



# SUMIT MOHIT & COMPANY

*Chartered Accountants*

## INDEPENDENT AUDITOR'S REPORT

**To The Members of Positive Housings Private Limited**

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

We have audited the accompanying financial statements of **Positive Housings Private Limited** ("the Company") which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial Statements that give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with the accounting principles generally accepted in India including the accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; judgments and estimate that are reasonable and prudent; and design implementation of adequate financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true view and free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.



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

### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statement give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as March 31, 2016, and its loss and its cash flow for the year ended on that date.

### Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

Further to our comments in the aforesaid annexure, as required by section 143(3) of the Act, we report that:

1. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
2. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
3. The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
4. In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rule, 2014.
5. On the basis of the written representations received from the directors none of the director is disqualified as on March 31, 2016 from being appointed as directors in terms of section 164(2) of the Act.
6. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to over separate report in "Annexure B".
7. With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
  - a) The Company does not have any pending litigations which would impact on its financial position.



- b) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- c) There were no amounts which were required to be transferred to the investor Education and Protection Fund by the Company.

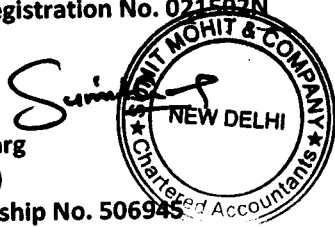
**For Sumit Mohit & Company**  
**Chartered Accountants**  
**Firm's Registration No. 021503N**

**Sumit Garg**  
**(Partner)**

**Membership No. 506945**

**Place: New Delhi**

**Date: May 04, 2016**



**Annexure A to the Independent Auditor's Report of even date on the Financial Statements of Positive Housings Private Limited for the year ended March 31, 2016**

(i) In respect of Fixed Assets:

a) The Company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets.

b) These fixed assets have been physically verified by the management at reasonable intervals in accordance with a regular programme of verification. According to the information and explanations give to us, no material discrepancies were noticed on such verification.

c) The Company has owned land as immovable properties.

(ii) The Company does not have any inventories; accordingly, the provisions of clause 3(ii) of the Order are not applicable to the Company.

(iii) According to information and explanation given to us, the Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

(iv) According to information and explanation given to us, the Company has complied with the provisions of Section 185 and 186 of the Companies Act, 2013.

(v) According to information and explanations given to us, the Company has not accepted any deposits during the year. Accordingly, the provisions of clause 3 (v) are not applicable to the Company.

(vi) According to information and explanations given to us, the Central Government has not prescribed maintenance of cost records under sub section (1) of section 148 of the Companies Act, 2013 to the products/services of the Company. Accordingly, the provisions of clause 3 (vi) are not applicable to the Company.

(vii) (a) According to the information and explanations given to us the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Sales-tax, Service tax, duty of Customs, duty of Excise, value added tax and cess and any other statutory dues to appropriate authority to the extent applicable to it. There are no arrears of outstanding statutory dues as at March 31, 2016 for a period of more than six months from the date they became payable.

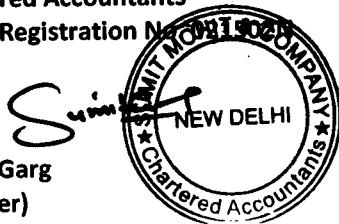
(b) According to the information and explanations given to us, the Company did not have any dues of income tax sales tax or service tax or duty of customs or duty of excise or value added tax which have not been deposited on account of any dispute.

(viii) According to the information and explanations given to us, the Company did not have any dues in respect of loans or borrowing to a financial institution, or bank, government or dues to debenture holders.



- (ix) According to the information and explanations given to us, the Company has not raised moneys raised by way of public issue, follow-on offer (including debt instruments) and term loans, during the year under audit.
- (x) In our opinion and according to the information and explanations given to us, no fraud by the Company or on the Company by its officers/ employees has been noticed or reported during the year.
- (xi) According to the information and explanations given to us, the Company has not paid or provided any managerial remuneration in accordance with the provisions of section 197 read with Schedule V to the Companies Act, 2013.
- (xii) The Company is not a Nidhi company, therefore the provisions of paragraph 3(xii) of the order is not applicable.
- (xiii) According to the information and explanations given to us, all transactions with the related parties are in compliance with Section 188 and 177 of Companies Act, 2013 to the extent applicable and the details have been disclosed in Note 19 to the Financial Statements as required by the accounting standards and Companies Act, 2013.
- (xiv) According to the information and explanations given to us, the Company has not made any preferential allotment / private placement of shares or fully or partly convertible debentures during the year under review.
- (xv) According to information and explanation given to us, Company has not entered into any non-cash transaction with directors or person connected with them.
- (xvi) According to information and explanation given to us, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

**For Sumit Mohit & Company**  
**Chartered Accountants**  
Firm's Registration No. 506945



**Sumit Garg**  
**(Partner)**  
**Membership No. 506945**  
**Place: New Delhi**  
**Date: May 04, 2016**

**Annexure B to the Independent Auditor's Report of even date on the Financial Statements of Positive Housings Private Limited for the year ended March 31, 2016**

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Positive Housings Private Limited ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Managements Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparations of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.



### **Meaning of Internal Financial Controls over Financial Reporting**

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that:

- (1) Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company.
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- (3) Provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2016, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

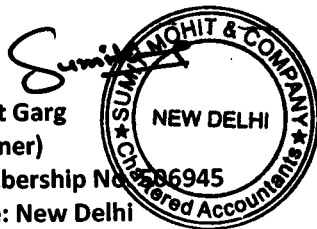
**For Sumit Mohit & Company**  
**Chartered Accountants**  
**Firm's Registration No. 021502N**

Sumit Garg  
(Partner)

Membership No. 506945

Place: New Delhi

Date: May 04, 2016



**Positive Housings Private Limited**  
**Balance Sheet as at March 31, 2016**

	Note No.	As at March 31, 2016 Amount (Rs.)	As at March 31, 2015 Amount (Rs.)
<b>I. Equity and liabilities</b>			
<b>Shareholders' funds</b>			
(a) Share capital	3	174,363,610	174,363,610
(b) Reserves and surplus	4	<u>(13,323,059)</u>	<u>(8,693,869)</u>
		161,040,551	165,669,741
<b>Current liabilities</b>			
(a) Short-term borrowings	5	-	499,389,425
(b) Other current liabilities	6	<u>511,043,625</u>	<u>6,905,679</u>
		511,043,625	506,295,104
<b>Total</b>		<u><u>672,084,176</u></u>	<u><u>671,964,845</u></u>
<b>II. Assets</b>			
<b>Non current assets</b>			
(a) Fixed assets			
Tangible assets	7	671,748,376	671,748,376
(b) Long-term loans and advances	8	<u>108,385</u>	<u>-</u>
		671,856,761	671,748,376
<b>Current assets</b>			
(a) Cash and bank balances	9	<u>227,415</u>	<u>216,469</u>
		227,415	216,469
<b>Total</b>		<u><u>672,084,176</u></u>	<u><u>671,964,845</u></u>

Summary of significant accounting policies

2

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Sumit Mohit & Company  
Chartered Accountants  
Firm Registration No. 102282N

Sumit Garg  
Partner  
Membership No. 206945  
New Delhi, May 4, 2016



For and on behalf of the Board of Directors

*Anil Malhan*

Anil Malhan  
Director  
DIN: 01542646  
New Delhi, May 4, 2016

*Vijay Babbar*

Vijay Babbar  
Whole Time Director  
DIN: 06578673

*Rajeev Lochan Agrawal*

Rajeev Lochan Agrawal  
Chief Financial Officer  
PAN: ADFPA7926D

*Lalit Sharma*

Lalit Sharma  
Company Secretary  
PAN: BFXPS4859C



**Positive Housings Private Limited**  
**Statement of Profit and Loss for the year ended March 31, 2016**

	Note No.	Year ended March 31, 2016 Amount (Rs.)	Year ended March 31, 2015 Amount (Rs.)
<b>Income</b>			
I. Other Income	10	1,083,847	34,815
II. <b>Total revenue</b>		<u><u>1,083,847</u></u>	<u><u>34,815</u></u>
<b>III. Expenses</b>			
Finance costs	11	5,397,485	6,895,960
Other Expenses	12	315,552	1,698,250
<b>Total Expenses</b>		<u><u>5,713,037</u></u>	<u><u>8,594,210</u></u>
IV. <b>Profit/(Loss) before exceptional and extraordinary items and tax (II-III)</b>		<u><u>(4,629,190)</u></u>	<u><u>(8,559,395)</u></u>
V. Exceptional items		-	-
VI. <b>Profit/(Loss) before extraordinary items and tax (IV - V)</b>		<u><u>(4,629,190)</u></u>	<u><u>(8,559,395)</u></u>
VII. Extraordinary items		-	-
VIII. <b>Profit/(Loss) before tax (VI- VII)</b>		<u><u>(4,629,190)</u></u>	<u><u>(8,559,395)</u></u>
IX. Tax expense: Current Tax		-	-
X. <b>Profit/(Loss) for the year from continuing operations (VIII-IX)</b>		<u><u>(4,629,190)</u></u>	<u><u>(8,559,395)</u></u>
XI. Profit/(loss) from discontinuing operations		-	-
XII. Tax expense of discontinuing operations		-	-
XIII. <b>Profit/(Loss) from Discontinuing operations (after tax) (XI-XII)</b>		-	-
XIV. <b>Profit/(Loss) for the year (X + XIII)</b>		<u><u>(4,629,190)</u></u>	<u><u>(8,559,395)</u></u>
XV. Earnings per equity share:	18		
(1) Basic		(0.27)	(2.93)
(2) Diluted		(0.27)	(2.93)
(3) Face value per Equity Share (Rs.)		10.00	10.00

Summary of significant accounting policies

2

The accompanying notes are an integral part of the financial statements

As per our report of even date

For Sumit Mohit & Company  
Chartered Accountants  
Firm Registration No. 021502N

For and on behalf of the Board of Directors

Sumit Garg  
Partner  
Membership No. 508923  
New Delhi, May 4, 2016



*AM*  
Anil Malhan  
Director  
DIN: 01542646  
New Delhi, May 4, 2016

*Vijay Babbar*  
Vijay Babbar  
Whole Time Director  
DIN: 06578673

*Rajeev Lochan Agrawal*  
Rajeev Lochan Agrawal  
Chief Financial Officer  
PAN: ADFPA7926D

*Lalit Sharma*  
Lalit Sharma  
Company Secretary  
PAN: BFXPS4859C

**Positive Housings Private Limited**  
**Cash Flow Statement for the year ended March 31, 2016**

	<b>For the year ended March 31, 2016 Amount (Rs.)</b>	<b>For the year ended March 31, 2015 Amount (Rs.)</b>
<b>A Cash flow from operating activities :</b>		
Net Profit/ (Loss) before tax	(4,629,190)	(8,559,395)
Adjustments for :		
Interest income	(1,083,847)	-
Interest expense	5,387,813	6,895,679
<b>Operating Profit/(Loss) before working capital changes</b>	<b>(325,224)</b>	<b>(1,663,716)</b>
Adjustments for:		
Other current liabilities	(6,862,054)	(68,750)
<b>Cash generated from / (used in) operations</b>	<b>(7,187,278)</b>	<b>(1,732,466)</b>
Direct taxes (paid)/refund (net)	(108,385)	-
<b>Net cash generated from / (used in) operating activities</b>	<b>(7,295,663)</b>	<b>(1,732,466)</b>
<b>B Cash flow from investing activities :</b>		
Interest Received	1,083,847	-
<b>Net cash generated from / (used in) investing activities</b>	<b>1,083,847</b>	<b>-</b>
<b>C Cash flow from financing activities :</b>		
Security Deposit received	511,000,000	-
Interest expense	(5,387,813)	-
Loan taken/(repaid) (net)	(499,389,425)	1,900,000
	<b>6,222,762</b>	<b>1,900,000</b>
<b>D Net Increase/ (Decrease) in cash and cash equivalents (A+B+C)</b>	<b>10,946</b>	<b>167,534</b>
<b>E Cash and cash equivalents at the beginning of the year</b>	<b>216,469</b>	<b>48,935</b>
<b>F Cash and cash equivalents at the close of the year (D+E)</b>	<b>227,415</b>	<b>216,469</b>
<b>Notes:</b>		
1 Figures for the previous year have been regrouped wherever considered necessary.		
2 The above Cash Flow Statement has been prepared under the " Indirect Method " as set out in Accounting Standard (AS)-3 'Cash Flow Statements' as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended.		
3 Cash and cash equivalents as at the close of the year include:		
Balances with Banks:		
- in current accounts	227,415	216,469
<b>Cash and Cash Equivalents at the end of the year</b>	<b>227,415</b>	<b>216,469</b>

As per our report of even date

For Sumit Mohit & Company  
Chartered Accountants  
FRN: 021502N



Sumit Mohit  
Partner  
Membership No. 506945  
New Delhi, May 4, 2016

For and on behalf of the Board of Directors

*Anil Malhan*  
Anil Malhan  
Director  
DIN: 01542646  
New Delhi, May 4, 2016

*Vijay Babbar*  
Vijay Babbar  
Whole Time Director  
DIN: 06578673

*Rajeev Lochan Agrawal*  
Rajeev Lochan Agrawal  
Chief Financial Officer  
PAN: ADFPA7926D

*Lalit Sharma*  
Lalit Sharma  
Company Secretary  
PAN: BFXP54859C

**Positive Houings Private Limited**  
**Notes to financial statements for the year ended March 31, 2016**

**1. Corporate information:**

Positive Housing Private Limited ("PHPL" or "the Company") was incorporated on July 2, 2005. The company is in the business of purchasing, taking on lease or hiring any immovable property and to develop them by laying out, plotting and constructing, building, altering, pulling down, decorating, maintaining, furnishing, fitting up and other related activities.

**2. Summary of significant accounting policies:**

**i) Basis of accounting and preparation of financial statements:**

The financial statements are prepared under the historical cost convention on an accrual basis in accordance with the Generally Accepted Accounting Principles in India (Indian GAAP) and Accounting Standards (AS) under Section 133 of the Companies Act, 2013 ("the Act") read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

**ii) Use of estimates:**

The presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made by management that affect the reported amount of assets and liabilities on the date of the financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual result and estimates are recognised in the period in which the results are known / materialized.

**iii) Cash and cash equivalents:**

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.

**iv) 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.

**v) Revenue recognition:**

- Other income is recognized on accrual basis.
- Interest income on loan given is recognized on accrual basis.

**vi) Fixed assets:**

**Tangible assets:**

Tangible fixed assets are stated at cost, net of tax / duty credits availed, if any, less accumulated depreciation / impairment losses, if any. Cost includes original cost of acquisition, including incidental expenses related to such acquisition and installation and any attributable cost of bringing the asset to its working condition for its intended use.

**Intangible assets:**

Intangible assets if any are stated at cost, net of tax / duty credits availed, if any, less accumulated amortization / impairment losses, if any. Cost includes original cost of acquisition, including incidental expenses related to such acquisition.

**vii) Depreciation / Amortization:**

Depreciation on tangible fixed assets is provided on straight-line method at the rates specified in Schedule II to the Companies Act, 2013. Depreciation on additions to fixed assets is provided on pro-rata basis from the date the asset is put to use. Depreciation on sale / deduction from fixed assets is provided for up to the date of sale / deduction / scrapping, as the case may be. Assets taken on finance lease are depreciated over the tenure of the lease. Assets costing Rs. 5,000 or less per item are fully depreciated in the year of purchase.

Intangible assets are amortised on a straight line basis over a period of four years from the date when the assets are available for use.

**viii) Impairment of assets:**

The Company assesses at each Balance Sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset or the recoverable amount of the cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the Statement of Profit and Loss. If at the Balance Sheet date there is an indication that if a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount.

**ix) Investments:**

Investments are classified as long term and current investments. Long term investments are carried at cost less provision, if any, for diminution other than temporary in the carrying value of such investments. Current investments are valued at lower of cost or market value.

**x) Share issue expenses:**

Share issue expenses are adjusted against Securities Premium account to the extent of balance available and thereafter, the balance portion is charged off to the Statement of Profit and Loss, as incurred.

**xi) Taxes on income:**

Current tax is determined as the tax payable in respect of taxable income for the year in accordance with relevant tax regulations.

Deferred tax resulting from timing differences between book and tax profits is accounted for at the current rate of tax or substantively enacted tax rates at the balance sheet date, as applicable, to the extent that the timing differences are expected to crystallize.

Deferred Tax Assets are recognized where realization is reasonably certain whereas in case of carried forward losses or unabsorbed depreciation, deferred tax assets are recognized only if there is a virtual certainty of realization supported by convincing evidence. Deferred Tax Assets are reviewed for the appropriateness of their respective carrying values at each balance sheet date.

**xii) Borrowing costs:**

Borrowing costs that are attributable to the acquisition, construction or production of qualifying assets are capitalized as part of cost of such assets. All other borrowing costs are charged to revenue.

**Positive Housings Private Limited**  
**Notes to financial statements for the year ended March 31, 2016**

**xiii) Preliminary expenses:**

Preliminary expenses are adjusted against securities premium account (net of tax) to the extent available, and the balance, if any, is charged off to the Statement of Profit and Loss, as incurred.

**xiv) Employee benefits:**

The Company's contribution to Provident Fund is charged to Statement of Profit and Loss. The Company has defined benefit plans namely compensated absences and gratuity for its employees, the liability for which is determined on the basis of an actuarial valuation conducted annually by an independent actuary, in accordance with Accounting Standards 15 (AS 15) Employee Benefits, as notified under the Companies (Accounting Standards) Rules, 2006, as amended. Actuarial gains and losses are recognised in Statement of Profit and Loss as income or expenses.

**xv) Provisions, contingent liabilities and contingent assets:**

Provisions are recognised only when there is a present obligation as a result of past events and when a reliable estimate of the amount of obligation can be made. Contingent liability is disclosed for (1) Possible obligations which will be confirmed only by future events not wholly within the control of the Company or (2) Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made. Contingent Assets are not recognized in the financial statements since this may result in the recognition of income that may never be realized.

**xvi) Earnings per share:**

Basic earnings per share are computed using the weighted average number of equity shares outstanding during the year. Diluted earnings per share are computed using the weighted average number of equity and dilutive potential equity shares outstanding during the year except where the results would be anti-dilutive.

**xvii) Deferred employee stock compensation cost:**

The Company follows intrinsic value method as per Guidance Note on Accounting for Employee Share-based Payments issued by The Institute of Chartered Accountants of India for accounting Employee Stock Options granted. Deferred employee stock compensation cost for stock options are recognized and measured by the difference between the estimated value of the Company's shares at the stock options grant date and the exercise price to be paid by the option holders. The compensation expense is amortized over the vesting period of the options. The fair value of options for disclosure purpose is measured on the basis of a valuation performed in respect of stock options granted.

**xviii) Leases:**

In case of assets taken on operating lease the lease rentals are charged to the Statement of Profit and Loss and assets taken on finance lease have been capitalized in accordance with Accounting Standard (AS) - 19 on Leases notified under the companies (Accounting Standards) Rules 2006 as amended.

**xviii) Segment reporting:**

The Company identifies primary segments based on the dominant source, nature of risks and returns and the internal organisation and management structure. The operating segments are the segments for which separate financial information is available and for which operating profit/loss amounts are evaluated regularly by the executive Management in deciding how to allocate resources and in assessing performance.

*( This space has been intentionally left blank )*

**Positive Housings Private Limited**  
Notes to financial statements for the year ended March 31, 2016

**Note - 3**

**Share Capital:**

	As at March 31, 2016		As at March 31, 2015	
	Number of shares	Amount (Rs.)	Number of shares	Amount (Rs.)
<b>Authorised</b>				
Equity Shares of face value of Rs. 10 each	17,500,000	175,000,000	17,500,000	175,000,000
	<b>17,500,000</b>	<b>175,000,000</b>	<b>17,500,000</b>	<b>175,000,000</b>
<b>Issued, Subscribed and fully paid up</b>				
Equity Shares of face value of Rs. 10 each fully paid up	17,436,361	174,363,610	17,436,361	174,363,610
<b>As Per Balance Sheet</b>	<b>17,436,361</b>	<b>174,363,610</b>	<b>17,436,361</b>	<b>174,363,610</b>

**a. Reconciliation of the shares outstanding at the beginning and at the end of the reporting year:**

**Equity shares**

	As at March 31, 2016		As at March 31, 2015	
	No. of Shares	Amount (Rs.)	No. of Shares	Amount (Rs.)
Opening balance at the beginning of the period/year	17,436,361	174,363,610	10,000	100,000
Add: Issued during the period/year:	-	-	17,426,361	174,263,610
<b>Outstanding at the end of the year</b>	<b>17,436,361</b>	<b>174,363,610</b>	<b>17,436,361</b>	<b>174,363,610</b>

**b. Terms/rights attached to equity shares**

The company has only one class of equity shares having a par value of Rs. 10 per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to received remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**c. Details of shareholders holding more than 5% shares in the company**

Class of shares / Name of shareholder	As at March 31, 2016		As at March 31, 2015	
	Number of shares held	% holding	Number of shares held	% holding
One Shareholder (Previous Year - One Shareholder) each are holding more than 5% of equity share capital: Equity Shares of face value of Rs. 10 each fully paid up	17,436,361	100	17,436,361	100.00

As per records of the Company, including its register of shareholders/members and other declarations received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.

**Note - 4**

**Reserves And Surplus:**

	As at March 31, 2016 Amount (Rs.)	As at March 31, 2015 Amount (Rs.)
Surplus/(deficit) in the statement of profit and loss		
Balance as per last financial statements	(8,693,869)	(134,474)
Add: Profit / (Loss) for the period/year	(4,629,190)	(8,559,395)
<b>As Per Balance Sheet</b>	<b>(13,323,059)</b>	<b>(8,693,869)</b>

**Note - 5**

**Short-Term Borrowings:**

	As at March 31, 2016 Amount (Rs.)	As at March 31, 2015 Amount (Rs.)
<b>Unsecured Loans (Refer Note (a) &amp; (b) below)</b>		
- From related parties	-	499,389,425
<b>As Per Balance Sheet</b>	<b>-</b>	<b>499,389,425</b>

(a) The unsecured loans from related parties was taken for a term upto one year and was repayable at the option of the Company, on or before the expiration of the tenure of the said loans. The unsecured loans carry interest rate of 9% p.a., which may be revised based upon mutual agreement of the parties.

(b) There is no default as on the Balance Sheet date in repayment of the respective loan or interest amounts.

**Note - 6**

**Other current liabilities:**

	As at March 31, 2016 Amount (Rs.)	As at March 31, 2015 Amount (Rs.)
Statutory Liabilities	15,000	689,568
Other Payable	28,625	6,216,111
Security Deposit (from Related Party)	511,000,000	-
<b>As Per Balance Sheet</b>	<b>511,043,625</b>	<b>6,905,679</b>

**Positive Housings Private Limited**  
Notes to financial statements for the year ended March 31, 2016

**Note - 7**  
**Fixed Assets:**

Particulars	GROSS BLOCK AT COST			DEPRECIATION / AMORTISATION			NET BLOCK		
	As at April 1, 2015	Additions during the year	Adjustments/ sales during the year	As at March 31, 2016	As at April 1, 2015	Provided during the period	Adjustments during the period	As at March 31, 2016	As at March 31, 2015
<b>A. Tangible Assets</b>									
Land	671,748,376	-	-	671,748,376	-	-	-	671,748,376	671,748,376
<b>Total</b>	<b>671,748,376</b>	<b>-</b>	<b>-</b>	<b>671,748,376</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>671,748,376</b>	<b>671,748,376</b>
Previous year	671,748,376	-	-	671,748,376	-	-	-	671,748,376	671,748,376

Amount (Rs.)

**Positive Housings Private Limited**  
**Notes to financial statements for the year ended March 31, 2016**

**Note - 8**

**Long-term loans & advances:**

	<b>As at March 31, 2016 Amount (Rs.)</b>	<b>As at March 31, 2015 Amount (Rs.)</b>
Tax deducted at source (Net of provision for taxation Rs. Nil (Previous year Rs. Nil))	108,385	
<b>As Per Balance Sheet</b>	<b>108,385</b>	<b>-</b>

**Note - 9**

**Cash and cash equivalents:**

	<b>As at March 31, 2016 Amount (Rs.)</b>	<b>As at March 31, 2015 Amount (Rs.)</b>
Balance with Banks In Current Accounts	227,415	216,469
<b>As Per Balance Sheet</b>	<b>227,415</b>	<b>216,469</b>

*( This space has been intentionally left blank )*

**Positive Housings Private Limited**  
**Notes to financial statements for the year ended March 31, 2016**

	<b>For the year ended March 31, 2016 Amount (Rs.)</b>	<b>For the year ended March 31, 2015 Amount (Rs.)</b>
<b>Note - 10</b>		
<b>Other Income</b>		
Interest Income from Inter-Corporate Deposits	1,083,847	-
Miscellaneous Income	-	34,815
<b>As Per Statement of Profit and Loss</b>	<b>1,083,847</b>	<b>34,815</b>
 <b>Note - 11</b>		
<b>Finance Costs</b>		
Interest on Inter Corporate Deposits	5,387,813	6,895,679
Interest on Non Convertible Debentures	2,434	-
Bank Charges	7,238	281
<b>As Per Statement of Profit and Loss</b>	<b>5,397,485</b>	<b>6,895,960</b>
 <b>Note - 12</b>		
<b>Other Expenses</b>		
Rates & Taxes	56,915	1,688,250
Repair & Maintenance - Others	14,400	-
Professional Charges	201,750	-
Electricity Charges	7,187	-
Auditors' Remuneration - Audit fees [Excluding service Tax]	25,000	10,000
Stamp Paper Charges	3,300	-
Miscellaneous Expenses	7,000	-
<b>As Per Statement of Profit and Loss</b>	<b>315,552</b>	<b>1,698,250</b>

( This space has been intentionally left blank )



**Positive Housings Private Limited**  
**Notes to financial statements for the year ended March 31, 2016**

**Note - 13**

As per the best estimate of the management, no provision is required to be made as per Accounting Standard 29 (AS 29) – Provisions, Contingent Liabilities and Contingent Assets as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014; as amended, in respect of any present obligation as a result of a past event that could lead to a probable outflow of resources, which would be required to settle the obligation.

**Note - 14**

The company has not entered into any derivative contracts to hedge foreign currency exposures during the year. The Company has not any foreign currency exposures as at March 31, 2016 (Previous year Rs. Nil)

**Note - 15**

**Disclosures required under Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006**

Particulars	As at March 31, 2016 Amount (Rs.)	As at March 31, 2015 Amount (Rs.)
(i) Principal amount remaining unpaid to any supplier as at the end of the accounting year	Nil	Nil
(ii) Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	Nil	Nil
(iii) The amount of interest paid along with the amounts of the payment made to the supplier beyond the appointed day	Nil	Nil
(iv) The amount of interest due and payable for the year	Nil	Nil
(v) The amount of interest accrued and remaining unpaid at the end of the accounting year	Nil	Nil
(vi) The amount of further interest due and payable even in the succeeding year, until such date when the interest dues as above are actually paid	Nil	Nil

The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company. This has been relied upon by the auditors.

**Note - 16**

There are no borrowing costs to be capitalised as at March 31, 2016 (Previous year Rs. Nil).

**Note - 17**

**Segment reporting**

Considering the nature of Company's business and operations and based on the information available with the management, there are no reportable segments (business and/or geographical) in accordance with the requirements of Accounting Standard (AS) – 17 on Segment Reporting as specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended. Hence, no further disclosures are required in respect of reportable segments, under AS 17, other than those already provided in the financial statements.

**Note - 18**

**Earnings per share:**

Basic earnings per share is computed by dividing the net profit/(loss) attributable to equity shareholders for the period by the weighted average number of equity shares outstanding during the reporting period. Diluted earnings per share are computed using the weighted average number of equity shares and also the weighted average number of equity shares that could have been issued on the conversion of all dilutive potential equity shares. Dilutive potential equity shares are adjusted for the proceeds receivable, had the shares been actually issued at fair value.

Dilutive potential equity shares are deemed converted as of the beginning of the period, unless they have been issued at a later date. The number of equity shares and potential diluted equity shares are adjusted for stock split and bonus shares as appropriate.

Particulars	(Amount in Rs.)	
	Year ended March 31, 2016	Year ended March 31, 2015
Net Profit/(Loss) available for Equity Shareholders (Rs.)	(4,629,190)	(8,559,395)
Weighted average number of equity shares used for computing Basic and Diluted earnings per share	17,436,361	2,922,351
Nominal Value of equity Shares – (Rs. Per Share)	10.00	10.00
Earnings Per Share – Basic & Diluted (Rs. Per Share)	(0.27)	(2.93)

( This space has been intentionally left blank )