-5,14,18,118	-3,94,87,307	-1,41,17,055
Total Equity		<u>-5,09,27,918</u>	<u>-3,89,97,107</u>	<u>-1,36,26,855</u>
2. Liabilities				
Non-current liabilities				
a. Financial liabilities				
i. Borrowings	10	50,63,65,794	41,99,39,526	35,72,90,997
b. Other non-current liabilities	11	35,00,00,000	35,00,00,000	35,00,00,000
Total non-current liabilities		<u>85,63,65,794</u>	<u>76,99,39,526</u>	<u>70,72,90,997</u>
Current liabilities				
a. Financial liabilities				
i. Borrowings	10	-	-	7,91,096
ii. Trade Payables	12	48,16,01,776	48,23,16,488	48,20,96,364
iii. Other financial liabilities	13	2,88,835	2,88,835	2,88,835
b. Other current liabilities	14	5,04,20,629	8,49,96,294	1,08,72,548
Total current liabilities		<u>53,23,11,240</u>	<u>56,76,01,617</u>	<u>49,40,48,842</u>
Total liabilities		<u>1,38,86,77,034</u>	<u>1,33,75,41,143</u>	<u>1,20,13,39,839</u>
Total equity and liabilities		<u>1,33,77,49,116</u>	<u>1,29,85,44,036</u>	<u>1,18,77,12,984</u>

See accompanying notes forming part of the financial statements 1-35

In terms of our report of even date attached.

For DINESH JAIN & ASSOCIATES
Chartered Accountants
(FRN 004885N)

For and on behalf of the Board

Sd/-
DINESH KUMAR JAIN, FCA
PARTNER
M. No. 082033

Sd/-
Director

Sd/-
Director

Place: Delhi
Date: 29.05.2017

PARSVNATH HB PROJECTS PRIVATE LIMITED
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2017

	Notes	Year ended 31 March, 2017	Year ended 31 March, 2016
		Rs.	Rs.
I Revenue from Operations	16	23,91,993	-5,15,96,254
Total Income		<u>23,91,993</u>	<u>-5,15,96,254</u>
II Expenses			
a. Contract cost, labour and other charges	17	5,29,853	-
b. Changes in inventories of finished goods and work-in-progress		-4,34,16,538	-10,78,21,651
c. Finance costs	18	4,41,10,755	8,01,73,120
d. Other expenses	19	66,70,048	14,21,332
Total expenses (II)		<u>78,94,118</u>	<u>-2,62,27,199</u>
III Profit/(loss) before tax (I - II)		<u>-55,02,125</u>	<u>-2,53,69,055</u>
IV Tax expense/(benefit):			
a. Tax adjustment for earlier years		-	1,197
b. Deferred tax		64,28,686	-
		<u>64,28,686</u>	<u>1,197</u>
V Profit/(loss) for the year (III-IV)		<u>-1,19,30,811</u>	<u>-2,53,70,252</u>
VI Other comprehensive income		-	-
VII Total comprehensive income for the year (V+ VI)		<u>-1,19,30,811</u>	<u>-2,53,70,252</u>
VIII Earnings per equity share (face value Rs. 10 per share)	27		
a. Basic (in Rs.)		-243.39	(517.55)
b. Diluted (in Rs.)		-243.39	(517.55)
See accompanying notes forming part of the financial statements	1-35		

In terms of our report of even date attached.

For DINESH JAIN & ASSOCIATES
Chartered Accountants
(FRN 004885N)

For and on behalf of the Board

Sd/-
DINESH KUMAR JAIN, FCA
PARTNER
M. No. 082033

Sd/-
Director

Sd/-
Director

Place: Delhi
Date: 29.05.2017

PARSVNATH HB PROJECTS PRIVATE LIMITED
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2017

a Equity Share Capital

<u>Particulars</u>	<u>Amount</u> Rs.
Balance as at 1 April, 2015	4,90,200
Changes in equity share capital during the year	-
Balance as at 31 March, 2016	4,90,200
Changes in equity share capital during the year	-
Balance as at 31 March, 2017	4,90,200

b Other Equity

Reserves & Surplus

<u>Particulars</u>	<u>Retained earnings</u>	<u>Total</u>
Balance as at 1 April, 2015	-1,41,17,055	-1,41,17,055
Profit for the year	-2,53,70,252	-2,53,70,252
Other comprehensive income for the year	-	-
Balance as at 31 March, 2016	-3,94,87,307	-3,94,87,307
Profit for the year	-1,19,30,811	-1,19,30,811
Other comprehensive income for the year	-	-
Balance as at 31 March, 2017	-5,14,18,118	-5,14,18,118

See accompanying notes forming part of the financial statements

In terms of our report of even date attached.

For DINESH JAIN & ASSOCIATES
Chartered Accountants
(FRN 004885N)

For and on behalf of the Board

Sd/-
DINESH KUMAR JAIN, FCA
PARTNER
M. No. 082033

Sd/-
Director

Sd/-
Director

Place: Delhi
Date: 29.05.2017

PARSVNATH HB PROJECTS PRIVATE LIMITED
STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2017

	<u>Year ended</u> <u>31 March, 2017</u>	<u>Year ended</u> <u>31 March, 2016</u>
Cash flows from operating activities		
Profit/(loss) for the year	-55,02,125	-2,53,69,055
Adjustments for :		
Finance Costs recognised in profit or loss	<u>4,41,10,755</u>	<u>8,01,73,120</u>
	3,86,08,630	5,48,04,065
Movements in working capital		
(Increase)/decrease in trade and other receivables	-22,97,493	-35,08,584
(Increase)/decrease in inventories	-4,34,16,538	-10,78,21,651
(Increase)/decrease in other assets	-	-484
Increase/(decrease) in trade payables	-7,14,712	2,20,124
Increase/(decrease) in provisions	-	-
Increase/(decrease) in deferred revenue	-	-
Increase/(decrease) in other liabilities	<u>-3,45,75,665</u>	<u>7,41,23,747</u>
Cash generated from operations	<u>-4,23,95,779</u>	<u>1,78,17,217</u>
Income Taxes paid		1,197
Net cash (used in)/generated by operating activities	-4,23,95,779	1,78,16,020
Cash flows from investing activities		
Net Cash (used in) /generated by investing activities	<u>-</u>	<u>-</u>
Cash flows from financing activities		
Proceeds from borrowings	8,64,26,268	6,26,48,529
Repayment of borrowings	-	-7,91,096
Interest paid	<u>-4,41,10,755</u>	<u>-8,01,73,120</u>
Net Cash (used in)/generated by financing activities	4,23,15,513	-1,83,15,686
Net increase in Cash and Cash equivalents	-80,266	-4,99,666
Cash and cash equivalents at the beginning of the year	2,21,275	7,20,941
Cash and cash equivalents at the end of the year (refer note 6)	<u>1,41,009</u>	<u>2,21,275</u>

- 1) The statement of cash flows has been prepared under the 'Indirect method' as set out in Ind AS 7 on 'Statements of cash flows'.
2) Figures in brackets indicate cash outflows.

See accompanying notes forming part of the financial statements

In terms of our report of even date attached.

For DINESH JAIN & ASSOCIATES
Chartered Accountants
(FRN 004885N)

For and on behalf of the Board

Sd/-
DINESH KUMAR JAIN, FCA
PARTNER
M. No. 082033

Sd/-
Director

Sd/-
Director

Place: Delhi
Date: 29.05.2017

PARSVNATH HB PROJECTS PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2017

1 Corporate Information

PARSVNATH HB PROJECTS PRIVATE LIMITED incorporated on 20.03.2008 as Gazala Promoters & Developers Private Limited. The name of the company has changed to "Parsvnath HB Projects Private Limited" with effect from 09.05.2013 and fresh certificate of incorporation was issued by the Registrar of Companies, Delhi and Haryana. The company has become a subsidiary of Parsvnath Developers Limited w.e.f. 31.12.2012. It has been set up to purchase land ,immovable property or right therein and to promote the development and construction of real estate projects.The company has taken over the business of Parsvnath Developers (AOP) as a going concern for development of a multiplex, shopping mall and hotel thereon on the land admeasuring 8,787.78 sq. yards at Mohali, Punjab w.e.f 31.12.2012.

2 Significant Accounting Policies :

2.1 Statement of compliance

In accordance with the notification issued by the Ministry of Corporate Affairs, the Company has adopted Indian Accounting Standards (referred to as "Ind AS") notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from 1 April 2016.

Upto the year ended 31 March 2016, the Company prepared its financial statements in accordance with the requirements of previous GAAP, which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1 April 2015.

Previous period have been restated to Ind AS. In accordance with Ind AS 101 First-time Adoption of Indian Accounting Standard, the Company has presented a reconciliation from the presentation of financial statements under Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 ("Previous GAAP") to Ind AS of Shareholders' equity as at 31 March 2016 and 1 April 2015 and of the comprehensive net income for the year ended 31 March 2016.

These financial statements have been prepared in accordance with Ind AS as notified under the Companies (Indian Accounting Standards) Rules, 2015 read with Section 133 of the Companies Act, 2013.

2.2 Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is:

- Expected to be realised or intended to be sold or consumed in normal operating cycle
- Held primarily for the purpose of trading
- Expected to be realised within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

2.3 Basis of preparation and presentation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

2.4 Use of estimates

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities, disclosures relating to contingent liabilities as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

2.5 Inventories

Work in progress is valued at lower of cost or net realisable value. Cost comprises cost of land, materials, services and other overheads related to projects under construction.

2.6 Revenue recognition

Revenue from real estate projects is recognised on the 'Percentage of Completion Method' of accounting. Revenue is recognized, in relation to the sold areas only, on the basis of percentage of actual cost incurred thereon including land as against the total estimated cost of the project under execution subject to such actual costs being 30% or more of the total estimated cost. The estimates of saleable area and costs are reviewed periodically by the management. The effect of such changes to estimates is recognised in the period such changes are determined.

2.7 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 up to 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.

2.8 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.

2.7 Taxation

Income tax expense represents the current tax. Current tax is the amount of tax payable as determined in accordance with the provisions of the Income Tax Act, 1961.

2.9 Financial Instruments

A. Initial recognition

Financial assets and financial liabilities are recognised when a Company entity becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Cash and cash equivalents

The Company considers all highly liquid financial instruments, which are readily convertible into known amounts of cash that are subject to an insignificant risk of change in value and having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage.

B. Subsequent measurement

I. Non-derivative financial instruments

a. Financial assets carried at amortised cost

Financial assets are subsequently measured at amortised cost if these financial assets are held within a business whose objective is to hold these assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

b. Financial assets at fair value through other comprehensive income

Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

c. Financial assets at fair value through profit or loss

Financial assets are measured at fair value through profit or loss unless it is measured at amortised cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognised in profit or loss.

d. Financial liabilities

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

II. Share capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issuance of new ordinary shares and share options are recognised as a deduction from equity, net of any tax effects.

2.10 Operating Cycle

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

PARSVNATH HB PROJECTS PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2017

	As at 31-March-17 Rs.	As at 31-March-16 Rs.	As at 1 April, 2015 Rs.
3 . Other financial assets			
Non-Current			
a. Security Deposits	1,08,550	2,03,050	2,03,050
	<u>1,08,550</u>	<u>2,03,050</u>	<u>2,03,050</u>
4 . Inventories (lower of cost and net realisable value)			
a. Work-in-progress	1,31,42,21,296	1,27,08,04,758	1,16,29,83,108
	<u>1,31,42,21,296</u>	<u>1,27,08,04,758</u>	<u>1,16,29,83,108</u>

Note:

The Company has classified its inventory of work-in-progress as current.

5 . Trade Receivable

Current

a. Secured, considered good	-	-	-
b. Unsecured, considered good	2,15,30,431	1,91,38,438	1,56,29,854
	<u>2,15,30,431</u>	<u>1,91,38,438</u>	<u>1,56,29,854</u>

Notes:

- The average credit period is 30 days. For payments, beyond credit period, interest is charged at 18% per annum on outstanding balances.
- The real estate sales are made on the basis of cash down payment or construction linked payment plans. In case of construction linked payment plans, invoice is raised on the customer in accordance with milestones achieved as per the flat buyer agreement. The final possession of the property is offered to the customer subject to payment of full value of consideration. The possession of the property remains with the Company till full payment is realised. Accordingly, the Company does not expects any credit losses.
- Sales are generally made to individual customers and there is no concentration of credit to a single customer or group of customers

6 . Cash and cash equivalents

a. Balances with banks	32,255	2,17,164	6,66,642
b. Cheques, draft on hand	-	-	-
c. Cash on hand	1,08,754	4,110	54,299
	<u>1,41,009</u>	<u>2,21,274</u>	<u>7,20,941</u>

7. Other assets

Current

a. Advance to Vendors	17,47,830	17,47,830	17,46,149
b. MAT Credit Entitlement	-	-	1,197
	<u>17,47,830</u>	<u>17,47,830</u>	<u>17,47,346</u>

PARSVNATH HB PROJECTS PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2017

	As at 31-March-17 Rs.	As at 31-March-16 Rs.	As at 1 April, 2015 Rs.
8 .Equity Share Capital			
Authorised Share Capital			
50,000 fully paid equity shares of Rs 10 each (as at March 31st , 2016: 50,000; as at April 1, 2015: 50,000).	5,00,000	5,00,000	5,00,000
Issued and Subscribed capital expense			
49,020 fully paid equity shares of Rs 10 each (as at March 31st , 2016: 49,020; as at April 1, 2015: 49,020).	4,90,200	4,90,200	4,90,200
	4,90,200	4,90,200	4,90,200

8.1 - Reconciliation of share capital

	Number of Shares in	Share Capital Rs./lacs
Balance as at April 1st , 2015	49,020	4,90,200
Movements during the year	-	-
Balance as at March 31st , 2016	49,020	4,90,200
Movements during the year	-	-
Balance as at March 31, 2017	49,020	4,90,200

8.2 - Rights, preferences and restrictions attached to each class of equity shares

- i. Each equity holder of each class is entitled to one vote per share and is entitled for dividend approved in Annual General Meeting

8.3 Details of share held by the holding company, its subsidiaries and associates

	As at 31-March-17 No. of shares	As at 31-March-16 No. of shares	As at 1-April-15 No. of shares
Fully paid equity shares			
Parsvnath Developers Limited, the Holding Company	25,000	25,000	25,000
Subsidiaries of the holding Company	-	-	-
Associates of the holding company	-	-	-

8.4 Details of shares held by each shareholder holding more than 5%

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
Fully paid equity shares						
Parsvnath Developers Limited	25,000	51.00%	25,000	51.00%	25,000	51.00%
HB Estate Developers Limited	24,020	49.00%	24,020	49.00%	24,020	49.00%

PARSVNATH HB PROJECTS PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2017

	<u>As at</u> <u>31-March-17</u> Rs.	<u>As at</u> <u>31-March-16</u> Rs.	<u>As at</u> <u>1 April, 2015</u> Rs.
9. Other equity			
a. Retained earnings	-5,14,18,118	-3,94,87,307	-1,41,17,055
	<u>-5,14,18,118</u>	<u>-3,94,87,307</u>	<u>-1,41,17,055</u>
a. Retained Earnings			
Balance at the beginning of the year	-3,94,87,307	-1,41,17,055	-82,44,279
Profit/(Loss) for the year	-1,19,30,811	-2,53,70,252	-58,49,948
Additional depreciation charged to opening reserve	-	-	-22,828
Balance at the end of the year	<u>-5,14,18,118</u>	<u>-3,94,87,307</u>	<u>-1,41,17,055</u>
Nature and purpose of reserves:			
a. Retained earnings - Retained earnings are profits of the Company earned till date.			
10. Borrowings			
Non-current			
Unsecured - at amortised cost			
a. Loans from related parties	50,63,65,794	41,99,39,526	35,72,90,997
	<u>50,63,65,794</u>	<u>41,99,39,526</u>	<u>35,72,90,997</u>
Current			
Unsecured - at amortised Cost			
a. Loans repayable on demand from parties	-	-	7,91,096
	<u>-</u>	<u>-</u>	<u>7,91,096</u>
11. Other Non-Current Liabilities			
a. Security Deposit	35,00,00,000	35,00,00,000	35,00,00,000
	<u>35,00,00,000</u>	<u>35,00,00,000</u>	<u>35,00,00,000</u>
12. Trade Payables			
a. Trade Payables for land	47,40,20,011	47,40,20,011	47,40,20,011
b. Trade Payables for others	75,81,765	82,96,477	80,76,353
	<u>48,16,01,776</u>	<u>48,23,16,488</u>	<u>48,20,96,364</u>
Note:			
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.			
13. Other Financial Liabilities			
Current			
a. Securit deposit received	2,88,835	2,88,835	2,88,835
	<u>2,88,835</u>	<u>2,88,835</u>	<u>2,88,835</u>
14. Other Current liabilities			
a. Advances from customers	3,92,59,621.99	7,50,59,872.24	76,94,402.51
b. Statutory dues (Withholding tax etc.)	1,11,61,007	99,36,422	31,78,145
	<u>5,04,20,629</u>	<u>8,49,96,294</u>	<u>1,08,72,548</u>

PARSVNATH HB PROJECTS PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2017

15. Deferred tax assets(net)

	<u>As at 31-March-17 Rs.</u>	<u>As at 31-March-16 Rs.</u>	<u>As at 1 April, 2015 Rs.</u>
Deferred Tax Assets	-	64,28,686	64,28,686
Deferred Tax Liabilities	-	-	-
Net	<u>-</u>	<u>64,28,686</u>	<u>64,28,686</u>
	<u>Opening Balance</u>	<u>Recognised in Profit or loss</u>	<u>Closing balance</u>
Year ended 31st March, 2017			
Deferred tax (liabilities) / assets in relation to Tax losses	64,28,686	-64,28,686	-
	<u>64,28,686</u>	<u>-64,28,686</u>	<u>-</u>
Year ended 31st March, 2016			
Deferred tax (liabilities) / assets in relation to Tax losses	64,28,686	-	64,28,686
	<u>64,28,686</u>	<u>-</u>	<u>64,28,686</u>

PARSVNATH HB PROJECTS PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2017

	<u>Year ended</u> <u>31 March, 2017</u> Rs.	<u>Year ended</u> <u>31 March, 2016</u> Rs.
16. Revenue from Operations		
a. Revenue from operation	23,91,993	-5,15,96,254
	<u>23,91,993</u>	<u>-5,15,96,254</u>
17. Construction cost		
a. Contract cost,labour and other charges	5,29,853	-
	<u>5,29,853</u>	<u>-</u>
18. Finance Costs		
a. Interest Expenses: - on borrowings	4,41,10,755	8,01,73,120
	<u>4,41,10,755</u>	<u>8,01,73,120</u>
19. Other Expenses		
a. Rates and Taxes	10,673	94,246
b. Printing and stationery	1,060	490
c. Compensation to customers	49,88,639	-
d. Legal and professional charges	14,10,750	11,70,336
e. Bank charges	2,11,905	52,934
f. Payment to auditors	28,750	28,500
g. Miscellaneous expenses	18,271	74,826
	<u>66,70,048</u>	<u>14,21,332</u>
Payment to auditors		
i. Statutory audit fee	<u>28,750</u>	<u>28,500</u>

PARSVNATH HB PROJECTS PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2017

20. Contingent liabilities

	<u>As at 31 March, 2017</u>	<u>As at 31 March, 2016</u>
Claims against the company not acknowledged as debts		
- Customers compliants pending in consumer court	-	1,99,43,549

Note:

It is not possible for the Company to estimate cash outflows. The extent to which an outflow of funds will be required is dependent on the pending resolution of the respective proceedings/legal cases and it is determinable on receipt of judgement/ decision pending with various forums/authorities/court.

21. Commitments

The Company does not have any significant financial commitments.

22. Details of borrowing cost capitalised during the year

	<u>Year ended 31 March, 2017</u>	<u>Year ended 31 March, 2016</u>
	<u>Rs.</u>	<u>Rs.</u>
Inventory	4,41,10,755	8,01,73,120

23. Related Party Disclosures

i. List of related parties

a. Holding Company

- Parsvnath Developers limited (PDL)

b. Companies having significant influence

- HB Estate Developers Limited (HBEDL)

ii. Balances outstanding/transactions with related parties

	<u>PDL</u>	<u>HBEDL</u>
a. Transactions during the year		
Unsecured loan received	5,12,03,025 (3,07,53,728)	- -
Unsecured loan repaid	44,76,436 (10,00,000)	- -
Interest on loan	4,26,91,136 (3,52,45,352)	14,19,619 (13,05,675)
b. Balances at year end		
Unsecured Loan	45,24,69,933 (37,40,22,527) <i>31,67,52,844</i>	1,41,96,183 (1,30,21,076) <i>1,19,45,941</i>
Interest accrued on loan	3,84,22,022 (3,17,20,817) <i>2,75,17,077</i>	12,77,657 (11,75,107) <i>10,75,135</i>

Notes:

¹ Figures in brackets represent figures as at and for the year ended 31 March, 2016 and figures in italics represents balance as at 1 April, 2015.

PARSVNATH HB PROJECTS PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2017

24. The company has entered into an agreement with Parsvnath Developers Ltd (holding company), Parsvnath Developers (AOP), HB Estate Developers Limited and the shareholders of the company, for development of a multiplex, shopping mall and hotel thereon on the land admeasuring 8,787.78 sq. yards at Mohali, Punjab. The said land has been allotted by Punjab Small Industries & Exports Corporation Limited (PSIECL). Earlier, the said project was being developed by Parsvnath Developers (AOP). The entire business consisting of real estate development of "Parsvnath Developers (AOP)" was transferred as a going concern to the company during the year and Parsvnath Developers (AOP) has been wound up with effect from 31.12.2012.
25. Land was allotted by Punjab Small Industrial & Export Corporation Limited (PSIECL) to Parsvnath Developers Limited (PDL) on a freehold basis.PSIEC has cancelled the allotment of land citing non payment of outstanding dues.PDL has filed an Arbitration petition against the said cancellation before the Mohali District Court and the next date of Hearing has been fixed for 15 July,2017

26. Segment reporting

The Company is engaged in the business of 'Real Estate'. For management purposes, there is single reportable segment. Accordingly disclosure required by Ind AS 108 'Operating Segmment" have not been provided in the financial statements.

The Company operates in single geographical area of India. Accordingly, geographical information has not been reported

There is no single customer contributed 10% or more to the Company's revenue during the year 2016-17 and 2015-16.

27. Earnings per share

		<u>As at</u> <u>31 March, 2017</u> Rs.	<u>As at</u> <u>31 March, 2016</u> Rs.
i. Net loss for calculation of basic and diluted earnings per share	Rs. In lakhs	(1,19,30,811)	(2,53,70,252)
ii. Weighted average number of equity shares outstanding during the year	Numbers	49,020	49,020
iii. Basic and diluted earnings per share	Rs.	(243.39)	(517.55)
iv. Nominal value of equity shares	Rs.	10	10

PARSVNATH HB PROJECTS PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2017

28. Details of Specified Bank Notes (SBN)

For the purposes of this note, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8 November, 2016.

Particulars	SBNs	Other denomination notes	Total
	Rs.	Rs.	Rs.
Closing Cash in hand as on 08.11.2016	-	9,925	9,925
(+ Amount withdrawn from bank	-	-	-
(+ Permitted receipts	-	-	-
(-) Permitted payments	-	107	107
(-) Amount deposited in bank	-	-	-
Closing Cash in hand as on 30.12.2016	-	9,818	9,818

29. Reconciliation of equity and net profit/loss as reported under Indas and previous GAAP.

- a. Reconciliation of net profit /(loss) under previously applicable Generally Accepted Accounting Principles ("Previous GAAP") with the total comprehensive income as reported in these financial results prepared under Ind AS for the year ended 31 March 2016 is as below:

Particulars	Year ended 31.03.2016
	(Rs.)
Net profit for the period/year under Indian GAAP	(2,53,70,252)
Adjustments	-
Net profit for the period/year under Ind AS	(2,53,70,252)

- b. Reconciliation of equity under Ind AS with equity reported under previous GAAP is as under:

Particulars	As at 31.03.2016
	(Rs.)
Equity as per previous GAAP	(3,89,97,107)
Ind AS Adjustments	-
Equity as per Ind AS	(3,89,97,107)

30. Corporate social responsibility

In terms of provisions of section 135 of the Companies Act, 2013, the Company was not required to spend any amount on activities relating to Corporate Social Responsibilities (CSR).

PARSVNATH HB PROJECTS PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2017

31 Financial Instruments

The carrying amounts and fair values of financial instruments by categories is as follows:

		As at 31-March-17				As at 31-March-16				As at 1 April, 2015				Rs.
		Total	Amortised Cost	At cost	FVTPL	Total	Amortised Cost	At cost	FVTPL	Total	Amortised Cost	At cost	FVTPL	
Financial assets														
i.	Trade receivables	2,15,30,431	2,15,30,431	-	-	1,91,38,438	1,91,38,438	-	-	1,56,29,854	1,56,29,854	-	-	
ii.	Cash and cash equivalents	1,41,009	1,41,009	-	-	2,21,274	2,21,274	-	-	7,20,941	7,20,941	-	-	
iii.	Other financial assets	1,08,550	1,08,550	-	-	2,03,050	2,03,050	-	-	2,03,050	2,03,050	-	-	
Total financial assets		2,17,79,991	2,17,79,991	-	-	1,95,62,762	1,95,62,762	-	-	1,65,53,845	1,65,53,845	-	-	
Financial liabilities														
i.	Borrowings	50,63,65,794	50,63,65,794	-	-	41,99,39,526	41,99,39,526	-	-	35,80,82,093	35,80,82,093	-	-	
ii.	Trade Payables	48,16,01,776	48,16,01,776	-	-	48,23,16,488	48,23,16,488	-	-	48,20,96,364	48,20,96,364	-	-	
iii.	Other financial liabilities	2,88,835	2,88,835	-	-	2,88,835	2,88,835	-	-	2,88,835	2,88,835	-	-	
Total financial liabilities		98,82,56,405	98,82,56,405	-	-	90,25,44,849	90,25,44,849	-	-	84,04,67,292	84,04,67,292	-	-	

PARSVNATH HB PROJECTS PRIVATE LIMITED
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2017

32. Financial Risk Management

The Company's financial liabilities mainly includes borrowings taken for the purpose of financing company's operations. Financial assets mainly includes trade receivables, investment in subsidiaries/joint venture/associates and loans to its subsidiaries.

The Company has a system based approach to financial risk management. The Company has internally instituted an integrated financial risk management framework comprising identification of financial risks and creation of risk management structure. The financial risks are identified, measured and managed in accordance with the Company's policies on risk management. Key financial risks and mitigation plans are reviewed by the board of directors of the Company.

The following table summarises the maturity analysis of the Company's financial liabilities:

	Carrying amount	Payable within 1 year	Payable in 1-3 years	Payable more than 3 years	Rs.
As at 31 March, 2017					
Borrowings	50,63,65,794	-	50,63,65,794	-	-
Trade payables	48,16,01,776	48,16,01,776	-	-	-
Other financial liabilities	2,88,835	-	2,88,835	-	-
	98,82,56,405	48,16,01,776	50,66,54,629	-	-
As at 31 March, 2016					
Borrowings	41,99,39,526	-	41,99,39,526	-	-
Trade payables	48,23,16,488	48,23,16,488	-	-	-
Other financial liabilities	2,88,835	-	2,88,835	-	-
	90,25,44,849	48,23,16,488	42,02,28,361	-	-
As at 01 April, 2015					
Borrowings	35,80,82,093	-	35,80,82,093	-	-
Trade payables	48,20,96,364	48,20,96,364	-	-	-
Other financial liabilities	2,88,835	-	2,88,835	-	-
	84,04,67,292	48,20,96,364	35,83,70,928	-	-

33. First time Ind AS reconciliation

There is no impact on balance sheet and Statement of Profit and Loss due to adoption of Ind AS

34. Events after the reporting period

There are no event observed after the reported period which have an impact on the Company's operation.

35. Approval of the financial statements

The financial statements were approved for issue by Board of Directors on 25 May, 2017.

For and on behalf of the Board of Directors

Sd/-
Director

Sd/-
Director

Place: Delhi
Date: 29.05.2017