




IBROX REAL ESTATE DEVELOPMENT PRIVATE LIMITED
Balance Sheet as at 31 March, 2016

| Particulars | Note No. | As at 31 March, 2016 | As at 31 March, 2015 |
|--|----------|--|----------------------|
| | | ₹ | ₹ |
| EQUITY AND LIABILITIES | | | |
| Shareholders' funds | | | |
| (a) Share capital | 3 | 10,134,750 | 10,134,750 |
| (b) Reserves and surplus | 4 | (510,529,944) | (166,791,395) |
| | | (500,395,194) | (156,656,645) |
| Non-current liabilities | | | |
| (a) Long-term borrowings | 5 | 789,297,700 | 789,297,700 |
| (b) Other long-term liabilities | 6 | - | 58,574,874 |
| | | 789,297,700 | 847,872,574 |
| Current liabilities | | | |
| (a) Short-term borrowings | 7 | 2,071,267,931 | 274,321,291 |
| (b) Trade payables | | | |
| (i) total outstanding dues of micro enterprises and small enterprises (MSME) | 30 | - | - |
| (ii) total outstanding dues of creditors other than MSME | 8 | 351,742,828 | 308,395,509 |
| (c) Other current liabilities | 9a | 2,303,585,398 | 3,702,276,988 |
| (d) Short-term provisions | 9b | 88,718,520 | - |
| | | 4,815,314,677 | 4,284,993,788 |
| TOTAL | | 5,104,217,183 | 4,976,209,717 |
| ASSETS | | | |
| Non-current assets | | | |
| (a) Non-current investments | 10 | 100,000 | 100,000 |
| (b) Long-term loans and advances | 11 | 18,950,068 | 47,244,719 |
| | | 19,050,068 | 47,344,719 |
| Current assets | | | |
| (a) Inventories | 12 | 4,970,933,237 | 4,596,743,270 |
| (b) Cash and cash equivalents | 13 | 431,946 | 1,459,191 |
| (c) Short-term loans and advances | 14 | 113,801,932 | 330,192,023 |
| (d) Other current assets | 15 | - | 470,514 |
| | | 5,085,167,115 | 4,928,864,998 |
| TOTAL | | 5,104,217,183 | 4,976,209,717 |
| See accompanying notes forming part of the financial statements | | | |
| In terms of our report attached For Deloitte Haskins & Sells Chartered Accountants | | For and on behalf of the Board of Directors | |
|  Khursheed Pastakia Partner | |  Ramesh Chand Agarwal Director DIN: 00016256 | |
|  Nitin Agarwal Director DIN: 00010929 | | | |
| Place MUMBAI Date 2 AUGUST, 2016 | | Place Bengaluru Date 4th July 2016 | |

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 1 Corporate information and significant accounting policies

1 Corporate information

Ibrox Real Estate Development Private Limited ("the Company") is a private limited company, incorporated on 19 April, 2010 under the provisions of Companies Act, 1956, having its registered office at Essar House, 11, K.K. Marg, Mahalaxmi, Mumbai-400 034. The Company mainly carries on business of builders, developers for residential, commercial and infrastructure projects.

Note 2 Significant accounting policies

2.1 Basis of accounting, preparation and presentation of financial statements

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 specified under Section 133 of the Companies Act, 2013 ("the 2013 Act"). 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

2.2 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.

2.3 Inventories

Direct expenditure relating to construction activity which is aggregate of cost of land, land development rights, materials, services, other related overheads are added to inventory. Other expenditure (including borrowing costs) during the construction period is added to inventory to the extent the expenditure is attributable to contract activity in general and can be allocated to the project. Other expenditure (including borrowing cost) incurred during the construction period which is not directly attributable for bringing the asset to its working condition for its intended use is charged to the statement of profit and loss. Direct and other expenditure is determined based on specific identification to construction and real estate activity. Cost incurred / items purchased specifically for projects are taken as consumed as and when incurred/received.

(a) Work-in-progress

Work-in-progress - Real estate projects (including land inventory) : represents cost incurred in respect of unsold area of the real estate development projects or cost incurred on projects where the revenue is yet to be recognised. Real estate work-in-progress is valued at lower of cost or net realisable value.

(b) Finished goods

Flats are valued at lower of cost or net realisable value.

2.4 Cash and cash equivalents (for purpose 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.

2.5 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.

2.6 Revenue Recognition

(A) Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue from operations (gross) is net of sales tax/ value added tax and adjustments on account of cancellation/ returns.

Revenue from real estate development projects is recognized based on 'Percentage Completion Method'.

The Percentage Completion Method is applied when the stage of completion of the project reaches a reasonable level of development. The threshold for 'reasonable level of development' is considered to have been met when the criteria specified in the Guidance Note on Accounting for Real Estate Transactions (Revised 2012) issued by the Institute of Chartered Accountants of India are satisfied, i.e., when:

(a) All critical approvals necessary for commencement of the project have been obtained.

(b) The expenditure incurred on construction and development costs is not less than 25% of the total estimated construction and development costs.

(c) At least 25% of the saleable project area is secured by contracts or agreements with buyers.

(d) At least 10% of the total revenue as per the agreements of sale or any other legally enforceable documents are realised at the reporting date in respect of each of the contracts and it is reasonable to expect that the parties to such contracts will comply with the payment terms as defined in the contracts.

When it is probable that total project costs will exceed total eligible project revenues, the expected loss is recognised as an expense immediately when such probability is determined.

(B) Interest income is accounted on accrual basis except for interest on delayed payments by the customers, which are accounted on receipt basis.

(C) Dividend income is recognized when right to receive is established.

(D) Flat Cancellation Income- In the event of cancellation of flats booked by customers, the Company levies charges on the basis of terms and conditions of the agreement of sale/ letter of intended allotment.

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NOTES FORMING PART OF THE FINANCIAL STATEMENTS

2.7 Investment

Long-term investments are carried individually at cost less provision for diminution, other than temporary, in the value of such investments. Current investments are carried individually, at the lower of cost and fair value. Cost of investments include acquisition charges such as brokerage, fees and duties.

2.8 Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction / development of qualifying assets are treated as a part of cost of such assets. A qualifying asset is one that takes substantial period of time to get ready for its intended use. All other borrowing costs are recognised in the Statement of Profit and Loss.

The Borrowing cost on the project are allocated to the construction cost of project and the same is included in "work in progress" as shown under head "Inventories"

2.9 Taxes on income

Current tax is provided as per the provisions of the Income tax Act, 1961. The tax effect of timing differences resulting between taxable income and accounting income and are capable of reversal in one or more subsequent periods are recorded as a deferred tax asset or deferred tax liability. They are measured using the substantively enacted tax rates and tax regulations as at the balance sheet date.

Deferred tax assets arising on account of brought forward losses and unabsorbed depreciation under tax laws are recognized, only if there is virtual certainty of their realization, supported by convincing evidence. Deferred tax assets on account of other timing differences are recognised only to the extent that there is reasonable certainty of its realization.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws, which gives future economic benefits in the form of adjustment to future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax. Accordingly, MAT is recognised as an asset in the Balance Sheet when it is highly probable that future economic benefits associated with it will flow to the Company.

2.10 Foreign currency transactions and translations

Transactions denominated in foreign currencies are recorded at the rate of exchange prevailing on the date of the transactions. Exchange differences arising on settlement of foreign currency transactions are recognised in the Statement of Profit and Loss for the accounting period in which settlement takes place. Monetary items denominated in foreign currency are translated at the exchange rate prevailing at the balance sheet date and the exchange differences are recorded in the Statement of Profit and Loss.

2.11 Provisions and contingencies

Provisions are recognised for present obligations arising out of past events, if it is probable that an outflow of economic resources, the amount of which can be reliably estimated, will be required to settle the obligation. Contingent liabilities are disclosed in respect of possible obligations that arise from past events, the existence of which will be confirmed by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company, or a present obligation that is not recognised because a reliable estimate of the liability cannot be made, or the likelihood of an outflow of economic resource is not probable. Contingent assets are not recognized in the financial statements.

2.12 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.

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IBROX REAL ESTATE DEVELOPMENT PRIVATE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 3 Share capital

| Particulars | As at 31 March, 2016 | | As at 31 March, 2015 | |
|---|----------------------|-------------------|----------------------|-------------------|
| | Number of shares | ₹ | Number of shares | ₹ |
| (a) Authorised Equity shares of ₹ 10 each | 1,500,000 | 15,000,000 | 1,500,000 | 15,000,000 |
| (b) Issued Equity shares of ₹ 10 each | 1,013,475 | 10,134,750 | 1,013,475 | 10,134,750 |
| (c) Subscribed and fully paid up Equity shares of ₹10 each | 1,013,475 | 10,134,750 | 1,013,475 | 10,134,750 |
| Total | 1,013,475 | 10,134,750 | 1,013,475 | 10,134,750 |

The Company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amount in proportion to their share holding.

(i) Details of shares held by each shareholder holding more than 5% shares:

| Class of shares / Name of shareholder | As at 31 March, 2016 | | As at 31 March, 2015 | |
|---|-----------------------|-----------------------------------|-----------------------|-----------------------------------|
| | Number of shares held | % holding in that class of shares | Number of shares held | % holding in that class of shares |
| Equity shares | | | | |
| Equinox Realty Holdings Limited, Mauritius (100% holding Company) along with its nominee (ERHL) | - | - | 1,013,475 | 100% |
| Kirti Realities & Farms Private Limited (KRFPL) (100% holding Company)- (from 4 March, 2016) (Refer (iv)) | 1,013,475 | 100% | - | - |

Notes:

- (i) The Company is wholly owned subsidiary of KRFPL with effect from 4 March, 2016.
- (ii) There are no shares issued for consideration other than cash or bought back during the immediately preceding five years.
- (iii) Refer note 5 (i) for details of compulsorily convertible debentures and note 7 (i) and (ii) for details of optionally convertible debentures.
- (iv) These shares were transferred to Imperial Securities & Consultants Private Limited on 2 March, 2016 and were further transferred to Kirti Realities & Farms Private Limited on 4 March, 2016.
- (v) Refer Note 27 (c) for change of shareholding subsequent to the balance sheet date.
- (vi) There is no movement in the no of equity shares during the current year.

Note 4 Reserves and surplus

| Particulars | As at 31 March, 2016 | As at 31 March, 2015 |
|---|----------------------|----------------------|
| | ₹ | ₹ |
| Deficit in Statement of Profit and Loss | | |
| Opening balance | (166,791,395) | (127,889,778) |
| Add : Loss for the year | (343,738,549) | (38,901,617) |
| Closing balance | (510,529,944) | (166,791,395) |

Note 5 Long-term borrowings

| Particulars | As at 31 March, 2016 | As at 31 March, 2015 |
|---|----------------------|----------------------|
| | ₹ | ₹ |
| Unsecured | | |
| Compulsorily Convertible Debentures (CCD) (refer note (i) below, note-21 and note 27 (b))* | 789,297,700 | 789,297,700 |
| | 789,297,700 | 789,297,700 |
| Secured | | |
| Term loan from a financial institution (refer note (ii) below) | - | 1,657,793,825 |
| Less: Current maturities of term loan (refer note- 9 a) | - | (1,657,793,825) |
| | - | - |
| Total | 789,297,700 | 789,297,700 |

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IBROX REAL ESTATE DEVELOPMENT PRIVATE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

(i) Details of debentures issued by the Company:

| Particulars | Terms and conditions | As at 31 March, 2016 Unsecured ₹ | As at 31 March, 2015 Unsecured ₹ |
|---|---|--|--|
| 7,892,977 (Previous year 7,892,977) Compulsorily Convertible Debentures (CCD) of Rs. 100/- each fully paid up (issued on 10 March, 2011) | Option to holder of CCD for conversion into equity shares after expiry of 12 months but before expiry of 30 months from the date of issue at such premium as may be mutually agreed. In the case of refusal to such conversion by the Company the debenture holders shall have right to receive interest @12% p.a. from the date of refusal by the Company till the end of 72 months from the date of issue. The outstanding debentures shall carry an option to its holder for conversion into equity shares of the Company after expiry of 72 months but before the expiry of 96 months at such premium as mutually agreed between the Company and the holder at the time of conversion, failing which, the Company shall pay interest at such higher rate i.e. more than 12% p.a. from the date of refusal as may be mutually agreed. Each CCD shall automatically and compulsorily get converted into 4 equity shares of Rs. 10 each at a premium of Rs. 15 per equity share at the end of 120 months from the date of issue. The holder of CCD has not exercised, any of its right for conversion into equity shares as at 31 March, 2016. | 789,297,700 | 789,297,700 |
| Total | | 789,297,700 | 789,297,700 |

*Note - All the CCDs are convertible after 31 March, 2017 hence they are classified as non-current.

(ii) Details of terms of repayment and security of a term loan from a financial institution

| Particulars | Terms of repayment and security | As at 31 March, 2016 Secured ₹ | As at 31 March, 2015 Secured ₹ |
|---|---------------------------------|--------------------------------------|--------------------------------------|
| Term loan from a financial institution: (HDFC) | See notes below | | 1,657,793,825 |
| Total | | | 1,657,793,825 |

Note:

i. Interest rates

Term loans sanctioned of Rs 150 crores (Previous Year - Rs 150 crores) carried variable interest rate reset at each month ranging from 14.05% to 18.00% p.a.
(Previous Year - 14.35% to 14.60% p.a)

Term loans sanctioned of Rs 45 crores (Previous Year - Rs 45 crores) carried variable interest rate reset at each month ranging from 13.80% to 18.00% p.a.
(Previous Year - 14.10% to 14.35% p.a.)

ii. Security

Term loan of Rs 150 crores and 45 crores respectively were secured against project land and construction, scheduled receivables from customers and all insurance proceeds if any till the repayment of loan on 31 March, 2016.

The security has been released subsequent to the Balance Sheet date on 30 May, 2016.

iii. Repayment terms of loans

a. Particulars

| | Amount |
|-----------------------------------|------------------|
| Loan sanction date | 22 November 2011 |
| Total Sanction amount | Rs 195 crores |
| Total amount disbursed as on date | Rs 194 crores |

b. Maximum outstanding principal amount

| | |
|---|---------------|
| At the end of 44th Month (July-15) | Rs 156 crores |
| At the end of 45th Month (August-15) | Rs 117 crores |
| At the end of 46th Month (September-15) | Rs 78 crores |
| At the end of 47th Month (October-15) | Rs 39 crores |
| At the end of 48th Month (November-15) | Nil |

The loan has been paid off in full subsequent to the balance sheet date. (Refer Note 28(c))

The classification of loans between current liabilities and non-current liabilities continues based on repayment schedule under respective agreements as no loans have been recalled due to non compliance of conditions under any of the loan agreements. This is in accordance with the guidance issued by the Institute of Chartered Accountants of India on revised Schedule VI to the Companies Act, 1956 (now Schedule III of Companies Act, 2013).

Note 6 Other long-term liabilities

| Particulars | As at 31 March, 2016 ₹ | As at 31 March, 2015 ₹ |
|--|---------------------------|---------------------------|
| Other than acceptances (retention money) | - | 58,574,874 |
| Total | - | 58,574,874 |

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IBROX REAL ESTATE DEVELOPMENT PRIVATE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 7 Short-term borrowings

| Particulars | As at 31 March, 2016 | As at 31 March, 2015 |
|--|----------------------|----------------------|
| | ₹ | ₹ |
| Unsecured | | |
| Series B Optionally Convertible Debentures (OCDs) { refer note (i) below, note-21 and note - 28 (c) } | 53,000,000 | - |
| Series C Optionally Convertible Debentures (OCDs) { refer note (ii) below, note-21 and note - 28 (c) } | 1,660,000,000 | - |
| Loans repayable on demand (Inter corporate deposits) (refer note - 27 (a))* | | |
| - Related parties (refer note-21) | 238,390,121 | 17,994,209 |
| - Others | 119,877,810 | 256,327,082 |
| Total | 2,071,267,931 | 274,321,291 |

*Interest charged at the rate of 14% p.a (Previous Year 14% p.a.)

(i) Series B Optionally Convertible Debentures (OCD):

| Particulars | Terms and conditions | As at 31 March, 2016 Unsecured | As at 31 March, 2015 Unsecured |
|--|--|-----------------------------------|-----------------------------------|
| | | ₹ | ₹ |
| 530,000 (Previous year Nil) Optionally Convertible Debentures (OCD) of Rs.100/- each fully paid up (issued on 31 March, 2016) - Series B | <p>a. The term of the Series B Shareholder OCDs shall be 300 days from the date of allotment.</p> <p>b. These OCDs shall, inter-se, with Series A Existing Shareholder OCDs, Series C Existing Shareholder OCDs and Series D OCDs (to be issued post acquisition), rank pari passu without any preference or priority whatsoever on account of date of issue or allotment, or otherwise, except as specifically provided in the Agreement.</p> <p>c. These OCDs shall carry an interest of 12% per annum payable quarterly on the outstanding face value.</p> <p>d. Conversion</p> <p>(1) These OCDs shall be converted into such numbers of Equity Shares as may be determined by the Board or any committee authorised thereof under the Applicable Law.</p> <p>(2) Notwithstanding anything to the contrary, these OCDs, at the end of the term will automatically either be converted in the Equity Shares in accordance with Paragraph d (1) above or redeemed in accordance with para f below.</p> <p>e. These OCDs shall not carry any voting rights until they are converted into underlying Equity Shares.</p> <p>f. Each Series B OCDs shall be redeemable in accordance with the mutually agreed terms and the Articles, and on such terms as may be determined by the Board at the time of redemption.</p> | 53,000,000 | - |
| Total | | 53,000,000 | - |

(ii) Series C Optionally Convertible Debentures (OCD):

| Particulars | Terms and conditions | As at 31 March, 2016 Unsecured | As at 31 March, 2015 Unsecured |
|---|---|-----------------------------------|-----------------------------------|
| | | ₹ | ₹ |
| 16,600,000 (Previous year Nil) Optionally Convertible Debentures (OCD) of Rs.100/- each fully paid up (issued on 31 March, 2016) - Series C | <p>a. The term of the Series C Existing Shareholder OCDs shall be 300 days from the date of allotment.</p> <p>b. These OCDs shall, inter-se, with Series A Existing Shareholder OCDs, Series B Existing Shareholder OCDs and Series D OCDs to be issued in the future, rank pari passu without any preference or priority whatsoever on account of date of issue or allotment, or otherwise.</p> <p>c. These OCDs shall carry an interest of 12% per annum payable quarterly on the outstanding face value as the case may be commencing from the Closing Date.</p> <p>d. Conversion</p> <p>(1) The OCDs shall be converted into such numbers of Equity Shares as may be determined by the Board or any committee authorised thereof under the Applicable Law.</p> <p>(2) Notwithstanding anything to the contrary, these OCDs, at the end of the term will automatically either be converted in the Equity Shares in accordance with d (1) above or redeemed in accordance with para f below.</p> <p>e. The Series C Existing Shareholder OCDs shall not carry any voting rights until they are converted into underlying Equity Shares.</p> <p>f. Each Series C Existing Shareholder OCD shall be redeemable in accordance with the provisions of this Agreement and the Articles, and on such terms as may be determined by the Board at the time of redemption.</p> | 1,660,000,000 | - |
| Total | | 1,660,000,000 | - |

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IBROX REAL ESTATE DEVELOPMENT PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 8 Trade payables - total outstanding dues of creditors other than MSME

| Particulars | As at 31 March, 2016 | As at 31 March, 2015 |
|---|----------------------|----------------------|
| | ₹ | ₹ |
| Trade payables: Other than acceptances (refer note 30) | 351,742,828 | 308,395,509 |
| Total | 351,742,828 | 308,395,509 |

Note 9a Other current liabilities

| Particulars | As at 31 March, 2016 | As at 31 March, 2015 |
|---|----------------------|----------------------|
| | ₹ | ₹ |
| (a) Current maturities of long term borrowings (refer note-5) | - | 1,657,793,825 |
| (b) Other payables | | |
| (i) Statutory dues (TDS and Service tax) | 17,230,172 | 3,572,304 |
| (ii) Advances from customers | 1,903,713,249 | 1,887,784,895 |
| (iii) Interest accrued and due on inter-corporate deposits (refer note - 27 (a)) | | |
| - Related parties (refer note-21) | 128,330,936 | 3,370,569 |
| - Others | 1,542,356 | 86,383,075 |
| (iv) Others | 2,768,685 | 881,285 |
| (c) Earnest Money Deposit | 250,000,000 | - |
| (d) Interest accrued on term loan | - | 62,491,035 |
| Total | 2,303,585,398 | 3,702,276,988 |

Note 9b Short-term provisions

| Particulars | As at 31 March, 2016 | As at 31 March, 2015 |
|--|----------------------|----------------------|
| | ₹ | ₹ |
| Provision of penalty for delay in granting of possession to the customers (refer note below) | 88,718,520 | - |
| Total | 88,718,520 | - |

Note: The above provision pertains to a reasonable estimate of compensation to the customers for delay in construction of the project, which will be adjusted against future payments to be made by the customers.

Note 10 Non-current investments

| Particulars | As at 31 March, 2016 | As at 31 March, 2015 |
|---|----------------------|----------------------|
| | Unquoted ₹ | Unquoted ₹ |
| Investments (Unquoted, At costs)* | | |
| <u>Investment in equity instruments of wholly owned subsidiaries</u> | | |
| 10,000 (Previous year 10,000) Equity shares of ₹ 10 each fully paid up in Samarjit Land Development Private Limited | - | 100,000 |
| Less - Provision for diminution in the value of investment** | - | (100,000) |
| (A) | - | - |
| <u>Investment in equity instruments*** #</u> | | |
| 10,000 (Previous year 10,000) Equity shares of ₹ 10 each fully paid up in Bhargava Properties Private Limited | 100,000 | 100,000 |
| (B) | 100,000 | 100,000 |
| Total | 100,000 | 100,000 |

* Aggregate amount of unquoted investment ₹ 100,000 (PY ₹ 100,000)

**on 21 August, 2015, Vide notice under section 560(5) of Companies Act, 1956 the name of the Samarjit Land Development Private Limited has been struck off from the register of members maintained by registrar of companies.

***9,999 equity shares of Rs.10/- each of Bhargava Properties Private Limited held by the Company have been pledged with ECL Finance Limited to secure the loan of ₹ 30,00,00,000 availed by Essar Properties Limited in June, 2014.

Bhargava Properties Private Limited was a subsidiary of the company till 30 December, 2015, pursuant to further issue of shares by Bhargava Properties Private Limited to Shining Star Private Limited, Shining Star Private Limited has become the holding company of Bhargava Properties Private Limited.

Note 11 Long-term loans and advances

| Particulars | As at 31 March, 2016 | As at 31 March, 2015 |
|---|----------------------|----------------------|
| | ₹ | ₹ |
| Unsecured, considered good | | |
| (a) Advances to suppliers of goods and services | - | 24,682,071 |
| (b) Advance tax and TDS receivable | 18,950,068 | 14,295,600 |
| (c) Inter-corporate deposits to related parties (refer note -21)* | - | 124,930 |
| (d) Prepaid subvention interest | - | 8,142,118 |
| Total | 18,950,068 | 47,244,719 |

*Interest charged at the rate of 14% p.a (PY 14% p.a)



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IBROX REAL ESTATE DEVELOPMENT PRIVATE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 12 Inventories

| Particulars | | As at 31 March, 2016 | As at 31 March, 2015 |
|---|-----------------|----------------------|----------------------|
| | | ₹ | ₹ |
| Material at Site | (A) | 11,371,797 | - |
| Work in Progress (Lower of cost and net realisable value) | | | |
| At the beginning of the year | (B) | 4,596,743,270 | 3,868,396,316 |
| Cost incurred during the year | | | |
| (i) Construction expenses (refer note -17) | | 106,028,080 | 431,642,789 |
| (ii) Finance costs (refer note-18) | | 256,790,090 | 296,704,165 |
| Changes in inventories of work-in-progress | (C) | 362,818,170 | 728,346,954 |
| At the end of the year (Refer note no.i below) | Total (B+C) | 4,959,561,440 | 4,596,743,270 |
| At the end of the year (Refer note no.i below) | Total (A+B+C) | 4,970,933,237 | 4,596,743,270 |

Notes:

(i). Considering suspension in the active development of the project during the month of February 2016 and March 2016, no finance costs has been inventorised during the said period.

(ii). Inventory is secured against the term loan from a financial institution. (refer Note 5(ii) - Long term borrowings for further details)

Note 13 Cash and cash equivalents

| Particulars | | As at 31 March, 2016 | As at 31 March, 2015 |
|---|--|----------------------|----------------------|
| | | ₹ | ₹ |
| (a) Cash in hand | | 96,506 | 104,506 |
| (b) Balances with banks in current accounts | | 335,440 | 1,354,685 |
| Total | | 431,946 | 1,459,191 |

Note 14 Short-term loans and advances

| Particulars | | As at 31 March, 2016 | As at 31 March, 2015 |
|---|--|----------------------|----------------------|
| | | ₹ | ₹ |
| Unsecured, considered good | | | |
| (a) Security deposits | | 455,346 | 435,346 |
| (b) Balances with Government authorities | | | |
| - VAT Receivable | | - | 5,625,702 |
| - Service Tax credit receivable | | 31,662,583 | 19,634,081 |
| (c) Advances to suppliers for goods and services & other advances | | 73,541,884 | 291,510,215 |
| (d) Prepaid subvention interest | | 8,142,119 | 12,986,679 |
| Total | | 113,801,932 | 330,192,023 |

Note 15 Other current assets

| Particulars | | As at 31 March, 2016 | As at 31 March, 2015 |
|--|--|----------------------|----------------------|
| | | ₹ | ₹ |
| Accruals | | | |
| Interest accrued on inter-corporate deposits to a related party (refer note- 21)* | | - | 470,514 |
| Total | | - | 470,514 |

*Amount due from Equinox Realty & Infrastructure Private Limited (with common director) Nil (Previous Year Rs. 470,515)

Note 16 Other income

| Particulars | | For the year ended 31 March, 2016 | For the year ended 31 March, 2015 |
|---|--|-----------------------------------|-----------------------------------|
| | | ₹ | ₹ |
| Interest income (refer Note (i) below) | | 148,989 | 35,886 |
| Sundry balances written back | | 4,446,861 | - |
| Provision for doubtful inter corporate deposit written back | | - | 700,000 |
| Total | | 4,595,850 | 735,886 |
| Note (i) | | | |
| Interest income: | | | |
| from inter-corporate deposits | | 148,989 | 35,886 |
| Total | | 148,989 | 35,886 |

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IBROX REAL ESTATE DEVELOPMENT PRIVATE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 17 Construction expenses

| Particulars | For the year ended 31 March, 2016 | For the year ended 31 March, 2015 |
|-----------------------------|--------------------------------------|--------------------------------------|
| | ₹ | ₹ |
| Materials consumed | 2,368,002 | 8,983,018 |
| Project Management fee | 27,200,000 | 43,300,000 |
| Contract and labour charges | 54,245,718 | 354,228,369 |
| Legal and professional fees | 15,808,511 | 15,435,069 |
| Other expenses | 6,405,849 | 9,696,333 |
| Total | 106,028,080 | 431,642,789 |

Note 18 Finance costs

| Particulars | For the year ended 31 March, 2016 | For the year ended 31 March, 2015 |
|---|--------------------------------------|--------------------------------------|
| | ₹ | ₹ |
| (a) Interest expense on: | | |
| (i) Borrowings | 259,049,889 | 257,675,863 |
| (ii) Inter corporate deposits | | |
| - Related parties (refer note- 21) | 20,196,663 | 3,370,569 |
| - Others | 29,160,430 | 35,657,733 |
| (iii) Others - interest on delayed payment of taxes | 27,106,253 | 5,807,744 |
| (b) Subvention Interest | 12,986,679 | 6,514,459 |
| Total | 348,499,914 | 309,026,368 |
| Note | | |
| Finance costs added to inventory | 256,790,090 | 296,704,165 |
| Finance costs not added to inventory (Refer Note 12(i) - Inventories) | 91,709,824 | 12,322,203 |

Note 19 Other expenses

| Particulars | For the year ended 31 March, 2016 | For the year ended 31 March, 2015 |
|--|--------------------------------------|--------------------------------------|
| | ₹ | ₹ |
| Rates and taxes | 396,039 | 352,914 |
| Travelling and conveyance | 687,521 | 1,108,808 |
| Printing and stationery | 91,484 | 112,194 |
| Business promotion | 1,498,000 | 17,092,873 |
| Legal and professional fees | 518,000 | 825,250 |
| Auditors' remuneration (refer note below) | 1,350,000 | 609,647 |
| Stamp papers / franking & registration charges | - | 210,677 |
| Miscellaneous expenses | 125,937 | 432,485 |
| Sundry balances written off | 4,538,974 | - |
| Penalty for delay in granting of possession to the customers | 88,718,520 | - |
| Penalty levied by contractor | 158,700,100 | - |
| Brokerage on sale of flats | - | 6,570,452 |
| Total | 256,624,575 | 27,315,300 |
| Note | | |
| Payments to the auditors comprises of the following: | | |
| As auditors - statutory audit (excluding service tax) | 1,350,000 | 600,000 |
| Reimbursement of expenses | - | 9,647 |
| Total | 1,350,000 | 609,647 |

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IBROX REAL ESTATE DEVELOPMENT PRIVATE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 20 Earnings per share:

| Particulars | For the year ended 31 March, 2016 | For the year ended 31 March, 2015 |
|---|-----------------------------------|-----------------------------------|
| | ₹ | ₹ |
| Loss for the year attributable to the equity shareholders (₹) | (A) (343,738,549) | (38,901,617) |
| Add: Effect of Compulsorily Convertible debentures (refer note (i) & (ii)) | - | - |
| Loss for the year attributable to the equity shareholders (on dilution) (₹) | (B) (343,738,549) | (38,901,617) |
| Weighted average number of equity shares for Basic EPS (nos) | (C) 1,013,475 | 1,013,475 |
| Add: Effect of Compulsorily Convertible debentures (nos) | 31,571,908 | 31,571,908 |
| Weighted average number of equity shares - for diluted EPS (nos) | (D) 32,585,383 | 32,585,383 |
| Face value per share (₹) | 10/- | 10/- |
| Basic earnings per share (₹) | (A/C) (339.17) | (38.38) |
| Diluted earnings per share (₹) (refer note (ii) & (iii)) | (B/C) (339.17) | (38.38) |

i) The effect of potential equity shares is anti-dilutive hence not considered.

ii) The effect of Compulsorily Convertible Debentures and OCD is nil as no interest is accrued to the debenture holders.

ii) Series B & C Optionally Convertible Debentures will be converted into equity shares at mutually agreed value per share at the time of conversion. Hence, effect of the same has not been considered for the purpose of computation of diluted Earnings Per Share.

Note 21 Related party transactions

| | |
|---|---|
| a) Details of related parties: | |
| Description of relationship | Name of the Related Party |
| Ultimate holding Company | Essar Global Fund Limited, Cayman Islands (till 1 March, 2016) (formerly known as Essar Global Limited) Phoenix Trust (from 2 March, 2016) |
| Intermediate holding Company | Equinox Capital Limited, Mauritius (till 1 March, 2016) Imperial Consultants and Securities Private Limited (from 2 March, 2016) Imperial Procurement Services Private Limited (from 2 March, 2016) |
| Immediate Holding Company | Equinox Realty Holdings Limited, Mauritius (till 1 March, 2016) Kirti Realities and Farms Private Limited along with Nominees (from 2 March, 2016) |
| Subsidiaries | Tradition Construction Private Limited (Liquidated) Bhargava Properties Private Limited (till 31 December, 2015) Samarjit Land Development Private Limited (liquidated on 21 August, 2015) |
| Fellow subsidiaries with whom there are transactions | Equinox Parks Limited, Cyprus (till 1 March, 2016) Equinox Business Parks Private Limited (till 1 March, 2016) Equinox Realty & Infrastructure Private Limited (till 1 March, 2016) Wellman Hindustan Private Limited (from 2 March, 2016) |
| Other related parties (under common control) with whom there are transactions | AGC Networks Limited (till 1 March, 2016) Aegis Limited (till 1 March, 2016) Sangam Cultivators Private Limited (from 2 March, 2016) Girishan Traders Private Limited (from 2 March, 2016) Sinter Keramos & Compositors Private Limited (from 2 March, 2016) Essar Properties Gujarat Private Limited (from 2 March, 2016) Essar Properties Private Limited (from 2 March, 2016) Edwell Park Properties Private Limited (from 2 March, 2016) |

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IBROX REAL ESTATE DEVELOPMENT PRIVATE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Details of related party transactions during the year ended 31 March, 2016 and balances outstanding as at 31 March, 2016:

| b) Details of related party transactions during the year | Holding Companies | Subsidiaries | Fellow Subsidiaries | Other related parties | Total |
|---|--------------------------|---------------------|----------------------------|------------------------------|------------------------------|
| Receipt of services | - (-) | - (-) | 27,200,000 (20,800,000) | - - | 27,200,000 (20,800,000) |
| Interest income | - (-) | 105,116 (35,886) | - (-) | - (-) | 105,116 (35,886) |
| Interest expense | 1,066,551 (-) | - (-) | 5,298,629 (3,370,569) | 13,831,483 (-) | 20,196,663 (3,370,569) |
| Inter-corporate deposits given | - (-) | 2,124,000 - | - (-) | - (-) | 2,124,000 (-) |
| Inter-corporate deposit received back | - (-) | - (700,000) | - - | - (-) | - (700,000) |
| Inter-corporate deposit taken | 2,170,000 (-) | - (-) | 25,833,592 (-) | 2,000,000 (-) | 30,003,592 (-) |
| Inter-corporate deposit repaid | - (-) | - (-) | 16,200,000 (8,156,071) | 10,700,000 (-) | 26,900,000 (8,156,071) |
| Expense paid by others on our behalf | 470,000 (-) | - (-) | 3,831,092 (23,973,395) | - (-) | 4,301,092 (23,973,395) |
| Optionally Convertible Debentures | 1,713,000,000 (-) | - (-) | - (-) | - (-) | 1,713,000,000 - |
| Expense paid by us on others behalf | - (-) | - (2,500) | - (15,000) | - (-) | - (17,500) |
| c) Outstanding at the end of the year : | | | | | |
| Advances to creditors | - (-) | - (2,500) | - (27,728,000) | - (-) | - (27,730,500) |
| Trade payables | 50,000 (-) | - (-) | - (352,139) | - (177,573) | 50,000 (529,712) |
| Interest accrued on inter-corporate deposit given | - (-) | - (-) | - (470,514) | - (-) | - (470,514) |
| Interest payable on inter-corporate deposit | 79,177,071 (-) | - (-) | 12,146,087 (3,370,569) | 37,007,778 (-) | 128,330,936 (3,370,569) |
| Inter corporate deposits receivable (refer note 25 (b)) | - (-) | - (124,930) | - (-) | - (-) | - (124,930) |
| Inter corporate deposits payable | 94,170,000 (-) | - (-) | 77,168,382 (17,994,209) | 67,051,739 (-) | 238,390,121 (17,994,209) |
| Optionally Convertible Debentures | 1,713,000,000 (-) | - (-) | - - | - (-) | 1,713,000,000 (-) |
| Compulsorily Convertible Debentures | 789,297,700 (-) | - (-) | - (789,297,700) | - (-) | 789,297,700 (789,297,700) |

Note: Figures in bracket relate to the previous year

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IBROX REAL ESTATE DEVELOPMENT PRIVATE LIMITED
NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 22 Contractual commitments (to the extent not provided for)

| Particulars | As at 31 March, 2016 | As at 31 March, 2015 |
|---|----------------------|----------------------|
| | ₹ | ₹ |
| Estimated amount of contracts remaining to be executed (refer note below) | - | 2,527,035,294 |
| Total | - | 2,527,035,294 |

Note : Considering the transfer of 100% shareholding of the Company to SNN Builders Private Limited (SNN) (Refer Note 30 for further details), all the agreements with the existing vendors have either been terminated or provided for in the books of accounts for the balance commitment, if any.

Note 23 Disclosure regarding the Real estate project undertaken

| Particulars | As at 31 March, 2016 | As at 31 March, 2015 |
|--|----------------------|----------------------|
| | ₹ | ₹ |
| Project revenue recognised | Nil | Nil |
| Method used to project revenue recognition | Refer Note 2.6 (A) | Refer Note 2.6 (A) |
| Method used for stage of project completion | Refer Note 2.6 (A) | Refer Note 2.6 (A) |
| Aggregate amount of costs incurred (during the year) | 362,818,170 | 728,346,954 |
| Profit recognised | Nil | Nil |
| Loss recognised | Nil | Nil |
| Advances received from customers | 1,903,713,249 | 1,887,784,895 |
| Amount of work-in-progress | 4,959,561,440 | 4,596,743,270 |
| Unbilled revenue | Nil | Nil |

Note 24 Expenditure in foreign currency

| Particulars | As at 31 March, 2016 | As at 31 March, 2015 |
|---------------------------|----------------------|----------------------|
| | ₹ | ₹ |
| Legal & professional fees | 5,613,280 | 4,399,947 |
| Total | 5,613,280 | 4,399,947 |

Note 25 The year end foreign currency exposures that have not been hedged by a derivative instrument or otherwise are given below:

| Particulars | As at 31 March, 2016 | | As at 31 March, 2015 | |
|---------------|----------------------|----------------|----------------------|---------------|
| | ₹ | SGD | ₹ | SGD |
| Trade payable | 9,157,583 | 186,340 | 4,234,686 | 93,160 |
| Total | 9,157,583 | 186,340 | 4,234,686 | 93,160 |

Note 26

Contingent liability

i) For the financial year 2010-11 (A.Y. 2011-12), Company filed return of income declaring Nil income. Subsequently, the Company's case was selected for scrutiny under section 143 (2) and 142 (1) of the Income Tax Act, 1961 under which the assessing officer (AO) disallowed an interest expense of Rs. 24,696,552 and assessed the income at Rs. 9,478,990 as against Nil income declared by the Company thereby raising a tax demand of Rs. 3,124,805. While computing the income an interest income of 10,038,532 was added in the total income which should have been adjusted against the above interest expense in accordance with section 57 (iii). resulting in Nil income. The Company is contesting the demand and has filed an appeal before CIT (Appeals) along with an application for stay of demand of Rs. 3,124,805 along with payment of tax to the extent of Rs 470,000 towards the tax demand.

ii) For the financial year 2011-12 (A.Y. 2012-13), Company filed return of income declaring a total loss of Rs 1,117,552. Subsequently, the Company's case was selected for scrutiny under section 143 (2) and 142 (1) of the Income Tax Act, 1961 for the financial year 2011-12 (AY 2012-13). After rectification of apparent errors in the assessment order, the income was assessed at Rs. 103,047,099 showing a tax demand of Rs. 45,448,543 majorly pertaining to the tax liability under section 46(2) of the Income Tax Act, 1961 at the time of liquidation of Tradition Construction Private Limited. Management believes that order is not tenable and therefore an appeal has been filed before CIT (Appeals) along with an application for stay of demand of Rs. 45,448,543 along with payment of Rs. 6,817,281 towards the tax demand.

iii) For the financial year 2012-13 (A.Y. 2013-14), Company filed return of income declaring a total loss of Rs. 73,399,058. Subsequently, the Company's case was selected for scrutiny under section 143 (2) of the Income Tax Act, 1961. After scrutiny, the income of the Company was assessed at a loss of Rs. 33,933,720, disallowing a total loss of Rs. 39,465,338 relating to interest expenses and donation. Aggrieved by this, an appeal has been filed before CIT (Appeals).

Management believes that the above mentioned claims are not tenable and hence no provision is required for the same. All three appeals are pending with the CIT (Appeals).

Note 27 Subsequent events :

Kirti Realities & Farms Private Limited (KRFPL), the holding Company has entered into an agreement with SNN Builders Private Limited (SNN) on 31 March, 2016 which was further modified by an amendment agreement with SNN on May 30, 2016 for the sale of the Company on a going concern basis for a total consideration of Rs 298.39 crores. Owing to this agreement following list of events have occurred subsequent to the balance sheet date:-

a. The Company has issued additional Series B OCDs of Rs. 488,146,600 for 300 days carrying interest rate of 12% p.a. payable quarterly on the outstanding face value of Rs 100 each to various group companies on 7 April, 2016 which were subsequently transferred to KRFPL on 19 April, 2016. The Inter-corporate deposits and interest accrued thereon have been settled post the issue of such additional Series B OCDs.

b. The terms of 7,892,977 CCDs amounting to Rs. 789,297,700 were modified mutually between KRFPL and the Company to Series A OCDs on 9 May, 2016 for 300 days carrying interest rate of 12% pa payable quarterly on the outstanding face value of Rs 100 each.

c. SNN has acquired all Equity shares and securities held by KRFPL (ie 7,892,977 Series A OCD, 1,013,475 Equity Shares, additional 4,881,466 Series B OCD, existing 530,000 Series B OCD and existing 16,600,000 Series C OCD) for an amount of Rs 175.38 crores.

d. SNN has further infused Rs 64.61 crores for settlement of liabilities of the Company as part of total consideration in lieu of this infusion the Company has issued 6,461,966 series D OCDs for 300 days carrying interest rate of 12% p.a. payable quarterly on the outstanding face value of Rs 100 each.

e. SNN will pay KRFPL a further consideration of Rs 58.39 crores less adjustments as per the terms of the agreement, if any, towards the balance consideration in 5 installments for purchase of above said equity shares and securities.

f. Owing to change of developer from Ibrox Real Estate Development Private Limited (Ibrox) to SNN Builders Private Limited (SNN), the Ibrox Management jointly with SNN is carrying out discussions with the customers to facilitate handover of the project, extension of time period for completion of the project, payment of additional compensation for expected delay in granting of possession and change in the name of the project. Out of 112 customers, revised agreements have been entered with 46 customers representing Rs.765,811,426 of advances received towards sale of flats. Considering the ongoing discussions and terms of the novated arrangement entered with the customers, Management believes that there will be no other material claims apart from the provision of Rs. 88,718,520 in Note 9b representing compensation for expected delay in handing over of possession.



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IBROX REAL ESTATE DEVELOPMENT PRIVATE LIMITED

NOTES FORMING PART OF THE FINANCIAL STATEMENTS

Note 28

The non-cash items are as under :

- a) During the current year, advance received of Nil (Previous Year Rs. 22,051,430) from customers has been deducted towards subvention interest.
- b) During the current year, interest accrued of Nil (Previous year Rs. 15,341) from Bhargava Properties Private Limited has been converted into Inter corporate
- c) Kirti Realities & Farms Private Limited (KRFPL) paid dues towards loan and interest to HDFC Limited on behalf of the Company to the extent of Rs 1,713,000,000 and the Company has issued Series B and Series C Optionally convertible debentures against the same to Kirti Realities & Farms Private Limited (KRFPL)
- d) SNN Builders Private Limited (SNN) has paid off the interest due on our behalf to HDFC Limited against the refundable earnest money deposit to be received from SNN pursuant to the agreement dated March 31, 2016 amounting to Rs 150,000,000.

Note 29

The Company operates within single business segment which constitutes real estate development. The Company operates only in India and hence there is no other geographical segment. Hence no separate disclosure of segment information as per Accounting Standard-17 has been made.

Note 30

The Company has not received any intimation from "suppliers" regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 and hence, disclosures, if any, relating to amounts unpaid as at the end of the period, together with interest paid/ payable as required under the said Act have not been given. The above mentioned "suppliers" have been determined on the basis of the information available with the Company. This has been relied upon by the Auditors.

Note 31

As per transfer pricing rules prescribed under Income Tax Act, 1961, the Company has assessed the domestic and international transactions and documentation in respect thereof to ensure the compliance with the said rules. The management does not anticipate any material adjustment with regard to the transactions involved.

Note 32

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

Ramesh Chand Agarwal

Ramesh Chand Agarwal
Director
DIN: 00016256

Nitin Agarwal

Nitin Agarwal
Director
DIN: 00010929

Place : Bengaluru
Date : 4th July 2016



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