

S.R. BATLIBOI & Co. LLP

Chartered Accountants

14th Floor, The Ruby
29 Senapati Bapat Marg
Dadar (West)
Mumbai-400 028, India
Tel : +91 22 6192 0000
Fax : +91 22 6192 1000

INDEPENDENT AUDITOR'S REPORT

To the Members of West Pioneer Properties (India) Private Limited

Report on the Financial Statements

We have audited the accompanying financial statements of West Pioneer Properties (India) Private Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards notified under the Companies Act, 1956, read with General Circular 8/2014 dated 4 April 2014 issued by the Ministry of Corporate Affairs. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

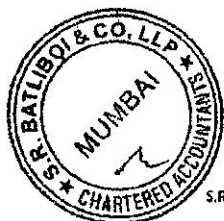
Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and 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 statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

Basis for qualified opinion

We report that revenue is recognized on construction work executed on commercial plaza without any signed agreements/contracts with the customers. This is not in accordance with Guidance note issued on Accounting for Real Estate Transactions (revised 2012), issued by the Institute of Chartered Accountants of India. Consequently Sales-Property Development income is overstated by Rs.46,01,021 and Cost of Construction of properties is overstated by Rs 83,20,952 and Due to Customers is overstated by Rs.1,41,19,275 and loss for the year is overstated by Rs. 37,19,931 and Reserves and Surplus is overstated by Rs.2,28,83,620 and Construction work in progress are understated by Rs.4,80,61,308. Our audit opinion on the financial statements for the previous year was also qualified in respect of the above matter.



S.R. BATLIBOI & CO. LLP

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Qualified opinion

In our opinion and to the best of our information and according to the explanations given to us, *except for the effects of the matter described in the Basis for Qualified Opinion paragraph*, the financial statements give the information required by the Companies Act, 1956 ("the Act") in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2014;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

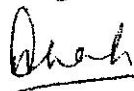
Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
 - (a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - (c) The Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement comply with the Accounting Standards notified under the Companies Act, 1956, read with General Circular 8/2014 dated 4 April 2014 issued by the Ministry of Corporate Affairs;
 - (e) On the basis of written representations received from the directors as on March 31, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E



per Hemal Shah

Partner

Membership Number: 42650

Place of Signature: Mumbai

Date: 30 May 2014



S.R. BATLIBOI & CO. LLP

Chartered Accountants

Annexure referred to in paragraph 1 under the heading "Report on other legal and regulatory requirements" of our report of even date

Re: West Pioneer Properties (India) Private Limited

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) Fixed assets have been physically verified by the management during the year and no material discrepancies were identified on such verification.
- (c) There was no disposal of a substantial part of fixed assets during the year.
- (ii) (a) The management has conducted physical verification of inventory at reasonable intervals during the year.
- (b) The procedures of physical verification of inventory followed by the management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (c) The Company is maintaining proper records of inventory and no material discrepancies were noticed on physical verification.
- (iii) (a) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4 (iii)(a) to (d) of the Order are not applicable to the Company and hence not commented upon.
- (e) According to the information and explanations given to us, the Company has not taken loans, secured or unsecured from companies, firms or other parties covered in the register maintained under section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4 (iii)(e) to (g) of the Order are not applicable to the Company and hence not commented upon.
- (iv) In our opinion and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business, for the purchase of inventory and fixed assets and for rendering of services. The activities of the Company do not involve sale of goods. During the course of our audit, we have not observed any major weakness or continuing failure to correct any major weakness in the internal control system of the Company in respect of these areas
- (v) (a) In our opinion, there are no contracts or arrangements that need to be entered in the register maintained under Section 301 of the Companies Act, 1956. Accordingly, the provisions of clause 4(v)(b) of the Order is not applicable to the Company and hence not commented upon.

The Company has not accepted any deposits from the public.



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- (vii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (viii) We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956, related to the processing activities which includes construction of residential property, and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the same
- (ix) (a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education and protection fund, income-tax, sales-tax, wealth-tax, service tax, customs duty, excise duty, cess and other material statutory dues applicable to it. The provisions relating to investor education and protection fund, employees' state insurance, sales-tax, wealth-tax, customs duty and excise duty are not applicable to the Company.
- (b) According to the information and explanations given to us, no undisputed amounts payable in respect of provident fund, investor education and protection fund, employees' state insurance, income-tax, wealth-tax, service tax, sales-tax, customs duty, excise duty cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- (c) According to the information and explanations given to us, there are no dues of income tax, sales-tax, wealth tax, customs duty, excise duty and cess which have not been deposited on account of any dispute. However, according to the records of the Company, the dues outstanding of service tax on account of any dispute are as follows:

Name of the Statute	Nature of dues	Amount (Rs.)	Period to which the amount relates	Forum where dispute is pending
Service Tax Act	Tax	Rs.1,58,50,807	FY 2007-08 to FY 2011 upto September 11	Supreme Court

(Also See Note 34 of financial statement)

- (x) The Company's accumulated losses at the end of the financial year are less than fifty percent of its net worth. The Company has not incurred cash loss during the year. *In the immediately preceding financial year, the Company had incurred cash loss.*
- (xi) Based on our audit procedures and as per the information and explanations given by the management, we are of the opinion that the Company has not defaulted in repayment of dues to bank. The Company did not have any outstanding dues in respect of a financial institution or debentures during the year.



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- (xii) According to the information and explanations given to us and based on the documents and records produced before us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion, the Company is not a chit fund or a nidhi / mutual benefit fund / society. Therefore, the provisions of clause 4 (xiii) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xiv) In our opinion, the Company is not dealing in or trading in shares, securities, debentures and other investments. Accordingly, the provisions of clause 4 (xiv) of the Companies (Auditor's Report) Order, 2003 (as amended) are not applicable to the Company.
- (xv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from bank or financial institutions.
- (xvi) Based on the information and explanations given to us by the management, term loans were applied for the purpose for which the loans were obtained.
- (xvii) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment
- (xviii) The Company has not made any preferential allotment of shares to parties or companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company did not have any outstanding debentures during the year.
- (xx) The Company has not raised any money by public issue during the year.
- (xxi) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For S.R. Batliboi & CO. LLP

Chartered Accountants

ICAI Firm Registration Number: 301003E



per Hemal Shah

Partner

Membership Number: 42650

Place of Signature: Mumbai

Date: 30 May 2014



West Pioneer Properties (India) Private Limited
Balance Sheet as at March 31, 2014

	Notes	March 31, 2014 (Rupees)	March 31, 2013 (Rupees)
Equity and liabilities			
Shareholders' funds			
Share capital	3	26,55,73,260	26,54,38,210
Reserves and Surplus	4	89,32,78,818	1,22,89,78,472
		<u>1,15,88,52,078</u>	<u>1,49,44,16,682</u>
Non-current liabilities			
Long-term borrowings	5	72,45,27,857	61,29,29,120
Other long-term liabilities	7	6,02,93,738	4,97,44,619
Long-term provisions	8	13,61,617	12,11,896
		<u>78,61,83,212</u>	<u>66,38,85,635</u>
Current liabilities			
Short-term borrowings	9	4,73,00,000	-
Trade payables	10	4,71,82,062	6,56,31,772
Other current liabilities	10	60,03,81,899	50,11,71,975
Short-term provisions	8	27,177	22,379
		<u>69,48,91,138</u>	<u>56,68,26,126</u>
TOTAL		<u>2,63,99,26,428</u>	<u>2,72,51,28,443</u>
Assets			
Non-current assets			
Fixed assets			
Tangible assets	11	1,04,35,54,916	1,00,06,20,891
Intangible assets	12	44,750	83,707
Capital work-in-progress	31	9,58,65,977	9,65,23,033
Non-current investments	13	-	33,45,00,000
Deferred tax assets (net)	6	-	-
Loans and advances	14	3,68,54,702	3,01,23,412
Other non-current assets	16	1,86,29,218	1,54,08,686
		<u>1,19,49,49,563</u>	<u>1,47,72,59,729</u>
Current assets			
Inventories	17	1,21,01,42,627	97,02,21,191
Trade receivables	15	12,27,41,154	12,61,49,921
Current Investments	18	3,34,50,000	-
Cash and bank balances	19	2,49,94,854	3,29,24,696
Loans and advances	14	4,26,78,997	11,36,10,181
Other current assets	16	1,09,69,233	49,62,725
		<u>1,44,49,76,865</u>	<u>1,24,78,68,714</u>
TOTAL		<u>2,63,99,26,428</u>	<u>2,72,51,28,443</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 S.R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No.: 301003E

per Hemal Shah
Partner
Membership No.: 42650
Place: Mumbai
Date : 30th May 2014



For and on behalf of the Board of Directors
West Pioneer Properties (India) Private Limited

Sanjay Soni
Director

Place : Mumbai
Date : 30th May 2014

Shatadru Sengupta
Director



West Pioneer Properties (India) Private Limited
Statement of profit and Loss for the year ended March 31, 2014

	Notes	March 31, 2014 (Rupees)	March 31, 2013 (Rupees)
Income			
Revenue from operations	20	48,24,43,315	53,94,21,074
Other income	21	88,23,531	51,04,743
Total revenue (I)		49,12,66,846	54,45,25,817
Expenses			
Cost of construction of properties	22	19,54,21,928	34,73,67,564
Employee benefits expense	23	4,79,47,919	4,50,93,338
Other expenses	24	17,63,07,683	16,62,16,517
Total (II)		41,96,77,530	55,86,77,419
Earnings before interest, tax, depreciation and amortization (EBITDA) (I) - (II)		7,15,89,316	(1,41,51,602)
Depreciation and amortization expense	25	4,64,72,885	3,98,79,617
Finance costs	26	5,97,66,085	5,90,41,445
(Loss) before extra ordinary item & tax		(3,46,49,654)	(11,30,72,664)
Exceptional item (Refer note 18)		30,10,50,000	-
(Loss) before tax		(33,56,99,654)	(11,30,72,664)
Tax expenses			
Current tax		-	-
Deferred tax (credit)		-	-
Total tax expense		-	-
(Loss) for the year from operations		(33,56,99,654)	(11,30,72,664)
Earnings per equity share[nominal value of share Rs.10 (31 March 13: Rs.10)]	27		
Basic		(81.07)	(31.16)
Diluted		(81.07)	(31.16)

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 S.R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No.: 301003E

per Hemal Shah
Partner
Membership No.: 42650
Place: Mumbai
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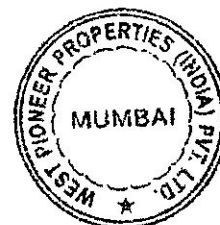


For and on behalf of the Board of Directors
West Pioneer Properties (India) Private Limited

Sanjay Soni
Director

Shatadru Sengupta
Director

Place : Mumbai
Date : 30th May 2014



West Pioneer Properties (India) Private Limited
Cash flow statement for the year ended March 31, 2014

	March 31, 2014 Rs.	March 31, 2013 Rs.
Cash flow from operating activities		
(Loss) before tax	(33,56,99,654)	(11,30,72,664)
<u>Non-cash adjustment to reconcile loss before tax to net cash flows</u>		
Depreciation/ amortization	4,64,72,885	3,98,79,617
Loss on sale of fixed assets	5,56,742	-
Loss on preference shares	30,10,50,000	-
Net loss/(gain) on sale of current investment	(83,742)	(5,757)
Provision for doubtful debt/bad debt write off	50,53,098	1,39,98,037
Write back of balances	(33,02,322)	(17,05,167)
Interest expense	5,97,66,085	5,90,41,445
Interest (income)	(19,87,549)	(2,21,314)
Dividend (income)	(8,67,382)	(10,48,728)
Operating profit before working capital changes	7,09,58,161	(31,34,531)
Movements in working capital :		
(Decrease) in trade payables	(1,84,49,710)	(73,89,079)
Increase in provisions	1,54,519	4,07,315
Increase in other current liabilities	3,13,27,928	11,81,65,386
Increase in other long-term liabilities	1,05,49,119	1,90,47,270
(Increase)/decrease in trade receivables	(1,36,50,001)	5,05,60,422
(Increase) in inventories	(18,40,31,297)	(9,09,66,359)
(Increase) in long-term loans and advances	(1,50,000)	(9,66,162)
Decrease/(increase) in short-term loans and advances	7,09,31,184	(7,99,15,112)
(Increase) in other current assets	(50,35,117)	(1,32,29,158)
Cash generated (used in) operations	(3,73,95,214)	(74,20,008)
Direct taxes paid (net of refunds)	54,24,380	82,89,139
Net cash flow (used in) operating activities (A)	(3,19,70,834)	8,69,131
Cash flows from investing activities		
Proceeds from sale of fixed assets	11,12,320	-
Purchase of fixed assets, including CWIP and capital advances	(7,63,46,879)	(9,41,20,009)
Purchase of current investments	(27,98,00,000)	(34,43,50,000)
Dividend received	8,67,384	10,48,724
Proceeds from sale/maturity of current investments	27,98,83,740	34,43,55,761
Bank deposit (having original maturity of more than three months)	(1,28,04,149)	(66,84,250)
Interest received	10,16,158	2,21,314
Net cash flow from investing activities (B)	(8,60,71,426)	(9,95,28,460)
Cash flows from financing activities		
Proceeds from issuance of preference share capital	1,35,050	-
Proceeds from long-term borrowings	26,02,00,000	46,82,13,864
Repayment of long-term borrowings	(7,92,19,986)	(1,14,93,795)
Proceeds from short-term borrowings	15,48,00,000	17,26,50,000
Repayment of short-term borrowings	(10,75,00,000)	(42,50,58,845)
Interest paid	(12,48,02,646)	(10,21,46,813)
Net cash flow from financing activities (C)	10,36,12,418	10,21,64,411
Net (decrease)/increase in cash and cash equivalents (A + B + C)	(1,44,29,842)	35,05,082
Cash and cash equivalents at the beginning of the year	3,19,24,696	2,84,19,614
Cash and cash equivalents at the end of the year	1,74,94,854	3,19,24,696
Components of cash and cash equivalents		
Cash on hand	2,15,734	41,974
With banks- on current account	1,72,79,120	3,18,82,722
With banks - in Bank deposit restricted(Refer Note 19)	2,04,88,399	76,84,250
Total cash and bank balance	3,79,83,253	3,96,08,946
Less: Fixed deposits not considered as cash equivalents	2,04,88,399	76,84,250
Cash and cash equivalents in cash flow statement	1,74,94,854	3,19,24,696

Summary of significant accounting policies (Refer Note 2)

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No.: 301003E

per Hemal Shah
Partner
Membership No.: 42650
Place: Mumbai
Date : 30th May 2014



For and on behalf of the Board of Directors
West Pioneer Properties (India) Private Limited

Sanjay Soni
Director

Shatadru Sengupta
Director

Place : Mumbai
Date : 30th May 2014



1 Corporate information

West Pioneer Properties (India) Private Limited is involved in construction and management of shopping malls, development and sale of residential property and intends to develop mixed use property in India.

2 Basis of Preparation

The financial statement of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Company has prepared these financial statement to comply in all material respects with the accounting standard notified under the Companies act 1956 read with General Circular 8/2014 dated 4th April 2014, issued by the Ministry of Corporate Affairs. The financial statement have been prepared on an accrual basis and under the historical cost convention.

2.1 Summary of significant accounting policies

(a) Presentation and disclosure of financial statement

Assets and liabilities have been classified as Current and Non Current as per the Company's normal operating cycle and other criteria setout in the Schedule VI of the Companies Act 1956. Based on the nature of activity carried out by the Company and the period between the procurement and realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of Current-Non Current classification of assets and liabilities.

(b) Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgments, estimates and assumptions that affect the reported amounts of revenue, expenses, assets and liabilities and the disclosure of contingent liabilities at the end of the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcomes requiring a material adjustment to the carrying amounts of assets or liabilities in future periods.

(c) Tangible fixed assets

Fixed assets are stated at cost less accumulated depreciation and impairment losses if any. Cost comprises the purchase price and any attributable cost of bringing the asset to its working condition for its intended use. Financing costs relating to construction of fixed assets are also included to the extent they relate to the period till such assets are ready to be put to use. Financing costs not relating to construction of fixed assets are charged to the statement of profit and loss.

Subsequent expenditure related to an item of fixed asset is added to its book value only if it increases the future benefits from the existing asset beyond its previously assessed standard of performance. All other expenses on existing fixed assets, including day-to-day repair and maintenance expenditure and cost of replacing parts, are charged to the statement of profit and loss for the period during which such expenses are incurred.

Gains or losses arising from derecognition of fixed assets are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

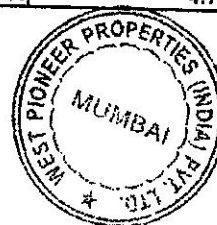
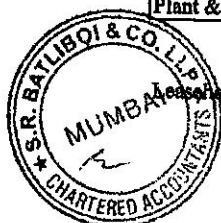
(d) Depreciation on tangible fixed assets

Depreciation is provided using the straight line method as per the useful lives of the assets estimated by the management, or at the rates prescribed under schedule XIV of the Companies Act, 1956 whichever is higher.

The Company has used the following rates to provide depreciation on its fixed assets

Asset type	Rates (SLM)	Schedule XIV Rates (SLM)
Office equipments	20%	4.75%
Computers (included in plant and machinery)	25%	16.21%
Furniture and fittings	20%	6.33%
Vehicles	20%	9.50%
Mall Fit outs	10.00%	6.33%
Mall Building	1.63%	1.63%
Plant & Machinery	4.75%	4.75%

Leasehold land is amortized on a straight line basis over the period of lease.



(e) **Intangible assets**

Intangible assets acquired separately are measured on initial recognition at cost. Following initial recognition, intangible assets are carried at cost less accumulated amortization and accumulated impairment losses, if any. Internally generated intangible assets, excluding capitalized development costs, are not capitalized and expenditure is reflected in the statement of profit and loss in the year in which the expenditure is incurred.

Intangible assets are amortized on a straight line basis over the estimated useful economic life. The company uses a rebuttable presumption that the useful life of an intangible asset will not exceed ten years from the date when the asset is available for use. If the persuasive evidence exists to the affect that useful life of an intangible asset exceeds ten years, the company amortizes the intangible asset over the best estimate of its useful life. Such intangible assets and intangible assets not yet available for use are tested for impairment annually, either individually or at the cash-generating unit level. All other intangible assets are assessed for impairment whenever there is an indication that the intangible asset may be impaired.

Gains or losses arising from derecognition of an intangible asset are measured as the difference between the net disposal proceeds and the carrying amount of the asset and are recognized in the statement of profit and loss when the asset is derecognized.

A summary of amortization policies applied to the company's intangible assets is as below:

	Rates (SLM)
Computer software	25%

(f) **Impairment of tangible and intangible assets**

The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. An impairment loss is recognized wherever the carrying amount of an asset exceeds its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value at the weighted average cost of capital.

After impairment, depreciation is provided on the revised carrying amount of the asset over its remaining useful life.

(g) **Leases**

Where the Company is the lessee

Leases where the lessor effectively retains substantially all the risks and benefits of ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the profit and loss account on a straight-line basis over the lease term.

Where the Company is the lessor

Leases in which the Company does not transfer substantially all the risks and benefits of ownership of the asset are classified as operating leases. Assets subject to operating leases are included in fixed assets. Lease income is recognised in the profit and loss account on a straight-line basis over the non-cancellable period of the lease term. Costs, including depreciation are recognised as an expense in the profit and loss account. Initial direct costs such as legal costs, brokerage costs, etc. are recognised immediately in the profit and loss account.

(h) **Investments**

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value determined on an individual investment basis. Long-term investments are carried at cost. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments.

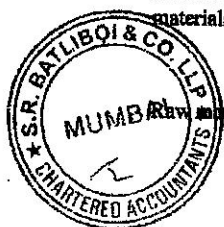
On disposal of an investment, the difference between its carrying amount and net disposal proceeds is charge or credited to the statement of profit and loss

(i) **Inventories**

Inventories comprise of cost of construction/development material are valued at lower of cost and net realisable value. Cost is determined on a FIFO basis.

Direct expenditure relating to development activities of properties under construction is inventorised. Indirect expenditure (including borrowing costs) during the construction period is inventorised to the extent the expenditure is directly related to construction. Other indirect expenditure (including borrowing costs) incurred during the period is not related to the construction activity is charged to the profit and loss account. Cost incurred/ items purchased specifically for projects are taken as consumed as and when incurred/ received. Inventories included construction work in progress. Construction work in progress is valued at cost, which comprised cost of land, materials, services and other overheads related to projects under construction.

Raw materials, components, stores and spares are valued at lower of cost and net realisable value. Cost is determined on a FIFO basis.



(j) **Revenue recognition**

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

Licence fees arising from operating leases is accounted for on a straight line basis over the non cancellable period of lease term. Straight Line lease rentals of Rs.51,44,202/- (P.Y.Rs.10,57,824/-) have been shown in property revenue but are unbilled receivables under other current assets and advances. Turnover based rents are recorded as income in the years in which they are earned. Common Area Maintenance recoveries from tenants are recognized as income in the year in which the applicable costs are accrued.

Revenue from properties under construction for eventual sale is recognised on the "percentage of completion method". Total sale consideration as per the duly executed, agreements to sell / application forms (containing salient terms of agreement to sell), is recognised as revenue based on the percentage of actual project costs incurred thereon to total estimated project cost. Estimated project cost includes cost of land/ development rights, borrowing costs, overheads, estimated construction and development cost of such properties. The estimates of the saleable area and costs are reviewed periodically and effect of any changes in such estimates is recognised in the period in which such changes are determined. However, when the total project cost is estimated to exceed total revenues from the project, loss is recognised immediately

All other revenues are recognized on an accrual basis.

Interest

Revenue is recognised on a time proportion basis taking into account the amount outstanding and the rate applicable. Interest income is included under the head 'other income' in the statement of profit and loss account.

Dividends

Revenue is recognised when the shareholders' right to receive payment is established by the balance sheet date.

(k) **Borrowing Costs**

Borrowing costs consist of interest and amortization of ancillary costs incurred in connection with the arrangement of borrowings.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalised as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur.

(l) **Foreign currency translation**

Foreign currency transactions

(i) Initial Recognition

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

(ii) Conversion

Foreign currency monetary items are reported using the closing rate. Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction; and non-monetary items which are carried at fair value or other similar valuation denominated in a foreign currency are reported using the exchange rates that existed when the values were determined.

(iii) Exchange Differences

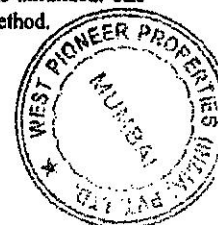
Exchange differences arising on the settlement of monetary items or on reporting company's monetary items at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognised as income or as expenses in the year in which they arise.

(m) **Retirement and other employee benefits**

Retirement benefit in the form of Provident Fund is a defined contribution scheme and the contributions are charged to the profit and loss Account of the year when the contributions to the respective funds are due. There are no other obligations other than the contribution payable to the respective funds.

Gratuity liability is a defined benefit plan towards retirement benefits, covering substantially all employees. The benefit is unfunded. The cost of providing benefits under the defined benefit plan is determined using the projected unit credit actuarial valuation method.

Actuarial gains / losses are immediately taken to profit and loss account and are not deferred.



(n) **Income taxes**

Tax expense comprises current and deferred tax. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Indian Income Tax Act. Deferred income taxes reflects the impact of current year timing differences between taxable income and accounting income for the year and reversal of timing differences of earlier years.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date. Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred tax assets and deferred tax liabilities relate to the taxes on income levied by same governing taxation laws. Deferred tax assets are recognized only to the extent that there is reasonable certainty that sufficient future taxable income will be available against which such deferred tax assets can be realized. In situations where the company has unabsorbed depreciation or carry forward tax losses, all deferred tax assets are recognised only if there is virtual certainty supported by convincing evidence that they can be realised against future taxable profits.

At each balance sheet date the Company re-assesses unrecognized deferred tax assets. It recognizes unrecognized deferred tax assets to the extent that it has become reasonably certain or virtually certain, as the case may be that sufficient future taxable income will be available against which such deferred tax assets can be realized.

The carrying amount of deferred tax assets are reviewed at each balance sheet date. The company writes-down the carrying amount of a deferred tax asset to the extent that it is no longer reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available against which deferred tax asset can be realized. Any such write-down is reversed to the extent that it becomes reasonably certain or virtually certain, as the case may be, that sufficient future taxable income will be available.

(o) **Expenditure on new projects and substantial expansion**

Expenditure directly relating to construction activity is capitalized. Indirect expenditure incurred during construction period is capitalized as part of the indirect construction cost to the extent to which the expenditure is indirectly related to construction or is incidental thereto. Other indirect expenditure (including borrowing costs) incurred during the construction period which is not related to the construction activity nor is incidental thereto is charged to the profit and loss account. Income earned during construction period is deducted from the total of the indirect expenditure.

All direct capital expenditure on expansion is capitalized. As regards indirect expenditure on expansion, only that portion is capitalized which represents the marginal increase in such expenditure involved as a result of capital expansion. Both direct and indirect expenditure are capitalized only if they increase the value of the asset beyond its original standard of performance.

(p) **Segmental reporting policies**

Identification of segments :

The Company's operating businesses are organized and managed separately according to the nature of products and services provided, with each segment representing a strategic business unit that offers different products and serves different markets. The analysis of geographical segments is based on the areas in which major operating divisions of the Company operate.

Inter segment Transfers :

The Company generally accounts for intersegment sales and transfers as if the sales or transfers were to third parties at current market prices.

Allocation of common costs :

Common allocable costs are allocated to each segment according to the relative contribution of each segment to the total common costs.

Unallocated items :

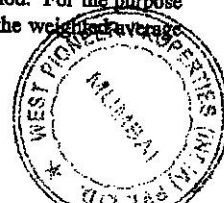
Includes general corporate income and expense items which are not allocated to any business segment.

Segment Policies :

The company prepares its segment information in conformity with the accounting policies adopted for preparing and presenting the financial statements of the company as a whole.

(q) **Earnings per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders after deducting preference dividend & attributable taxes by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.



West Pioneer Properties (India) Private Limited
Notes to financial statement for the year ended 31st March, 2014

(r) Provisions

A provision is recognised when an enterprise has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

(s) Cash and Bank equivalents.

Cash and cash equivalents for the purposes of cash flow statement comprise cash at bank and in hand and short-term investments with an original maturity of three months or less.

(t) Contingent Liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognized because it cannot be measured reliably. The company does not recognize a contingent liability but discloses its existence in the financial statements.

3 Share Capital

	31st March 2014 Rs.	31st March 2013 Rs.
Authorised shares		
44,55,476 (31 March 2013: 44,55,476) Equity Shares of Rs.10 each	4,45,54,760	4,45,54,760
2,20,88,345 (31 March 2013: 2,20,88,345) Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS) of Rs.10 each [carrying dividend at the rate of bank rate plus 2%, refer Note 3 (c)]	22,08,83,450	22,08,83,450
2,70,100 (31 March 2013: nil) Redeemable preference shares of Rs.10 each [carrying dividend at nil rate, refer Note 3 (d)]	27,01,000	-
36,96,079 (31 March 2013: 39,66,179) unclassified shares of Rs.10 each	3,69,60,790	3,96,61,790
Issued, subscribed and fully/partly paid-up shares		
4,455,476 (31 March 2013: 4,455,476) Equity Shares of Rs.10 each	4,45,54,760	4,45,54,760
22,088,345 (31 March 2013: 22,088,345) OCCRPS of Rs.10 each, [carrying dividend at the rate of bank rate plus 2%, refer Note 3 (c)]	22,08,83,450	22,08,83,450
2,70,100 (31 March 2013: nil) Redeemable Preference Shares of Rs.10 each, partly paid up @ Rs.0.50 per share, [carrying dividend at nil rate, refer Note 3 (d)]	1,35,050	-
Total issued, subscribed and fully/partly paid-up share capital	26,55,73,260	26,54,38,210

(a) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period

Equity shares

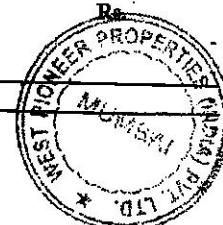
	31st March 2014		31st March 2013	
	No.	Rs.	No.	Rs.
At the beginning of the year	44,55,476	4,45,54,760	44,55,476	4,45,54,760
Issued during the year	-	-	-	-
Outstanding at the end of the year	44,55,476	4,45,54,760	44,55,476	4,45,54,760

Preference shares- OCCRPS

	31st March 2014		31st March 2013	
	No.	Rs.	No.	Rs.
At the beginning of the year	2,20,88,345	22,08,83,450	2,20,88,345	22,08,83,450
Issued during the year	-	-	-	-
Outstanding at the end of the year	2,20,88,345	22,08,83,450	2,20,88,345	22,08,83,450

Redeemable Preference shares

	31st March 2014		31st March 2013	
	No.	Rs.	No.	Rs.
At the beginning of the year	-	-	-	-
Issued during the year	2,70,100	1,35,050	-	-
Outstanding at the end of the year	2,70,100	1,35,050	-	-



(b) Terms/ rights attached to equity shares

The company has only one class of equity shares having par value of Rs.10 per share. Each holder of equity shares is entitled to one vote per share. The company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

During the year ended 31st March 2014, no dividend was paid to the equity shareholders (31st March 2013: Rs.Nil).

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 amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(c) Terms of conversion/ redemption of OCCRPS

The Company had issued 22,088,345 OCCRPS of Rs.10 each. As per the terms of the resolution, the Company shall declare and pay the dividends and all unpaid dividends, if any, subject to the Company having distributable profits in accordance with the provisions of Section 205 of the Companies Act. The dividend rate shall be subject to revision every year on the basis of the Bank rate prevailing as on 31st March immediately preceding the date of meeting of the board at which the Balance Sheet and Statement of Profit and Loss pertaining to the relevant financial year are approved by the Board. The rate of dividend will be such Bank Rate plus 2%, provided that in no case the dividend rate shall exceed 10% p.a.

Each holder of OCCRPS can opt to convert its preference shares into equity shares on a date not being beyond expiry of the 19th anniversary of the date of Issue i.e. 30th April 2007 and 19th December 2010, If the holder exercises the conversion option, the company will issue 1 equity shares for each preference share held.

If OCCRPS holders do not exercise conversion option, all preference shares are redeemable at the end of 19th anniversary from the date of issue. In the event of liquidation of the company before conversion/ redemption of OCCRPS, the holders of OCCRPS will have priority over equity shares in the payment of dividend and repayment of capital.

(d) Terms of conversion/ redemption of Redeemable Preference shares

During the year the Company had issued 2,70,100 number of Preference shares of Rs.10 each, partly paid up @Rs.0.50 per share and carrying a premium of Rs.990 per share. As per the terms of the resolution, the share shall carry no right to dividend. Also the Preference shares shall carry right to vote only in accordance with the provisions of section 87 of the Companies Act, 1956 or any re-enactment thereof.

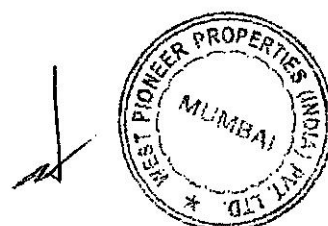
Redemption of Redeemable Preference Shares:

i. At the option of the Issuer Company:

The Preference shares would be redeemable at any time within 20 years from the date of issue at the option of the Issuer Company by giving a 48 - hours prior written notice to the holder(s) at the redemption price calculated based on Internal Rate of Return (IRR) at the rate of 11% compounded annually from the date of receipt of last call money till the date of redemption of the Preference Shares

ii. At the option of the Preference Shareholders:

The Preference shares would be redeemable at any time within 20 years from the date of issue at the option of the Preference Shareholders by giving a 15 days prior written notice to the Issuer Company at the redemption price calculated based on Internal Rate of Return (IRR) as per the rates agreed compounded annually from the date of receipt of last call money till the date of redemption of the Preference Shares



West Pioneer Properties (India) Private Limited
Notes to financial statement for the year ended 31st March, 2014

(e) Shares held by holding/ ultimate holding company and/ or their subsidiaries/ associates

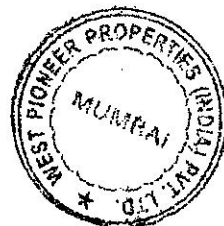
Out of equity and preference shares issued by the company, shares held by its holding company, ultimate holding company and their subsidiaries/ associates are as below:

	31st March 2014 Rs.	31st March 2013 Rs.
West Brick Investment Limited, the holding company		
Nil (31 March 2013: 44,45,426) Equity Shares of Rs.10 each	-	4,44,54,260
Nil (31 March 2013: 2,20,88,333) OCCRPS of Rs.10 each	-	22,08,83,330
	-	26,53,37,590
West Brick Properties Limited, the subsidiary of holding company		
Nil (2013: 10,050) Equity Shares of Rs.10 each	-	1,00,500
	-	1,00,500
Winmore Leasing and Holdings Limited, the holding company		
44,55,426 (31 March 2013: Nil) Equity Shares of Rs.10 each	4,45,54,260	
2,20,88,333 (31 March 2013: Nil) OCCRPS of Rs.10 each	22,08,83,330	
	26,54,37,590	-

(f) Details of shareholders holding more than 5% shares in the company

	31st March 2014		31st March 2013	
	No.	% holding in the class	No.	% holding in the class
(i) Equity Shares of Rs.10 each				
West Brick Investment Limited, the holding company	-	-	44,45,426	99.77%
Winmore Leasing and Holdings Limited, the holding company	44,55,426	99.99%		
(ii) OCCRPS of Rs.10 each fully paid				
West Brick Investment Limited, the holding company			2,20,88,333	99.99%
Winmore Leasing and Holdings Limited, the holding company	2,20,88,333	99.99%		
(iii) Redeemable Preference Shares of Rs.10 each, partly paid up				
Banwarilal Jatia	1,05,000	38.9%		
Surendra Kumar Mohatta	55,000	20.4%		
Gaurav Mohatta	40,100	14.8%		
Madhu Mohatta	50,000	18.5%		
Ishita Mohatta	20,000	7.4%		

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



4 Reserves and Surplus

	31st March 2014 Rs.	31st March 2013 Rs.
Securities premium account		
Balance as per the last financial statements	1,51,01,07,313	1,51,01,07,313
Closing Balance	1,51,01,07,313	1,51,01,07,313
(Deficit) in the statement of profit and loss		
Balance as per last financial statements	(28,11,28,841)	(16,80,56,177)
(Loss) for the year	(33,56,99,654)	(11,30,72,664)
Net (Deficit) in the statement of profit and loss	(61,68,28,495)	(28,11,28,841)
Total reserves and surplus	89,32,78,818	1,22,89,78,472

5 Long-term borrowings

	Non current portion		Current Maturities	
	31st March 2014 Rs.	31st March 2013 Rs.	31st March 2014 Rs.	31st March 2013 Rs.
Term loans				
Indian rupee loan from banks (secured)	72,45,27,857	61,29,29,120	15,70,41,914	8,76,60,637
	<u>72,45,27,857</u>	<u>61,29,29,120</u>	<u>15,70,41,914</u>	<u>8,76,60,637</u>
The above amount includes				
Secured borrowings	72,45,27,857	61,29,29,120	15,70,41,914	8,76,60,637
Unsecured borrowings	-	-	-	-
Amount disclosed under the heads 'other current liabilities', (Refer Note 10)	-	-	(15,70,41,914)	(8,76,60,637)
Net amount	<u>72,45,27,857</u>	<u>61,29,29,120</u>	<u>-</u>	<u>-</u>

The Term loans balance as at March 31, 2014 represents:

- (i) Term loan - Lease rental discounting (LRD) taken by the Company in October 2011. The rate of interest payable on this loan is equivalent to the base rate of the bank plus 3.30%. As at 31st March 2014 the rate of interest was 14.30%. The loan is secured by a first charge on the Kalyan shopping mall to the extent of 1.25 times asset cover and hypothecation of lease receivables from said property. The loan is repayable from November 2011 to October 2020.

Schedule of repayment of loan is as under:

	31st March 2014 Rs.	31st March 2013 Rs.
Not later than one year	3,20,81,914	2,51,80,637
Later than one year but not later than five years	20,54,82,088	16,93,29,989
Later than 5 years	15,74,53,291	22,56,65,267
	<u>39,50,17,293</u>	<u>42,01,75,893</u>

- (ii) Term loan taken by the Company in October 2012. The rate of interest payable on this loan is equivalent to the base rate of the bank plus 3.30%. As at 31st March 2014 the rate of interest was 14.30%. The loan is secured by a first charge on the Kalyan residential, Commercial Plaza and Aurangabad project with asset cover of 1.50 times (min) the facility amount and hypothecation on entire movable fixed assets including movable plant and machinery, machinery spares, tools and accessories, furniture, fixtures, vehicles and all other movable assets, present and future, and hypothecation on entire current assets including book debts, operating cash flows, receivables, commissions, security deposits, intangible assets, revenues of whatsoever nature and wherever arising, present and future. The loan is repayable from November 2013 to October 2016.

Schedule of repayment of loan is as under:

	31st March 2014 Rs.	31st March 2013 Rs.
Not later than one year	12,49,60,000	6,24,80,000
Later than one year but not later than five years	36,15,92,478	21,79,33,864
Later than 5 years	48,65,52,478	28,04,13,864

The company does not have any continuing defaults in repayment of loans and interest as at the reporting date.



West Pioneer Properties (India) Private Limited
Notes to financial statement for the year ended 31st March, 2014

6 Deferred taxes

	31st March 2014 Rs.	31st March 2013 Rs.
Deferred tax liabilities		
Differences between book and tax depreciation	10,15,52,009	9,09,39,146
Lease rentals taxable on receipt basis	19,99,920	4,10,362
	<u>10,35,51,929</u>	<u>9,13,49,508</u>
Deferred tax assets		
Provision for doubtful debts	1,29,29,443	1,13,68,035
Unabsorbed depreciation	10,15,52,009	9,09,39,146
Expenditure deductible on actual payment	4,29,137	3,81,391
	<u>11,49,10,589</u>	<u>10,26,88,572</u>
Deferred tax assets	<u>1,13,58,660</u>	<u>1,13,39,064</u>
Deferred tax assets/(liability) recognized		

The projects of the Company are capital intensive and may not generate reasonable profits in the foreseeable future and hence the Company has not recognized Deferred Tax assets on carry forward losses.

7 Other long-term liabilities

	31st March 2014 Rs.	31st March 2013 Rs.
Retention Monies	67,36,566	80,93,326
<u>Others</u>		
Deposit received	5,35,57,172	4,16,51,293
Total	<u>6,02,93,738</u>	<u>4,97,44,619</u>

8 Provisions

	31st March 2014		31st March 2013	
	Long term Rs.	Short term Rs.	Long term Rs.	Short term Rs.
Provision for employee benefits				
Provision for gratuity (Refer note 33)	13,61,617	27,177	12,11,896	22,379
	<u>13,61,617</u>	<u>27,177</u>	<u>12,11,896</u>	<u>22,379</u>

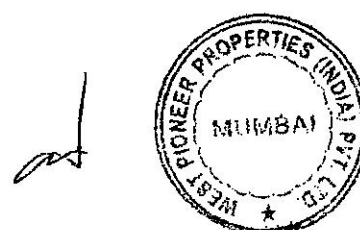


9 Short Term borrowings

	31st March 2014 Rs.	31st March 2013 Rs.
15%, Loan from related parties repayable on demand (unsecured) (refer note 29)	4,73,00,000	-
	<u>4,73,00,000</u>	<u>-</u>

10 Other Current Liabilities

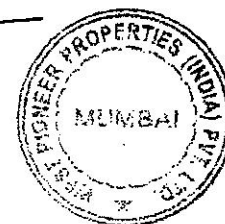
	31st March 2014 Rs.	31st March 2013 Rs.
Trade payables (Refer note 37 for details of dues to micro and small enterprises)	4,71,82,062	6,56,31,772
Other liabilities		
Current maturities of long-term borrowings (Refer note 5)	15,70,41,914	8,76,60,637
Amount payable to related party- Hardcastle & Waud Manufacturing Co. Ltd	17,00,00,000	18,00,00,000
Overdrawn bank balance - book debts	6,30,52,179	-
Capital creditors	14,80,680	47,96,884
Interest accrued but not due on borrowings	16,22,736	-
Deposits received	1,70,52,593	1,68,28,412
Retention money	1,17,00,486	44,09,786
Revenue billed in advance	4,07,732	7,53,821
Advance from customer (Refer note 29)	3,03,39,061	3,10,09,163
Statutory dues payable	62,80,556	2,23,02,103
Salary Payable	26,99,301	17,19,313
Other payable	69,73,483	74,50,924
Amount due to customer - unearned revenue on sale of property	13,17,31,178	14,42,40,932
	<u>60,03,81,899</u>	<u>50,11,71,975</u>
	<u>64,75,63,961</u>	<u>56,68,03,747</u>



West Pioneer Properties (India) Private Limited
Notes to financial statement for the year ended March 31, 2014

11 Tangible assets

	Computer	Office Equipment	Furniture & Fixtures	Freehold Land	Mall fitouts	Building	Vehicles	Plant & Machinery	Total
Cost or valuation									
At 31 March 2012	36,62,566	21,64,065	9,05,47,133	4,76,56,251		80,56,09,281	10,29,641	21,28,36,474	1,16,35,05,411
Additions	17,57,509	9,46,320	11,10,075	6,74,928		1,62,86,860	-	14,21,793	2,21,97,485
At 31 March 2013	54,20,075	31,10,385	9,16,57,208	4,83,31,179	-	82,18,96,141	10,29,641	21,42,58,267	1,18,57,02,896
Additions	3,04,300	2,68,351	29,69,586		4,95,46,905	79,25,391		3,00,22,482	9,10,37,015
Deletion	(1,62,400)						(10,29,641)	(21,39,491)	(33,31,532)
At 31 March 2014	55,61,975	33,78,736	9,46,26,794	4,83,31,179	4,95,46,905	82,98,21,532	-	24,21,41,258	1,27,34,08,379
Depreciation									
At 31 March 2012	32,79,158	17,62,198	5,50,60,609	-		4,77,34,634	9,27,316	3,65,62,086	14,53,26,001
Charge for the year	25,187	1,92,250	1,72,83,913	-		1,25,86,239	50,843	96,17,572	3,97,56,004
At 31 March 2013	33,04,345	19,54,448	7,23,44,522	-		6,03,20,873	9,78,159	4,61,79,658	18,50,82,005
Charge for the year	6,32,148	3,50,197	1,50,27,786		28,63,629	1,72,94,279		1,02,65,889	4,64,33,928
Deletion	(1,62,400)						(9,78,159)	(5,21,911)	(16,62,470)
At 31 March 2014	37,74,093	23,04,645	8,73,72,308	-	28,63,629	7,76,15,152	-	5,59,23,636	22,98,53,463
Net Block									
At 31 March 2013	21,15,730	11,55,937	1,93,12,686	4,83,31,179	-	76,15,75,268	51,482	16,80,78,609	1,00,06,20,891
At 31 March 2014	17,87,882	10,74,091	72,54,486	4,83,31,179	4,66,83,276	75,22,06,380	-	18,62,17,622	1,04,35,54,916



West Pioneer Properties (India) Private Limited
Notes to financial statement for the year ended 31st March, 2014

12 Intangible assets

	Computer software Rs.	Total Rs.
Gross block		
At 31st March 2012	18,73,130	18,73,130
At 31st March 2013	18,73,130	18,73,130
At 31st March 2014	18,73,130	18,73,130
Amortization		
At 1st April 2012	16,65,810	16,65,810
Charge for the year	1,23,613	1,23,613
At 31st March 2013	17,89,423	17,89,423
Charge for the year	38,957	38,957
At 31st March 2014	18,28,380	18,28,380
Net block		
At 31st March 2013	83,707	83,707
At 31st March 2014	44,750	44,750

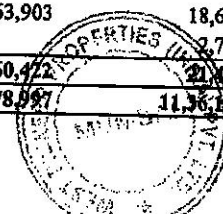
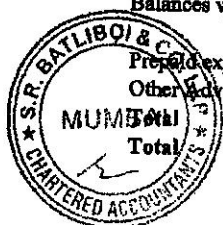
13 Non current investments

	31st March 2014 Rs.	31st March 2013 Rs.
<u>Trade investment (valued at cost unless stated otherwise)</u>		
Investment in preference shares (unquoted)		
Nil, (31 March 2013: 334,500), * Redeemable Preference shares of Rs.100 each fully paid up in Westfield Entertainment Private Limited	-	33,45,00,000
These shares are redeemable in April 2014 at Par (Refer note 18)		
	-	33,45,00,000

* Non cumulative dividend calculated at LIBOR (London Inter-Bank Offered Rate) prevailing as on the close of the relevant period for which such dividend becomes payable plus five (5) percent.

14 Loans and advances

	Non current portion		Current Maturities	
	31st March 2014 Rs.	31st March 2013 Rs.	31st March 2014 Rs.	31st March 2013 Rs.
Security deposit				
Unsecured, considered good	1,44,80,315	1,43,30,315	9,648	46,47,648
Total	1,44,80,315	1,43,30,315	9,648	46,47,648
Loan and advances to related parties (Refer note 29)				
Unsecured, considered good	11,13,810	11,13,810	-	-
Total	11,13,810	11,13,810	-	-
Advances recoverable in cash or kind				
Unsecured considered good	-	-	2,67,08,927	10,68,21,582
Total	-	-	2,67,08,927	10,68,21,582
Other loans and advances – Unsecured considered good				
Advance tax paid (net of provision of Rs. nil (previous year Rs. nil))	2,12,60,577	1,46,79,287	-	-
Balances with statutory/government			1,41,96,519	
Prepaid expenses	-	-	17,63,903	18,69,799
Other advances	-	-	-	2,71,152
Total	2,12,60,577	1,46,79,287	1,59,60,442	21,40,951
	3,68,54,702	3,01,23,412	4,26,78,997	11,36,10,181



15 Trade Receivables

	31st March 2014 Rs.	31st March 2013 Rs.
Current		
Outstanding for a period exceeding six months from the date they are due for payment		
Secured, considered good	1,30,74,433	2,61,35,426
Unsecured, considered good	6,13,74,669	2,69,34,803
Doubtful	3,80,36,392	2,85,92,429
Total	11,24,85,494	8,16,62,658
Provision for doubtful receivables		
Total	(3,80,36,392)	(2,85,92,429)
	7,44,49,102	5,30,70,229
Other receivables		
Secured, considered good	2,03,10,373	46,76,716
Unsecured, considered good	2,79,81,680	6,84,02,976
Doubtful	38,06,463	81,97,329
Total	5,20,98,516	8,12,77,021
Provision for doubtful receivables		
Total	(38,06,464)	(81,97,329)
Total	4,82,92,052	7,30,79,692
Total	12,27,41,154	12,61,49,921

Trade receivables include:

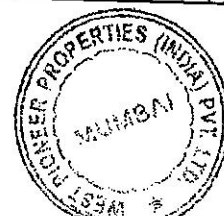
	Current 31st March 2014 Rs.	31st March 2013 Rs.
Dues from Hardcastle Restaurant Private Limited in which the company's director is a director	53,74,547	43,17,477

16 Other Assets

	Non current 31st March 2014 Rs.	31st March 2013 Rs.	Current 31st March 2014 Rs.	31st March 2013 Rs.
Unsecured considered good unless stated otherwise				
Non current bank balances (refer note 19)	1,29,88,399	66,84,250		
Unamortised expenditure				
Unamortised Ancillary borrowing cost	56,40,819	87,24,436	30,83,617	30,83,617
Others				
Accrued Income	-	-	64,72,235	13,28,034
Interest accrued on fixed deposits	-	-	11,03,817	1,32,426
Others	-	-	3,09,564	4,18,648
Total	1,86,29,218	1,54,08,686	1,09,69,233	49,62,725

17 Inventories

	31st March 2014 Rs.	31st March 2013 Rs.
Construction material	44,52,303	98,97,846
Construction work in progress	1,20,51,28,376	95,94,68,755
Stores and spares	5,61,948	8,54,590
Total	1,21,01,42,627	97,02,21,191



18 Current Investments

	31st March 2014 Rs.	31st March 2013 Rs.
<u>Current portion of long term investments (valued at cost unless stated otherwise)</u>		
Investment in preference shares (unquoted)		
334,500 (31 March 2013: nil), * Redcomable Preference shares of Rs.100 each fully paid up in Westfield Entertainment Private Limited	33,45,00,000	-
Less: Written off**	30,10,50,000	-
	<u>3,34,50,000</u>	<u>-</u>

* Non cumulative dividend calculated at LIBOR (London Inter-Bank Offered Rate) prevailing as on the close of the relevant period for which such dividend becomes payable plus five (5) percent.

** In view of the uncertain condition of the leasehold property purchased by Westfield Entertainment Private Limited at Nashik MIDC at the cost of Rs.63.77 Crores was stuck in dispute and litigation with the Lessor.

The Company has received a notice of redemption of preference share during March 2014 from Westfield Entertainment Private Limited at par which were redeemable at the option of issuer company subject to prior 48 hours written notice to that effect to the holder of the shares.

The aforesaid redemption would result in a loss of Rs.30.10 Crores to the Company hence the provision is made for impairment loss on said investments.

19 Cash and bank balances

	Non current		Current	
	31st March 2014 Rs.	31st March 2013 Rs.	31st March 2014 Rs.	31st March 2013 Rs.
Cash and bank balances				
Cash on hand	-	-	2,15,734	41,974
Balances with banks:				
- On current accounts	-	-	1,72,79,120	3,18,82,722
	-	-	<u>1,74,94,854</u>	<u>3,19,24,696</u>
Other bank balances				
- Deposits with original maturity for more than 12 months *	1,29,88,399	66,84,250		
- Margin money deposit **			75,00,000	10,00,000
	<u>1,29,88,399</u>	<u>66,84,250</u>	<u>75,00,000</u>	<u>10,00,000</u>
Amount disclosed under non current assets (Refer note 16)	(1,29,88,399)	(66,84,250)	-	-
Total	<u>-</u>	<u>-</u>	<u>2,49,94,854</u>	<u>3,29,24,696</u>

* The fixed deposits are created from the amount lying in DSR account. As per the terms of Term Loan agreement, the Company shall maintain DSRA amount equivalent to ensuing 2 months interest

**Margin money deposits given as security

Margin money deposits with a carrying amount of Rs.1,000,000(31 March 2013: Rs.1,000,000) are subject to lien with Kalyan Dombivali Municipal Corporation.

Margin money deposits with a carrying amount of Rs.5,000,000 (31 March 2013: Rs.Nil) are subject to lien with Chief Fire officer Aurangabad

Margin money deposits with a carrying amount of Rs.5,00,000 (31 March 2013: Rs.Nil) are subject to lien with Maharashtra Pollution Control Board for Kalyan Mall

Margin money deposits with a carrying amount of Rs.10,00,000(31 March 2013: Rs.Nil) are subject to lien with Maharashtra Pollution Control Board, Aurangabad



West Pioneer Properties (India) Private Limited
Notes to financial statement for the year ended 31st March, 2014

20 Revenue from operations

	31st March 2014	31st March 2013
	Rs.	Rs.
Sales- Property Development	23,52,35,654	36,04,60,539
Property rental revenue	12,25,53,517	9,23,54,998
Other operating income	12,46,54,144	8,66,03,537
Total	48,24,43,315	53,94,21,074

21 Other Income

	31st March 2014	31st March 2013
	Rs.	Rs.
Interest on		
bank deposits	19,87,549	2,21,314
others	3,20,788	12,47,521
Dividend income on current investments	8,67,382	10,48,728
Other income	56,47,812	25,87,180
Total	88,23,531	51,04,743

22 Cost of construction of properties

	31st March 2014	31st March 2013
	Rs.	Rs.
Inventory at the beginning of the year	96,93,66,601	86,10,70,059
Add: Project related expenses	43,56,36,006	45,56,64,106
	1,40,50,02,607	1,31,67,34,165
Less: Inventory at the end of the year	1,20,95,80,679	96,93,66,601
Cost of construction of properties	19,54,21,928	34,73,67,564

Details of cost of construction of properties

Development costs	96,78,040	1,92,81,091
Consultancy & Architect fees	80,39,209	1,12,46,771
Civil Work & Expenses to contractors	13,59,86,630	27,22,82,269
Miscellaneous expenses	4,17,18,049	4,45,57,433
Total	19,54,21,928	34,73,67,564

23 Employee benefits expense

	31st March 2014	31st March 2013
	Rs.	Rs.
Salaries, wages and bonus (net of capitalization & inventorised of Rs.2,41,64,953 Previous year: Rs.1,69,96,462)	4,55,48,366	4,25,47,013
Contribution to provident and other funds	14,90,239	13,08,657
Gratuity expense (Refer note 33)	3,64,791	5,34,140
Staff welfare expenses	5,44,523	7,03,528
Total	4,79,47,919	4,50,93,338



West Pioneer Properties (India) Private Limited
Notes to financial statement for the year ended 31st March, 2014

24 Other expenses

	31st March 2014	31st March 2013
	Rs.	Rs.
Power and fuel	8,99,95,779	6,52,92,278
Water charges	12,19,608	14,09,329
Rent	96,12,300	1,49,57,742
Rates and taxes	1,08,45,570	1,12,92,133
Insurance	18,51,353	17,30,661
Repairs and maintenance	1,66,93,991	1,44,21,051
Advertising and sales promotion	1,17,25,701	1,27,02,135
Brokerage and discounts	13,59,095	-
Travelling and conveyance	36,71,041	25,80,045
Communication costs	10,36,038	8,44,653
Printing and stationery	5,33,962	7,61,259
Legal and professional fees	28,74,250	39,13,666
Payment to auditors (Refer Note 36)	13,64,546	13,50,000
Utility management service charges	44,79,808	43,53,125
Security charges	97,05,604	1,04,11,014
Bad debts/advances written off	-	19,23,603
Provision for doubtful debts	50,53,098	1,20,74,434
Loss on sale of fixed assets	5,56,742	-
Miscellaneous expenses	37,29,197	61,99,389
Total	17,63,07,683	16,62,16,517

25 Depreciation and amortization expense

	31st March 2014	31st March 2013
	Rs.	Rs.
Depreciation of tangible assets	4,64,33,928	3,97,56,004
Amortization of intangible assets	38,957	1,23,613
Total	4,64,72,885	3,98,79,617

26 Finance costs

	31st March 2014	31st March 2013
	Rs.	Rs.
Interest Expense *	5,66,18,643	5,83,70,263
Bank charges	31,47,442	6,71,182
Total	5,97,66,085	5,90,41,445

* Net of capitalisation of Rs.1,35,99,773 (31st March 2013: Rs.86,44,162)

27 Earnings Per Share

	31st March 2014	31st March 2013
Total operations for the year		
Loss after tax	(33,56,99,654)	(11,30,72,664)
Less: Preference share dividend and dividend distribution taxes	2,55,00,994	2,57,57,219
Loss attributable to equity shareholders	(36,12,00,648)	(13,88,29,883)
Weighted average number of shares	44,55,476	44,55,476
Basic & diluted earnings per share	(81.07)	(31.16)

Potential equity shares are anti-dilutive as their conversion to equity shares would increase/decrease profit/loss per equity share from continuing ordinary business activities. Therefore the effects of anti-dilutive potential equity shares have been ignored in computing the dilutive earnings per share.



West Pioneer Properties (India) Private Limited
Notes to financial statement for the year ended 31st March, 2014

28 Segment Information

Business Segments :

The Company is involved in construction of shopping malls and leasing commercial space therein in India. During last year the company had commenced sale of residential premises the operations of which are significant for individual reporting.

The company has defined its operations into four major businesses: Retail, Residential and office developments for sale and warehousing development. A description of the type of products and services provided by each reportable segment is as follows:

Retail segment includes activities related to construction and leasing of shopping malls and related services

Residential segment include activities related to construction and sale of residential premises

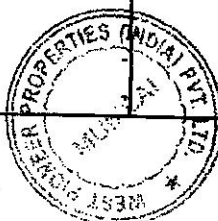
Office segment include activities related to construction and sale of commercial premises

Warehousing segment includes construction and sale of warehousing premises.

Business Segments

Year ended 31 March 2014

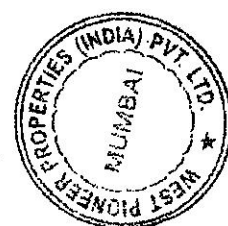
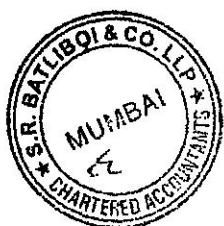
	Retail	Inventory held for sale			Un allocable	Total
		Residential	Office	Warehousing		
REVENUE						
External sales	24,72,07,661	23,06,34,633	46,01,021	-	-	48,24,43,315
Total revenue	24,72,07,661	23,06,34,633	46,01,021	-	-	48,24,43,315
RESULT						
Segment result	5,73,51,416	3,53,86,931	(48,56,347)	-	-	8,78,82,000
Unallocated corporate expenses	-	-	-	-	7,15,89,100	7,15,89,100
Operating profit	5,73,51,416	3,53,86,931	(48,56,347)	-	(7,15,89,100)	1,62,92,900
Finance costs	4,35,60,398	-	-	-	1,62,05,687	5,97,66,085
Other Income	35,94,953	22,32,514	-	-	29,96,064	88,23,531
Income taxes	-	-	-	-	-	-
Profit after tax from ordinary activities	1,73,85,971	3,76,19,445	(48,56,347)	-	(8,47,98,723)	(3,46,49,654)
Extraordinary item, net	-	-	-	-	30,10,50,000	30,10,50,000
Net profit after tax	1,73,85,971	3,76,19,445	(48,56,347)	-	(38,58,48,723)	(33,56,99,654)
OTHER INFORMATION						
Segment assets	1,20,44,22,277	47,81,58,370	12,43,01,728	75,81,51,079	-	2,56,50,33,454
Unallocated corporate assets	-	-	-	-	7,48,92,974	7,48,92,974
Total assets	1,20,44,22,277	47,81,58,370	12,43,01,728	75,81,51,079	7,48,92,974	2,63,99,26,428
Segment liabilities	55,94,29,141	43,39,58,905	12,86,91,032	18,94,17,596	-	1,31,14,96,674
Unallocated corporate liabilities	-	-	-	-	16,95,77,676	16,95,77,676
Total liabilities	55,94,29,141	43,39,58,905	12,86,91,032	18,94,17,596	16,95,77,676	1,48,10,74,350
Tangible assets	8,04,47,044	1,02,53,721	-	-	3,36,250	9,10,37,015
Intangible assets	-	-	-	-	-	-
Capital expenditures	-	-	-	-	-	-
Depreciation	4,52,16,353	7,23,749	-	-	-	-
Amortization	-	-	-	-	5,32,783	4,64,72,885



West Pioneer Properties (India) Private Limited
Notes to financial statement for the year ended 31st March, 2014

Year ended 31 March 2013

	Retail	Inventory held for sale			Un allocable	Total
		Residential	Office	Warehousing		
REVENUE						
External sales	17,89,60,535	29,41,16,631	6,63,43,908	-	-	53,94,21,074
Total revenue	17,89,60,535	29,41,16,631	6,63,43,908	-	-	53,94,21,074
RESULT						
Segment result	1,07,51,655	(1,70,08,762)	2,32,90,452	-	-	1,70,33,345
Unallocated corporate expenses	-	-	-	-	7,61,69,307	7,61,69,307
Operating profit	1,07,51,655	(1,70,08,762)	2,32,90,452	-	(7,61,69,307)	(5,91,35,962)
Finance costs	3,48,10,922	-	-	-	2,42,30,523	5,90,41,445
Other Income	5,02,516	4,98,169	-	-	41,04,058	51,04,743
Income taxes	-	-	-	-	-	-
Profit after tax from ordinary activities	(2,35,56,751)	(1,65,10,593)	2,32,90,452	-	(9,62,95,772)	(11,30,72,664)
Extraordinary item, net	-	-	-	-	-	-
Net profit after tax	(2,35,56,751)	(1,65,10,593)	2,32,90,452	-	(9,62,95,772)	(11,30,72,664)
OTHER INFORMATION						
Segment assets	1,16,43,88,888	36,30,52,178	12,56,35,367	70,34,43,329	-	2,35,65,19,762
Unallocated corporate assets	-	-	-	-	36,86,08,681	36,86,08,681
Total assets	1,16,43,88,888	36,30,52,178	12,56,35,367	70,34,43,329	36,86,08,681	2,72,51,28,443
Segment liabilities	52,00,62,277	35,17,61,630	9,98,39,385	18,35,55,128	-	1,15,52,18,420
Unallocated corporate liabilities	-	-	-	-	7,54,93,341	7,54,93,341
Total liabilities	52,00,62,277	35,17,61,630	9,98,39,385	18,35,55,128	7,54,93,341	1,23,07,11,761
Tangible assets	2,08,49,364	18,283	1,53,612	-	11,76,225	2,21,97,485
Intangible assets	-	-	-	-	-	-
Capital expenditures	-	-	-	-	-	-
Depreciation	3,96,49,988	-	-	-	2,29,629	3,98,79,617
Amortization	-	-	-	-	-	-



29 Related party disclosures

Related Parties: Names of related parties and relationships:

A Enterprise where control exists

Holding company

Winmore Leasing and Holdings Ltd.
(Uptill 19th March 2014 -
Holding company : West Brick Investment Limited, Mauritius
Ultimate holding company: West Pioneer Properties Limited, BVI)

Fellow Subsidiary

Westfield Entertainment (P) Ltd. (till 19 March 2014)

B Individual exercising control over the Company

Amit Jatia – Chairman of West Pioneer Properties Limited, BVI (till 19 March 2014)

C Relatives of Individual exercising control over the Company

Lalita Devi Jatia, B L Jatia, B L Jatia HUF, Usha Devi Jatia, Smita Jatia, Amit Jatia HUF, Akshay Jatia, Ayush Jatia, Anurag Jatia, Shalini Jatia

D Companies in which Individual and relatives of Individual exercise control/significant influence

Hardcastle Restaurants Private Limited
Hardcastle Waud & Manufacturing Co. Limited
Westpoint Leisureparks Private Limited - Merged with Westlife Development Limited w.e.f. July 23, 2013.
Triple A Foods Private Limited- Merged with Westlife Development Limited w.e.f. July 23, 2013.
West Leisure Resorts Private Limited - Demerged from Westlife Development Limited w.e.f. July 23, 2013.
Vishwas Investment & Trading Company Private Limited.
West Life Development Limited
Anand Veena Twisters Private Limited
Concept Highland Business Private Limited
Houghton Hardcastle (India) Limited
Inox Leisure Limited (Fame India Limited)

Related Parties with whom transactions have taken place during the year

E Key Management Personnel

Ajay Gupta – Chief Executive Officer (CEO)
Sanjay Soni - Director

Disclosure of transactions between the Company and related parties and outstanding balances as at the year

31st March 2014
Rs.

31st March 2013
Rs.

A. Enterprise where control exists

West Pioneer Properties Limited, BVI (Erstwhile holding company)

Expenses Reimbursement

Amount due from related party

3,09,564

3,09,564

B. Erstwhile Fellow Subsidiary

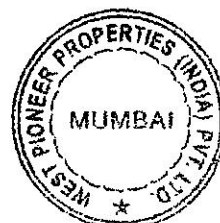
Westfield Entertainment Private Limited

Expenses reimbursement

Amount due from related party

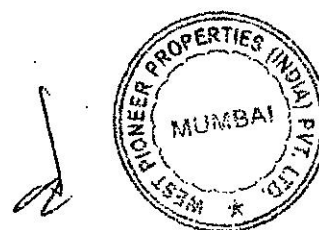
11,13,810

7,500
11,13,810



C. Transactions with Individual and relatives of Individual exercise control over the Company

Akshay Jatia		
Loan given by	-	2,33,00,000
Loan repaid to	-	2,33,00,000
Interest paid	-	15,76,033
Amount due from/(to) related party	-	-
Amit Jatia		
Loan given by	-	-
Loan repaid to	-	-
Reimbursement of Foreign travel expenses	42,776	-
Amount due from/(to) related party	-	-
Amit Jatia (HUF)		
Loan given by	1,50,00,000	1,50,000
Loan repaid to	1,50,00,000	90,90,000
Interest paid	6,53,425	9,90,944
Amount due from/(to) related party	-	-
Anurag Jatia (brother of Amit Jatia)		
Loan given by	-	38,50,000
Loan repaid to	-	38,50,000
Interest paid	-	1,46,115
Amount due from/(to) related party	-	-
Anurag Jatia (HUF)		
Loan given by	-	6,50,000
Loan repaid to	-	2,18,20,000
Interest paid	-	6,77,846
Amount due from/(to) related party	-	-
Ayush Jatia (Son of Amit Jatia)		
Loan given by	3,25,00,000	90,50,000
Loan repaid to	3,25,00,000	90,50,000
Interest paid	4,40,753	7,29,702
Amount due from/(to) related party	-	-
Banwarilal Jatia (Father of Amit Jatia)		
Preference shares allotted, partly paid up (Refer note 3)	52,500	-
Amount due from/(to) related party	-	-
Banwarilal Jatia (HUF)		
Loan given by	-	47,50,000
Loan repaid to	-	1,33,50,000
Interest paid	-	8,34,599
Payment of flat	59,16,168	99,35,110
Amount due from/(to) related party	(2,25,273)	10,40,117



West Pioneer Properties (India) Private Limited
Notes to financial statement for the year ended 31st March, 2014

Lalita Devi Jatia (Mother of Banwarilal Jatia)

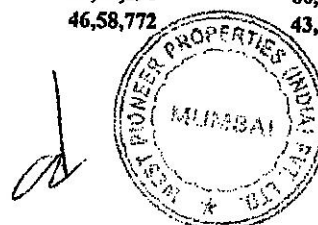
Loan given by	-	15,00,000
Loan repaid to	-	39,20,000
Interest paid	-	2,12,331
Amount due from/(to) related party	-	-

Usha Devi Jatia (Mother of Amit Jatia)

Loan given by	9,03,00,000	3,37,50,000
Loan repaid to	4,50,00,000	3,37,50,000
Interest paid	7,03,726	9,38,568
Amount due from/(to) related party (Refer note 9)	4,59,33,353	-

D. Companies in which Individual exercise significant control/significant influence:

	31st March 2014 Rs.	31st March 2013 Rs.
(i) Concept Highland Business Private Limited		
Loan given by	-	-
Loan repaid to	-	1,20,80,000
Interest paid	-	2,10,876
Amount due from/(to) related party	-	-
(ii) Houghton Hardcastle (India) Limited		
Share Application Money-Recd	6,00,00,000	-
Share Application Money-Paid	6,00,00,000	-
Amount due from / (to) related party	-	-
(iii) Hardcastle Restaurants Private Limited		
Receipt of licence fees for premises leased	48,83,675	58,06,350
Common Area maintenance charges for premises leased	15,99,384	15,23,676
Reimbursement of Expenses (Payment)	84,52,581	85,90,954
Provision for doubtful debt expenses for the period	13,16,462	4,73,460
Provision for doubtful debt as at	25,27,334	18,68,657
Expenses - Reimbursement	25,43,758	34,15,367
Amount due from related party	28,45,396	43,17,477
(iv) Hardcastle & Waud Manufacturing Co. Ltd.		
Expenses - Reimbursement	15,07,492	14,87,418
Amount due (to) related party	(17,00,00,000)	(18,00,30,813)
(v) Vishwas Investment & Trading Company Private Limited		
Reimbursement of expenses (payment)	13,32,341	1,33,368
Payment of office premises rent	-	47,76,985
Security deposit received	46,38,000	-
Loan given by	1,70,00,000	7,65,00,000
Loan repaid to	1,50,00,000	27,27,00,000
Interest expenses	10,99,315	84,58,912
Amount due (to) related party	29,89,383	(68,153)
(vi) Westpoint Leisureparks Private Limited		
Purchase of construction materials	2,25,240	28,26,180
Amount due from/ (to) related party	-	-
(vii) West Leisure Resort Private Limited		
Purchase of construction materials	27,05,930	-
Amount due from/ (to) related party	-	-
(viii) Inox Leisure Limited (Fame India Limited)		
Receipt of licence fees for premises leased	1,40,36,880	1,61,32,553
Common Area maintenance charges for premises leased	68,56,950	69,78,723
Reimbursement of Expenses (Payment)	1,20,94,858	1,32,74,152
Provision for doubtful debt expenses for the period	15,173	1,25,147
Provision for doubtful debt as at	80,60,298	80,45,125
Amount due from/(to) related party	46,58,772	43,64,166



West Pioneer Properties (India) Private Limited

Notes to financial statement for the year ended 31st March, 2014

(ix) **Westlife Development Ltd**

Procurement of materials

Amount due (to) related party

14,28,592

1,26,60,333

(95,20,506)

(x) **Triple A Foods Private Limited**

Procurement of materials

Amount due from/(to) related party

2,25,240

14,59,893

(xi) **Anand Veena Twisters Private Limited**

Loan given by

Loan repaid to

Interest paid

Amount due from/(to) related party

1,91,50,000

1,91,50,000

5,82,575

E. Key Management Personnel

Remuneration

Mr. Ajay Gupta

1,02,78,476

93,68,788

Advances received

Mr. Ajay Gupta

20,00,000

Amount due from / (to) related party (Refer note 10)

Mr. Ajay Gupta

(20,00,000)

30

Lenses

Company as lessee

The company has entered into operating lease arrangement in respect of office premises.. The leases for the office premises are for a total period's of 9 years. These leases have non-cancellable lease terms of 3 years and include a clause to enable upward revision of the rental charge every 3 years, if the lease is renewed.

Future minimum rentals payable under non cancellable operating leases at 31st March 2014 are as follows:

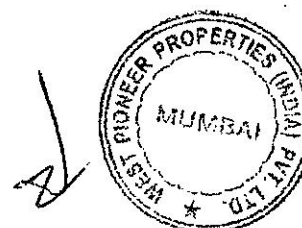
	31st March 2014	31st March 2013
	Rs.	Rs.
Not later than one year	61,39,356	61,39,356
Later than one years but not later than five years	2,55,807	63,95,163
Later than 5 years	-	-
Total future minimum payments	63,95,163	1,25,34,519

Company as lessor

The Company has entered into agreed Heads of Terms and registered agreements with retailers in respect of its mall in Kalyan. These leases have non-cancellable lease terms of approximately 3 years and include a clause to enable upward revision of the rental charge every 3 years, if the lease is renewed.

The future minimum lease incomes in respect of the non cancellable period in those leases are as follows:

	31st March 2014	31st March 2013
	Rs.	Rs.
Not later than one year	3,15,86,287	1,33,20,110
Later than one years but not later than five years	4,55,27,052	1,39,34,386
Later than 5 years	-	0
Total future minimum payments	7,71,13,339	2,72,54,496



West Pioneer Properties (India) Private Limited
Notes to financial statement for the year ended 31st March, 2014

31 Capital work in progress

Capital work in progress includes expenditure incurred during the implementation period for bringing the project in the condition of its intended use. Capitalisation is done in the ratio of phased implementation. The following expenditure is carried forward as capital work in progress as at March 31st 2014.

	31st March 2014 Rs.	31st March 2013 Rs.
Civil work(including Material)	6,36,49,057	7,40,79,091
Consultancy	24,07,400	29,80,244
Other costs directly related to construction	29,59,981	20,95,866
Employee costs	73,41,133	48,63,827
Land/development cost	37,58,218	37,58,217
Other overheads	1,57,50,188	87,45,788
	9,58,65,977	9,63,23,033

Capitalized borrowing costs

The borrowing cost capitalized during the year ended 31 March 2014 was Rs. 1,35,99,773 (31 March 2013:Rs. 86,44,162) and is part of capital work-in-progress (CWIP) and fixed assets.

32 Disclosure in terms of Accounting Standards 7 – Construction contracts:

	31st March 2014 Rs.	31st March 2013 Rs.
Contract Revenue recognised during the period	23,47,27,654	36,04,60,539
Aggregate cost incurred and recognized profits (less recognized losses) up to the reporting date	1,11,95,76,471	1,02,65,90,190
Amount of customer advances outstanding for contracts in progress	1,42,17,353	2,24,40,966
Due to customers	13,17,31,178	14,42,40,932

33 Gratuity and other post-employment benefit plans:

The Company has a defined benefit gratuity plan. Every employee who has completed five years or more of service gets a gratuity on departure at 15 days salary (last drawn salary) for each completed year of service. This benefit is unfunded. The following tables summarise the components of net benefit expense recognized in the profit and loss account and the funded status and amounts recognized in the balance sheet for the respective plans.

Statement of profit and loss account

Net employee benefit expense recognised in employee cost

	31st March 2014 Rs.	31st March 2013 Rs.
Current service cost	4,82,652	3,75,092
Interest cost	1,01,825	72,359
Net actuarial (gain) / loss to be recognized	(2,19,686)	86,689
Expense recognised in the P&L (Refer note 23)	3,64,791	5,34,140

Balance Sheet

Benefit liability

Present Value of defined benefit obligation

Benefit liability	13,88,794	12,34,275
	13,88,794	12,34,275

Changes in the present value of the defined benefit obligation are as follows:

Opening defined benefit obligation	12,34,275	8,26,960
Interest cost	1,01,825	72,359
Current service cost	4,82,652	3,75,092
Benefits paid	(2,10,272)	(1,26,825)
Actuarial loss/(gain) on obligation	(2,19,686)	86,689
Closing defined benefit obligation	13,88,794	12,34,275



West Pioneer Properties (India) Private Limited
Notes to financial statement for the year ended 31st March, 2014

The assumptions used in accounting for the gratuity plan are set out as below:

	2014	2013
Discount rate	9.31%	8.25%
Future salary increases	5.00%	5.00%
Employee turnover	40.00%	26.00%
Expected return on Plan Assets	0%	0%

The Company evaluates these assumptions annually based on its long-term plans of growth and industry standards. The WPPIL's gratuity plan is unfunded as at March 31, 2014. The unrecognized net actuarial gain / (loss) at 31st March 2014 is Rs. 2,19,686 [31st March 2013 Rs.(86,689)].

Amounts for the current and previous four periods are as follows:

	2014	2013	2012	2011	2010
Gratuity					
Defined benefit obligation	13,88,794	12,34,245	25,32,127	23,56,142	21,66,529
Experience adjustment on plan liabilities	(37,446)	19,575	1,42,549	(2,09,179)	(10,32,201)
Experience adjustment on plan assets	-	-	-	-	-

34 Service Tax

Cenvat credit

Cenvat credit amounting to Rs.54,678,414 claimed in Service tax return, pending set off, has been included in the fixed assets. Upon a favourable judgement by the Supreme Court, the Company may be allowed to set off the Cenvat Credit and this may result in reduction of the fixed assets and reversal of depreciation to this extent.

Service Tax Liability

The Retailers Association of India (RAI) and other retailers have filed a writ petition with the Honourable Supreme Court of India challenging the levy of Service Tax on rental income by the Government. The Supreme Court by its order dated 14th October 2011 was pleased to grant a stay on the recovery of arrears of Service tax due on or before 30th September-2011 on the following conditions:

- The members of RAI/Petitioners deposit 50% of the arrears of service tax amount due as on 30th September 2011 within 6 months in three equated installments.
- For the balance 50%, the petitioners/each member of RAI is to furnish surety to the satisfaction of the jurisdiction commissioner and also file an individual affidavit in the Supreme Court undertaking to pay the balance arrears of service tax.
- The successful party shall be entitled to interest on the amount stayed by the Court at the rate as may be directed at the time of final

The Company had issued notices to the retailers asking them to either submit the documentary proof of compliance of the Supreme Court's order or to clear all the outstanding service tax amount due as on 30th September 2011. Most of the retailers have complied with the order. All service tax dues from 1st October 2011 are being paid by all retailers and the Company is discharging the obligation towards the service tax liability. In respect of retailers who has not complied to the order, The Company has sufficient deposits from these retailers.

The dues outstanding of service tax on account of any dispute are as follows:

Amount (Rs.)	Period to which the amount relates
1,58,50,807	FY 2007-08 to FY 2011-12 (upto September 2011)



Contingencies	31st March 2014 Rs.	31st March 2013 Rs.
a. Contingent Liabilities not provided for		
Claims against company not acknowledged as debts	20,00,000	20,00,000
Company is contesting the claims and does not believe that the proceedings will have a material adverse impact on the company.		
b. Other claims		
i) 12 persons, claiming to be the legal heirs ('petitioners') of a tenant on company's Kalyan Land prior to 1950, have filed a lawsuit against Hardcastle and Waud Mfg. Co. Ltd. (HAWCO) in Kalyan court for injunction that no construction activities should be carried on the Kalyan Land. Though the person was a tenant in respect of the land parcels at Netivli Kalyan, his tenancy rights had been surrendered and accordingly the revenue authorities have deleted his name from land records on 17 th May 1956. The said deletion of the tenant had not been contested, however, in the year 2010, the petitioners have filed a case, challenging the said deletion of name, before the Sub-divisional Officer (SDO) at Thane. The SDO has rejected their case as barred by law of limitation.		

Being aggrieved by the aforesaid order of SDO, the petitioners have filed an appeal before the appellate authority (Dy. Collector), Thane. That Appeal has also been dismissed. The petitioners have then filed a lawsuit in Kalyan Court against the appellate order. Since HAWCO had granted leasehold rights in respect of Kalyan Land in favour of company, it has been made a party in the said lawsuit. The said lawsuit is pending and there is no injunction against company in the matter.

Company has now purchased this land, which was initially leased from HAWCO, a related party (See Note 29). There is no probable outflow expected and based on legal advice received by it the Company does not expect an adverse outcome in this matter.

- ii) SDR Clothing Co Pvt. Ltd. (Lanos) had taken on Leave and License basis premises at Metro Junction Mall, Kalyan.

Disputes arose between the parties and vide its letter dated 26th May 2011, Lanos has decided to shut down their business and terminate the Leave and License agreement. Company demanded outstanding dues of Rs.726,985. However, Lanos declined to pay and requested company to refer the matter for arbitration.

Advocate Mr. Rajesh Patil was appointed as the sole arbitrator to resolve the difference.

On 18th April 2012, the Arbitrator has passed an order in favour of company directing it to recover the outstanding amount of Rs.726,985 from the deposit paid by Lanos to company. The award further entitles company to remove the goods and belongings of Lanos from the premises, in case Lanos fails to clear the balance outstanding amount.

Lanos has challenged said Award by filing Arbitration Petition in Bombay High Court, which is admitted on 30-10-2012 and now the matter is pending for final hearing.

The Company is contesting this claim and does not believe that the proceedings will have a material adverse impact on it.

(c) Guarantees and Counter guarantees given by the Company

The Kalyan Dombivli Municipal Corporation (KDMC) vide its letter dated 2nd June 2010 wrongly demanded Rs.31,643,700 from company towards the outstanding charges payable to KDMC. Company has replied that nothing is due and payable to KDMC. The KDMC has referred this matter to Deputy Director, Konkan Bhavan, Navi Mumbai, an officer appointed under the Urban Development department (UD department) for his guidance. Company is expecting a favourable decision from the Deputy Director.

Since the decision of the Deputy Director is still awaited and is likely to take long, company has, under protest and without prejudice, paid the entire amount in October 2011 subject to the following conditions:

- In case the UD Department gives a decision in Company's favour and holds that the said amount of Rs.31,643,700 is not due and payable by company and/or if the UD department reduces the amount of demand, the KDMC will forthwith refund to company the said amount or the excess amount as the case may be.
- If in the future, company opts to consume part of the Disputed Area, for which said amount of Rs.31,643,700 is demanded, in permissible Floor Space Index into Mall at Kalyan, then in that event, company will be entitled for refund/adjustment of the premium amount attributable to the said area so consumed.



West Pioneer Properties (India) Private Limited
Notes to financial statement for the year ended 31st March, 2014

d) Cumulative Preference Dividend Arrears

	31st March 2014 Rs.	31st March 2013 Rs.
Cumulative Preference Dividend Arrears	13,62,57,440	11,41,69,098

Capital Commitments

Particulars	31st March 2014 Rs.	31st March 2013 Rs.
Estimated amount of contracts remaining to be executed on capital account and not provided for	69,26,733	1,55,75,021
Other commitments*	12,50,92,442	16,17,32,542
Total	13,20,19,175	17,73,07,563

*Other commitments includes development & construction cost towards mixed use properties to be incurred in future.

36 Supplementary Statutory Information

	31st March 2014	31st March 2013
36.1 Expenditure in foreign currency (Accrual Basis)		
Travelling Expenses	4,29,065	-
36.2 Payments to Auditors:		
a) As Auditors (excluding Service Tax)	13,35,000	14,12,690
b) As Advisor, or in any capacity, in respect of		-
i) taxation matters		-
ii) company law matters		-
iii) management services and		-
c) In any other manner - Out of pocket expenses	29,546	16,261
Total	13,64,546	14,28,951

37 Micro, Small and medium Enterprises Development Act, 2006

Based on the information available with the Company, no dues are outstanding to Micro, Small and Medium enterprises as on 31st March, 2014.

38 Previous Year Comparatives

The Company has regrouped and reclassified previous year figures to conform to this year's classification.

As per our report of even date

For S.R. Batliboi & Co. LLP
Chartered Accountants
Firm Registration No.: 301003E

Hemal Shah

per Hemal Shah
Partner
Membership No.: 42650
Place: Mumbai
Date : 30th May 2014



For and on behalf of the Board of Directors
West Pioneer Properties (India) Private Limited

Sanjay Soni

Sanjay Soni
Director

Place : Mumbai
Date : 30th May 2014

Shatadru Sengupta

Shatadru Sengupta
Director

