# ANNUAL REPORT 2017-18

**Parsvnath Landmark Developers Private Limited**

**(A Subsidiary of Parsvnath Developers Ltd.)**

**CIN:** U45201DL2003PTC122489

**Registered Office**: Parsvnath Tower, Near Shahdara Metro Station, Shahdara, Delhi-110032, Ph: 011-43050100, Fax: 011 – 43050468

E-mail: secretarial@parsvnath.com

**Parsvnath**
committed to build a better world

## BOARD'S REPORT

**Dear Shareholders,**

Your Directors have pleasure in presenting the 15th Annual Report together with the Audited Financial Statements of the Company for the financial year ended March 31, 2018.

### FINANCIAL RESULTS

[Rs. in Lakhs]

| Item | FY 2017-18 | FY 2016-17 |
|---|---|---|
| **Total Revenue** | **539.32** | **1,553.60** |
| **Profit/(Loss) before Depreciation and Tax** | **(3,820.61)** | **(699.48)** |
| Less: Depreciation | 6.49 | 6.16 |
| **Loss before Tax** | **(3827.10)** | **(705.64)** |
| Less: Current Tax | - | - |
| Deferred Tax | (896.84) | (87.04) |
| Income Tax adjustment for earlier years | 16.18 | 4.85 |
| **Profit/(Loss) after Tax** | **(2,946.44)** | **(623.45)** |
| **Add:** | | |
| Balance brought forward | **1,755.69** | **7,379.14** |
| **Less:** | | |
| Transfer to Debenture Redemption Reserves | - | **(5,000.00)** |
| **Amount available for appropriation** | **(1190.75)** | **1,755.69** |

### REVIEW OF OPERATIONS AND THE STATE OF COMPANY'S AFFAIRS

Your Company is constructing a premium luxury residential project 'La Tropicana' at Khyber Pass, Civil Lines, Delhi having a saleable area of over 22 lakhs square feet. The project is being implemented in three phases, and the first phase is nearing completion.

Your Company's total revenue, during the year under review, was lower at Rs. 539.32 Lakhs as against Rs. 1,553.60 Lakhs in the previous year. Your Company incurred a loss after tax of Rs. 2,946.44 Lakhs as against loss after tax of Rs. 623.45 Lakhs in the previous year primarily due to higher financial cost.

### DIVIDEND AND AMOUNT PROPOSED TO BE CARRIED TO RESERVES, IF ANY

In view of loss incurred by the Company during the year under review, your Directors have not recommended any dividend.

### HOLDING COMPANY

Your Company is a wholly owned subsidiary of Parsvnath Developers Ltd. with effect from November 2, 2016.

### SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

Your Company does not have any subsidiaries, joint ventures and associate companies.

**Parsvnath Landmark Developers Pvt. Ltd.**
**(A Subsidiary of Parsvnath Developers Ltd.)**
**CIN:** U45201DL2003PTC122489
**Registered Office:** Parsvnath Tower, Near Shahdara Metro Station, Shahdara, Delhi - 110032, Ph. : 011-43050100, 43010500, Fax : 011-43050473
**Corporate Office:** ~~6th Floor, Arunachal Building, 10, Barakhamba Road, New Delhi-110001, Ph. : 011-43686600, 43684000, Fax : 011-23315400~~
E-mail : secretarial@parsvnath.com

## DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Atul Jain was appointed as an Additional Director of the Company with effect from January 29, 2018 to hold office upto the date of the ensuing Annual General Meeting (AGM) of the Company.

There is a proposal for confirmation of appointment of Mr. Atul Jain as Director of the Company, subject to approval of members in the ensuing Fifteenth Annual General Meeting of the Company.

Mr. Ashish Jain resigned from the directorship of the Company with effect from the close of the business hours on January 30, 2018.

In accordance with the provisions of section 152(6) of the Companies Act, 2013, Mr. Yogesh Jain (DIN 00088662) will retire by rotation at the ensuing Annual General Meeting of the Company and being eligible, offered himself for re-appointment.

At present, the Board of your Company comprises of following Non-Executive Directors and Company Secretary;

1. Mr. Atul Jain;
2. Mr. Yogesh Jain and;
3. Mr. Atul Kumar Gupta

The Company is required to appoint Chief Executive Officer/Managing Director/Whole Time Director/Manager and Chief Financial Officer in terms of Section 203(1) of the Companies Act, 2013 read with Rule 8 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, for which efforts are being made to identify suitable person.

## INDEPENDENT DIRECTORS

The Company is required to appoint at least two Independent Directors on the Board of the Company pursuant to the provisions of Section 149(4) of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Your Company is in the process of identifying suitable persons for appointment as Independent Directors on its Board.

## DECLARATION OF INDEPENDENT DIRECTORS

As your Company is still in the process of identifying suitable persons for appointment as Independent Directors on its Board, declaration as required to be taken from Independent Directors under Section 149(6) of the Companies Act, 2013 shall be obtained at the time of appointment of Independent Directors on the Board of the Company.

## COMPOSITION OF AUDIT COMMITTEE

Section 177 of the Companies Act, 2013 provides that every listed company shall constitute an Audit Committee comprising of a minimum of three directors with independent directors forming the majority.



Landmark Developers Pvt. Ltd. Delhi

The constitution of the Audit Committee as above shall be done as soon as your Company appoints two Independent Directors on its Board.

## VIGIL MECHANISM

The Company has in place Vigil Mechanism. This covers serious concerns that could have grave impact on the operations and performance of the business of the Company and malpractices and events which have taken place, suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected.

## COMPANY'S POLICY RELATING TO DIRECTORS APPOINTMENT, PAYMENT OF REMUNERATION AND DISCHARGE OF THEIR DUTIES

The Board of Directors of the Company has adopted the Nomination and Remuneration Policy of Parsvnath Developers Limited at Board Meeting held on 12th March, 2018. The Nomination and Remuneration Policy is attached as **Annexure- I**

## NUMBER OF MEETINGS OF THE BOARD AND ITS COMMITTEES

**Board Meeting**

The following Board Meetings were held during the year under review:

| S. No. | Date of meeting | Total No. of Directors on the Date of Meeting | No. of Directors attended | % of Attendance |
|---|---|---|---|---|
| 1 | 29-05-2017 | 2 | 2 | 100% |
| 2 | 31-08-2017 | 2 | 2 | 100% |
| 3 | 29-09-2017 | 2 | 2 | 100% |
| 4 | 13-11-2017 | 2 | 2 | 100% |
| 5 | 12-03-2018 | 2 | 2 | 100% |

The following is the attendance at the Board Meetings held during the year under review:

| S. No. | Name of the Director | Number of Meetings which director was entitled to attend | Number of Meetings attended | % of Attendance |
|---|---|---|---|---|
| 1. | Mr. Yogesh Jain | 5 | 5 | 100% |
| 2. | Mr. Ashish Jain | 4 | 4 | 100% |
| 3. | Mr. Atul Jain | 1 | 1 | 100% |

**Corporate Social Responsibility Committee Meeting**

The following Corporate Social Responsibility Committee Meetings were held during the year under review:

| S. No. | Date of meeting | Total No. of Directors on the Date of Meeting | No. of Directors attended | % of Attendance |
|---|---|---|---|---|
| 1 | 31-08-2017 | 2 | 2 | 100% |

The following is the attendance at the Corporate Social Responsibility Committee Meetings held during the year under review:

| S. No. | Name of the Director | Number of Meetings which director was entitled to attend | Number of Meetings attended | % of Attendance |
|---|---|---|---|---|
| 1. | Mr. Yogesh Jain | 1 | 1 | 100% |
| 2. | Mr. Ashish Jain | 1 | 1 | 100% |
| 3. | Mr. Atul Jain | 0 | 0 | - |

## BOARD EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance and individual Directors pursuant to the provisions of the Section 134 (3) (p) of the Companies Act, 2013 and the Rule 8(4) of the Companies (Accounts) Rules 2014.

The performance of the Board and the individual Directors was evaluated on the basis of criteria such as Board composition and structure, effectiveness of the Board process, information and functioning, contribution of the individual Directors to the Board and Committees meeting like preparedness on the issue to be discussed, meaningful and constructive contribution and inputs in meeting, etc.

## DIRECTORS' RESPONSIBILITY STATEMENT

In terms of the provisions of Section 134(5) of the Companies Act, 2013 ('the Act'), your Directors confirm that:

a) in preparation of the annual accounts for the year ended March 31, 2018, the applicable accounting standards have been followed and that there are no material departures;

b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that year;

c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;

d) the annual accounts have been prepared on a going concern basis; and

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e) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

Pursuant to Section 134(3)(ca) of the Companies Act, 2013, no fraud has been reported by the Auditors of the Company.

## AUDITORS

M/s S. N. Dhawan & Co. LLP, Chartered Accountants, are the Statutory Auditors of the Company. They have been appointed for a period of five years from the conclusion of the Thirteenth Annual General Meeting (AGM) held on September 30, 2016 until the conclusion of the Eighteenth Annual General Meeting subject to ratification of their appointment by the members at every intervening Annual General Meeting of the Company, at such remuneration as may be decided by the Board of Directors of the Company.

As per the amendment in the Companies Act, 2013 effective from May 7, 2018 ratification of the appointment is no longer required and hence, has not been included in the notice of the AGM.

The operations of the Company do not require maintenance of cost records and cost audit, in terms of the provisions of the Companies Act, 2013 read with the Rules made thereunder. However, as a matter of practice, the Company is maintaining Cost Records in terms of the provisions of 'The Companies (Cost Records and Audit) Rules, 2014".

## AUDITORS' REPORT

There are no qualifications, reservations or adverse remarks in the Auditors' Report for the financial year ended 31st March 2018.

However, the Auditors have made an observation in sub-clause b. of clause vii of Annexure A to their Report to which response of your Directors is explained as under:

*Undisputed amount of Interest on late deposit of Tax deducted as source (TDS) remained outstanding as at 31st March, 2018 for a period exceeding six months from the date it became payable*: On account of the tight liquidity condition faced by the Company the interest on late deposit of TDS amounting to Rs. 121.42 lakhs as stated in the Audit Report could not be deposited and the Company shall endeavour to deposit the same at the earliest.

## SECRETARIAL AUDITORS

The Company had appointed M/s Chandrasekaran Associates, Company Secretaries, to conduct the Secretarial Audit of the Company for the financial year 2017-18. The Secretarial Audit report for the financial year ended March 31, 2018 is annexed hereto as Annexure-II to this Report. The Secretarial Auditors in their report to the Members have made certain observations, and the response of your Directors is as follows:

1. The Company is in the process of identifying suitable persons to be appointed as Independent Directors and Woman Director on the Board of the Company in terms of Section 149 of the Companies Act, 2013.

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2. An Audit Committee and a Nomination and Remuneration Committee of the Board of Directors of the Company, will be constituted in compliance of the requirements of Sections 177 and 178 of the Companies Act, 2013 after the appointment of Independent Directors.
3. The Company is in the process of identifying suitable person/firm required to be appointed as Internal Auditor of the Company.
4. The Company is in the process of identifying suitable persons to be appointed as the Managing Director / Chief Executive Officer/ Manager/ Whole-time Director and Chief Financial Officer as required in terms of the provisions of Section 203 of the Companies Act, 2013. The Company is facing severe liquidity problems and is incurring losses. Thus, the Company is finding it difficult to offer suitable remuneration to appoint the managerial personnel as per regulatory requirements.
5. Since the Company did not have Independent Directors, therefore the question of their Performance Evaluation does not arise. However, the provisions relating to Performance Evaluation of Independent Directors will be complied once Independent Directors are appointed.
6. Meeting of Independent Directors will be convened once independent directors are appointed.
7. The contact information including email address of Compliance officer of the Company is available on the website of the Company for dealing with investor grievances. The Company presently has only two investors and during the year under review, the Company has not received any grievances from them.

## LISTING WITH STOCK EXCHANGE

During the year under review, your Company issued 2000 Non-Convertible Debentures (NCDs) of Rs. 10,00,000/- each aggregating to Rs. 200 Crores on private placement basis and got them listed on BSE Limited (BSE). The NCDs continue to remain listed with BSE. The listing fee for the financial year 2018-19 has been paid by the Company to BSE.

The codes assigned to the NCDs by NSDL and BSE are as under:

NSDL (ISIN): INE712L07016
BSE Scrip Code: 955060

## DEBENTURE TRUSTEE

The Company has appointed Axis Trustee Services Limited as Debenture Trustee for its 2000 Non-Convertible Debentures of Rs. 10,00,000/- each. The details of the Debenture Trustee are as under:

Axis Trustee Services Limited
Axis House, 2nd Floor, Wadia International Centre,
Pandurang Budhkar Marg, Worli, Mumbai – 400025
Phone: 022 6226 0054; Fax: 022 2425 3000
Email: debenturetrustee@axistrustee.com; Website: www.axistrustee.com

## LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

There was no loan given or guarantee given or investment made or security provided falling within the purview of Section 186 of the Companies Act, 2013 during the year under review.

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## EXTRACT OF ANNUAL RETURN

Extract of Annual Return in form MGT-9, as required under Section 92 of the Companies Act, 2013, is annexed as Annexure-III to this Report.

## CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SECTION 188(1) OF COMPANIES ACT, 2013

The related party transactions are given in Notes to the Financial Statements annexed to and forming part of the Balance Sheet and the Statement of Profit and Loss of the Company. The transactions with the Related Parties were done in the normal course of business and strictly on commercial terms at an arm's length basis.

The Company has not entered into any contracts or arrangements covered under Section 188 of the Companies Act, 2013 with its Related Parties as defined under section 2(76) of the Companies Act, 2013.

## CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS & OUTGO

All efforts are being made by the Company for conservation of energy. The nature of operations of the Company does not involve technology absorption and as such no disclosures are required to be made in this regard.

There were no earnings and outgo in foreign currency during the financial year ended March 31, 2018.

## PARTICULARS OF EMPLOYEES

The information required under Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

a) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2017-18:
Not applicable as no remuneration was paid to any director.

b) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the financial year:
The Company had not paid any remuneration to any Director and it does not have any Chief Executive Officer/Managing Director/Whole-time Director or Chief Financial Officer during the year. There is no increase in remuneration paid to the Company Secretary.

c) The percentage increase in the median remuneration of employees in the financial year: Nil.

d) The number of permanent employees on the rolls of Company as on March 31, 2018: 2 (Two)

e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the

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**Corporate Office:** ~~6th Floor, Arunachal Building, 19, Barakhamba Road,~~ New Delhi-110001~~, Ph. : 011-43686600, 43684800, Fax : 011-23315400~~
E-mail : secretarial@parsvnath.com

managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:
Not applicable as there is no managerial remuneration paid by the Company during 2017-18.

f) Affirmation that the remuneration is as per the remuneration policy of the Company:
The Company affirms that remuneration is as per the remuneration policy of the Company.

g) As per Section 197(12) of the Act read with the Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 details of employees drawing a remuneration of more than Rs.102 lakhs per annum, if employed throughout the financial year and Rs. 8.5 lakhs per month, if employed for part of the financial year need to be set out as annexure to this Report. However, none of the employees come under the purview of this section and hence, the said provisions are not applicable.

Further, as per the notification of Ministry of Corporate Affairs (MCA) dated June 30, 2016 requiring the list of top ten employees, the list of the employees of the Company is annexed as Annexure II to this Report.

| S.No. | Name | Designation / Nature of duties | Qualifications | Remuneration (Rs.) | Experience (Years) | Date of Joining | Age (Years) | Last Employment Held | Number & % of shares held in the Company as at March 31, 2018 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | Number | % |
| 1 | Mr. Atul Gupta | Assistant Manager - Accounts | M.Com; CA | 4,99,514 | 7 years (approx.) | October 10, 2015 | 33 years | Rajendra K Goel & Co. | Nil | Nil |
| 2 | Mr. Atul Kumar Gupta | Company Secretary | B.Com; CS | 5,36,556 | 11 years (approx.) | May 2, 2016 | 39 years | ZyXEL Technology India Pvt Ltd | Nil | Nil |

Note:
1. The Company had only 2 employees during the financial year ended March 31, 2018.
2. The remuneration does not include leave encashment, gratuity and other retirement benefits.
3. The nature of employment is on contractual basis. Other terms and conditions of the employment are as per Company's policy.
4. All the employees have adequate experience to discharge the responsibilities assigned to them and their designations are indicative of their nature of duties.
5. None of the employees mentioned above is a relative of any Director of the Company.

## PUBLIC DEPOSITS

The Company has not accepted any public deposits and as such, no amount on account of principal or interest was outstanding on the date of the Balance Sheet.

Parsvnath Landmark Developers Pvt. Ltd.
Delhi

**DETAILS OF SIGNIFICANT MATERIAL ORDERS PASSED BY THE REGULATORS/ COURTS/TRIBUNAL IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

There are no orders passed by the Regulators/Courts/Tribunal which would impact the going concern status of the Company and its future operations.

**MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT**

There are no material changes and commitment affecting the financial position of the Company, occurred between the end of the financial year under review and the date of the report.

**CORPORATE SOCIAL RESPONSIBILITY**

In terms of the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014 ("CSR Regulations"), the Company has constituted a Corporate Social Responsibility (CSR) Committee comprising of two Non-Executive Directors viz. Mr. Yogesh Jain and Mr. Atul Jain Mr. Ashish Jain.

A brief outline of the CSR Policy of the Company is set out in Annexure-IV (Annual Report on CSR) of this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014.

In pursuance of the provisions of CSR Regulations, a Company is required to spend on CSR activities 2% of the average net profit of the Company for the last three financial years. Since the Company suffered losses before tax during the last three financial years i.e. 2014-15, 2015-16 & 2016-17, it was not required to spend on CSR activities during the financial year 2017-18 in terms of the provisions of CSR Regulations.

**RISK MANAGEMENT**

The Company has adopted a Risk Management Policy to identify the risk associated with the business of the Company, to review the risks and concerns and device measures to resolve them with effect from from March 30, 2017.

The Company has not come across any element of risk which may threaten the existence of the Company.

**INTERNAL FINANCIAL CONTROLS**

The Company has in place adequate internal financial controls with reference to its financial statements.

Parsvnath Landmark Developers Pvt. Ltd. Delhi

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committed to build a better world

## COMPLIANCE OF SECRETARIAL STANDARDS

The Board of Directors of the Company hereby states that, during the year under review, the Company has complied with the applicable Secretarial Standards issued by The Institute of Company Secretaries of India and approved by the Central Government.

## GENERAL

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise;
2. Issue of shares (including sweat equity shares) to the employees of the Company under any scheme;
3. The Company has no Managing Director or Whole-time Director and none of the Non-executive Directors of the Company receive any remuneration or commission from its holding or subsidiary company.
4. There were no cases filed /reported pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 during the year under review.

## ACKNOWLEDGEMENTS

Your Directors wish to place on record their sincere gratitude and appreciation to the shareholders, Investors, customers, bankers, vendors, the concerned government authorities and agencies and all other business associates for the support provided by them to the Company.

**By order of the Board of Directors**
**For Parsvnath Landmark Developers Pvt. Ltd.**

Parsvnath Landmark Developers Pvt. Ltd. Delhi

**Yogesh Jain**
Director
DIN: 00088662
B-2/35, Ashok Vihar,
Ground Floor, Phase II,
Delhi 110052

**Atul Jain**
Director
DIN: 00102555
B-4, First Floor, Guru Ram
Dass Nagar, Laxmi Nagar,
Delhi-110092

Place : Delhi
Date : 04.09.2018

## SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018

The Members,
**PARSVNATH LANDMARK DEVELOPERS PRIVATE LIMITED**
Parsvnath Tower
Near Shahdara Metro Station,
Shahdara, Delhi-110032

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Parsvnath Landmark Developers Private Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2018 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;
(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 55A; Not Applicable
(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

(a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; Not Applicable

Chandrasekaran Associates ★ Company Secretaries ★ New Delhi

(b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; Not Applicable

(c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

(d) The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014; Not Applicable

(e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

(f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued; Not Applicable

(g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not Applicable and

(h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not Applicable

(vi) The Other laws, as informed and certified by the Management of the Company which are specifically applicable to the Company based on their Sectors/ Business are:

The Real Estate (Regulation And Development) Act, 2016.

We have also examined compliance with the applicable clauses of the following:

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observation:

1. *The Company has not complied with the provisions of section 149 of the Companies Act 2013, relating to appointment of Independent Director and Woman Director.*
2. *The Company has not complied with the provisions of section 177 and 178 of the Companies act 2013, relating to Constitution of Audit Committee and Nomination and Remuneration Committee.*
3. *The Company has not complied with the provisions of section 138 of the Companies Act 2013, relating to appointment of Internal Auditors.*
4. *The Company has not complied with the provisions of section 203 of the Companies Act 2013 for the appointment of Whole Time Key managerial personnel except Company secretary.*
5. *The Company has not complied with the Provisions of section 134 of the Companies Act 2013, relating to Performance Evaluation Mechanism/Policy (Independent Directors).*
6. *The Meeting of Independent Director was not convened during the period under review.*
7. *The Company has not complied with the Regulation 62 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, relating to maintenance of*

Chandrasekaran Associates * Company Secretaries * New Delhi *contact information including email address of designated officials dealing with investor grievances on the functional website.*

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors subject to *above mentioned observations.* The changes, if any, in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance (except in cases where meetings were convened at a shorter notice for which necessary approvals obtained as per applicable provisions), and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the company has no specific events/actions that having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc.

We further report that the Company is public Limited Company, being a subsidiary of public Company. However, the Company is maintaining its two directors and two shareholders.

Date:
Place: New Delhi
For Chandrasekaran Associates
Company Secretaries

Chandrasekaran Associates Company Secretaries New Delhi

Shashikant Tiwari
Partner
Membership No. A28994
Certificate of Practice No. 13050

Note: This report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report.

Annexure-A

The Members,

**PARSVNATH LANDMARK DEVELOPERS PRIVATE LIMITED**

Parsvnath Tower
Near Shahdara Metro Station,
Shahdara, Delhi-110032

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.

3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on random test basis.

6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

Date:
Place: New Delhi

For Chandrasekaran Associates
Company Secretaries

Chandrasekaran Associates * Company Secretaries * New Delhi

Shashikant Tiwari
Partner
Membership No. A28994
Certificate of Practice No. 13050

# PARSVNATH LANDMARK DEVELOPERS PRIVATE LIMITED

## NOMINATION AND REMUNERATION POLICY

### 1. PREAMBLE

The Nomination and Remuneration Policy of Parsvnath Landmark Developers Private Limited ("Company") has been formulated in line with the Nomination and Remuneration Policy of Parsvnath Developers Limited, holding Company, and adopted by the Board of Directors of the Company.

### 2 DEFINITIONS

a) **"Act"** means the Companies Act, 2013, as amended from time to time.

b) **"Board"** means Board of Directors of the Company.

c) **"Company"** means Parsvnath Landmark Developers Private Limited.

d) "**Directors"** mean Directors appointed to the Board of Directors of the Company.

e) **"Independent Director"** means a director referred to in Section 149 (6) of the Act read with regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("Listing Regulations")

f) **"Key Managerial Personnel"** means Key Managerial Personnel (KMP) as defined under the Act and includes:

(i) Managing Director, or Chief Executive Officer or Manager;

(ii) Whole-time director;

(iii) Company Secretary;

(iv) Chief Financial Officer; and

(v) such other officer(s) as may be prescribed

g) **"Policy"** means Nomination and Remuneration Policy, as amended from time to time.

h) **"Senior Management"** means Personnel of the Company who are members of its core management team excluding the Board of Directors. This would normally comprise all members of management one level below the Executive Directors, including all functional heads.

### 3. OBJECTIVES

The key objectives of the Policy are to ensure that:

**a)** the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, Key Managerial Personnel and Senior Managerial Personnel of the quality of work required to run the company successfully;

**b)** relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

**c)** remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals and

d) to develop a succession plan for the Board and senior management.

**4. ROLE**

The Board shall have roles in accordance with the provisions of the Act read with Rules made thereunder which shall, inter alia, include the following,—

a) formulation of the criteria for determining qualifications, positive attributes and independence of a director and a policy relating to the remuneration of the directors, key managerial personnel and other employees;

b) formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;

c) devising a policy on diversity of Board of Directors;

d) identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and the appointment and removal of Directors;

e) Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment etc. of Whole-time/Managing/Executive Directors;

**5. APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT**

a) The Board shall identify and ascertain the integrity, qualifications, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy.

b) A person should possess adequate qualification, expertise and experience for the position he/ she is considered for appointment. The Board has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.

c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding his position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

d) Senior Management personnel are appointed or promoted and removed/relieved with the authority of Chairman and/or Managing Director based on the business need and the suitability of the candidate in accordance with the criteria laid down. The details of the appointment made and the personnel removed/relieved shall be presented to the Board.

**6. TERM / TENURE**

a) **Managing Director/Whole-time Director:**

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

Parsvnath Landmark Developers Pvt. Ltd. * Delhi

**b) Independent Director:**

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that the number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act and Listing Regulations.

## 7. EVALUATION

An evaluation of performance of Directors including Independent Directors, if any, Board of Directors shall be carried out yearly or at such intervals as may be considered necessary by the Board of Directors.

## 8. REMOVAL

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Board may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Act, Listing Regulations and the policy of the Company.

## 9. RETIREMENT

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## 10. POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL

**a) Remuneration to Managing Director / Whole-time Directors:**

i. The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time

Parsvnath Landmark Developers Pvt. Ltd. Delhi

Directors, etc. shall be governed as per provisions of the Act and rules made there under or any other enactment for the time being in force and the approvals obtained from the shareholders of the Company.

ii. The Board may decide appropriate remuneration to Managing Director / Whole-time Directors.

**b) Remuneration to Non-Executive / Independent Directors**:

i. The Non-Executive/ Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of the Act. The amount of sitting fees shall be such as may be approved by the Board. Provided that the amount of such fees shall not exceed Rs. One Lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

ii. The Non-Executive/ Independent Directors may be paid commission within the monetary limit approved by the shareholders, subject to the limit as per the applicable provisions of the Act.

iii. All the remuneration of the Non-Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Act shall be subject to ceiling/ limits as provided under the Act and rules made there under or any other enactment for the time being in force. The amount of such remuneration shall be such as may be approved by the Board or shareholders, as the case may be.

iv. An Independent Director shall not be eligible to get Stock Options of the Company.

v. Any remuneration paid to Non- Executive / Independent Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
   - The Services are rendered by such Director in his capacity as a professional; and
   - In the opinion of the Board, the director possesses the requisite qualification for the practice of that profession.

**c) Remuneration to Key Managerial Personnel and Senior Management:**

i. The remuneration to Key Managerial Personnel and Senior Management may consist of fixed pay and incentive pay, in compliance with the provisions of the Act and in accordance with the Company's Policy.

ii. The Fixed pay shall include monthly remuneration and may include employer's contribution to Provident Fund, contribution to pension fund, pension schemes, if any, etc. as decided from to time.

iii. The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

Parsvnath Landmark Developers Pvt. Ltd. Delhi

## 11. CRITERIA FOR EVALUATION OF THE DIRECTORS:

The criteria for evaluation under different categories depend on the role the person/group plays in the organization. The criteria for every evaluation may be decided at every level depending on the functions, responsibilities, competencies required, nature of business, etc.

Indicative criteria that may be used for different categories are:

### a) Board as a whole

i. Structure of the Board: Competency of directors, Experience of directors, Mix of qualifications, Diversity in Board under various parameters viz. Gender/background/ competence/experience, etc., Process of Appointment to the Board.

ii. Meetings of the Board: Regularity and frequency of Meetings of the Board, logistics viz. venue, format and timing etc., Agenda, Discussions and dissent, Recording of minutes, Dissemination of information.

iii. Functions of the Board: Role and responsibilities of the Board, Strategy and performance evaluation, Governance and compliance, Evaluation of Risks, Grievance redressal for Investors, Conflict of interest, Stakeholder value and responsibility, Corporate culture and values, Review of Board evaluation, Facilitation of independent directors.

iv. Board and management: Evaluation of performance of the management and feedback, Independence of the management from the Board, Access of the management to the Board and Board access to the management, Secretarial support, Fund availability, Succession plan.

v. Professional development

### b) Individual Directors and Chairperson (including Chairperson, CEO, Independent Directors, Non-independent Directors, etc.)

i. Qualifications
ii. Experience
iii. Knowledge and Competency
iv. Fulfillment of functions
v. Ability to function as a team
vi. Initiative
vii. Availability and attendance
viii. Commitment
ix. Contribution
x. Integrity

Parsvnath Landmark Developers Pvt. Ltd. Delhi

c) **Additional criteria for Independent Director:**

i. Independence
ii. Independent views and judgment:

d) **Additional criteria for Chairperson:**

i. Effectiveness of leadership and ability to steer the meetings
ii. Impartiality
iii. Commitment
iv. Ability to keep shareholders' interests in mind

Different criteria may be assigned different weights depending on the organisation's requirements, circumstances, outcome of previous assessments, stage of Board's maturity, etc. Instead of the questionnaire in a simple yes/no format, it should provide scope for grading, additional comments, suggestions, etc.

## 12. POLICY ON BOARD DIVERSITY

The Board of Directors shall have the optimum combination of Directors from the different areas/fields like Management, Finance, Sales, Marketing, Retail, Commercial, Human Resources etc. or as may be considered appropriate.

The Board shall have the one Woman Director as per the statutory requirements.

## 13. SUCCESSION PLAN

The Board shall review the leadership needs and succession plan of the Company from time to time.

The appointment of the person at the Board level shall be in accordance with the applicable provisions of the Act read with Listing Regulations, as may be amended from time to time. The successors for the Independent Directors shall be identified by Board through the sources as the Board may deem fit. In case of separation of Independent Directors due to resignation/ retirement or otherwise, successor will be appointed at the earliest but not later than the immediate next Board meeting or three months from the date of such vacancy, whichever is later, unless the Board decides not to fill up the vacancy.

The successors for the Executive Director(s) shall be identified by the Board from among the Senior Management or through external source as the Board may deem fit. The Board will review the proposed appointments giving due consideration for the expertise and other criteria required for the successor.

The vacancy at Senior Management shall be filled with the authority of Chairman and/or Managing Director or Executive Director in line with internal policy adopted by the management keeping in view the future growth and development. Appointment of the Chief Executive Officer/Chief Financial Officer/Company Secretary shall be as per the provisions of the Act read with Listing Regulations.

Parsvnath Landmark Developers Pvt. Ltd. * Delhi

**14. DISCLOSURE OF INFORMATION**

Details of Policy shall be disclosed in the Board's Report.

**15. APPLICABILITY OF THE REMUNERATION POLICY**

This Policy shall be applicable to the Directors, KMPs, Senior Management of the Company.

Any departure from the policy can be undertaken only with the approval of the Board of Directors.

**16. REVIEW AND AMENDMENT**

a) The Board may review the Policy as and when it deems necessary.

b) The Board may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement and better implementation to this Policy, if it thinks necessary.

c) This Policy may be amended or substituted by the Board as and when required.

d) This Policy shall be hosted on the Company's website.

e) The right to interpret this Policy vests in the Board of Directors of the Company.

Parsvnath Landmark Developers Pvt. Ltd.
Delhi

**FORM NO. MGT 9**
**EXTRACT OF ANNUAL RETURN**
**as on the financial year ended on 31.03.2018**

*Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration ) Rules, 2014.*

## I REGISTRATION & OTHER DETAILS:

| | | |
|---|---|---|
| i | CIN | U45201DL2003PTC122489 |
| ii | Registration Date | 06 October 2003 |
| iii | Name of the Company | Parsvnath Landmark Developers Pvt. Ltd. |
| iv | Category of the Company | Private Company* |
| v | **Address of the Registered office &** | |
| | Address : | Parsvnath Tower, Near Shahdara Metro Station |
| | Town / City : | Shahdara |
| | State : | Delhi |
| | Country Name : | India |
| | Telephone (with STD Code) : | 011-43010500 |
| | Fax Number : | 011-43050473 |
| | Email Address : | secretarial@parsvnath.com |
| | Website, if any: | |
| vi | Whether listed company | Yes (Debt Listed) |
| vii | **Name and Address of Registrar & Transfer Agents ( RTA ):-** | |
| | Name of RTA: | Link Intime India Pvt. Ltd. |
| | Address : | C-13, Pannalal Silk Mills Compound |
| | Town / City : | LBS Marg, Bhandup West, Mumbai |
| | State : | Maharastra |
| | Pin Code: | 400078 |
| | Telephone : | 022-25963838 |
| | Fax Number : | 022-25946969 |
| | Email Address : | accounts@linkintime.co.in |

* Though the Company is a private company by its articles, but it is a subsidiary of Parsvnath Developers Ltd (public company), therefore, is treated as public company for all purposes of the Companies Act, 2013.

## II. PRINCIPAL BUSINESS ACTIVITY OF THE COMPANY

All the business activities contributing 10 % or more of the total turnover of the company shall be stated:-

| Sl. No. | Name and Description of main products / services | NIC Code of the Product / service | % to total turnover of the company |
|---|---|---|---|
| 1 | Promotion, construction and development of residential buildings | 410 | 100% |

## III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES -

| | |
|---|---|
| No. of Companies for which information is being filled | 1 |

| S. No. | NAME AND ADDRESS OF THE COMPANY | CIN/GLN | HOLDING/ SUBSIDIARY /ASSOCIATE | % of shares held | Applicable Section |
|---|---|---|---|---|---|
| 1 | Parsvnath Developers Limited | L45201DL1990PLC040945 | Holding Company | 100% | Sec 2(87)(ii) |

Parsvnath Landmark Developers Pvt. Ltd. Delhi

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**

*i.* **Category-wise Share Holding**

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % Change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **A. Promoter s** | | | | | | | | | |
| **(1) Indian** | | | | | | | | | |
| a) Individual*/ HUF | 0 | 1 | 1 | 0% | 0 | 1 | 1 | 0% | 0% |
| b) Central Govt | 0 | 0 | 0 | 0% | 0 | 0 | 0 | 0% | 0% |
| c) State Govt(s) | 0 | 0 | 0 | 0% | 0 | 0 | 0 | 0% | 0% |
| d) Bodies Corp. | 7,22,051 | 25,60,000 | 32,82,051 | 100% | 7,22,051 | 25,60,000 | 32,82,051 | 100% | 0% |
| e) Banks / FI | 0 | 0 | 0 | 0% | 0 | 0 | 0 | 0% | 0% |
| f) Any other | 0 | 0 | 0 | 0% | 0 | 0 | 0 | 0% | 0% |
| | | | | | | | | | |
| **(2) Foreign** | 0 | 0 | 0 | 0% | 0 | 0 | 0 | 0% | 0% |
| a) NRI - Individual/ | 0 | 0 | 0 | 0% | 0 | 0 | 0 | 0% | 0% |
| b) Other - Individual/ | 0 | 0 | 0 | 0% | 0 | 0 | 0 | 0% | 0% |
| c) Bodies Corp. | 0 | 0 | 0 | 0% | 0 | 0 | 0 | 0% | 0% |
| d) Banks / FI | 0 | 0 | 0 | 0% | 0 | 0 | 0 | 0% | 0% |
| e) Any Others | 0 | 0 | 0 | 0% | 0 | 0 | 0 | 0% | 0% |
| **Total shareholding of Promoter (A)** | 7,22,051 | 25,60,001 | 32,82,052 | 100% | 7,22,051 | 25,60,001 | 32,82,052 | 100% | 0% |
| ***1 share is held by an Individual in physical mode as a nominee of the Bodies Corp. mentioned in A.(1) d) above at the end of the year** | | | | | | | | | |
| **B. Public Shareholding** | | | | | | | | | |
| **1. Institutions** | | | | | | | | | |
| a) Mutual Funds | 0 | 0 | 0 | 0% | 0 | 0 | 0 | 0% | 0% |
| b) Banks / FI | 0 | 0 | 0 | 0% | 0 | 0 | 0 | 0% | 0% |
| c) Central Govt | 0 | 0 | 0 | 0% | 0 | 0 | 0 | 0% | 0% |
| d) State Govt(s) | 0 | 0 | 0 | 0% | 0 | 0 | 0 | 0% | 0% |
| e) Venture Capital | 0 | 0 | 0 | 0% | 0 | 0 | 0 | 0% | 0% |
| f) Insurance Companies | 0 | 0 | 0 | 0% | 0 | 0 | 0 | 0% | 0% |
| g) FIIs | 0 | 0 | 0 | 0% | 0 | 0 | 0 | 0% | 0% |
| h) Foreign Venture | 0 | 0 | 0 | 0% | 0 | 0 | 0 | 0% | 0% |
| i) Others (specify) | 0 | 0 | 0 | 0% | 0 | 0 | 0 | 0% | 0% |
| **Sub-total (B)(1):-** | 0 | 0 | 0 | 0% | 0 | 0 | 0 | 0% | 0% |
| **2. Non-Institutions** | | | | | | | | | |
| a) Bodies Corp. | | | | | | | | | |
| i) Indian | 0 | 0 | 0 | 0% | 0 | 0 | 0 | 0% | 0% |
| ii) Overseas | 0 | 0 | 0 | 0% | 0 | 0 | 0 | 0% | 0% |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital | 0 | 0 | 0 | 0% | 0 | 0 | 0 | 0% | 0% |
| ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh | 0 | 0 | 0 | 0% | 0 | 0 | 0 | 0% | 0% |
| c) Others (specify) | 0 | 0 | 0 | 0% | 0 | 0 | 0 | 0% | 0% |
| **Sub-total (B)(2):-** | 0 | 0 | 0 | 0% | 0 | 0 | 0 | 0% | 0% |
| **Total Public Shareholding (B)=(B)(1)+ (B)(2)** | 0 | 0 | 0 | 0% | 0 | 0 | 0 | 0% | 0% |
| **C. Shares held by Custodian for GDRs & ADRs** | 0 | 0 | 0 | 0% | 0 | 0 | 0 | 0% | 0% |
| **Grand Total (A+B+C)** | **7,22,051** | **25,60,001** | **32,82,052** | **100%** | **7,22,051** | **25,60,001** | **32,82,052** | **100%** | **0%** |

***ii Shareholding of Promoters***

| Sl No. | Shareholder's Name | Shareholding at the beginning of the year | | | Share holding at the end of the year | | | % change in share holding during the year |
|---|---|---|---|---|---|---|---|---|
| | | No. of Shares | % of total Shares of the company | % of Shares Pledged / encumbered to total shares | No. of Shares | % of total Shares of the company | %of Shares Pledged / encumbered to total shares | |
| 1 | Parvnath Developers Ltd. | 32,82,051 | 100.00% | 100% | 32,82,052 | 100.00% | 100% | 0% |
| 2 | Mrs. Nutan Jain (as a nominee of | 1 | 0.00% | 0% | 1 | 0.00% | 0% | 0% |
| | **TOTAL** | **32,82,052** | **100.00%** | **100%** | **32,82,052** | **100.00%** | **0%** | **0%** |

Parsvnath Landmark Developers Pvt. Ltd. Delhi

*iii* ***Change in Promoters' Shareholding ( please specify, if there is no change)***

| Sl. No. I - Parsvnath Developers Ltd. | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|
| | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| At the beginning of the year | - | - | - | - |
| Changes During the Year | - | - | - | - |
| At the End of the year | - | - | - | - |

*iv* ***Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):*** **NIL**

| Sl. No.: 1 ___ | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| At the beginning of the year | | | | | |
| Changes During the Year | | | | | |
| **Increase** | | | | | |
| **Date** | **Reason for Increase** | | | | |
| | Allotment | | | | |
| | Bonus | | | | |
| | Sweat | | | | |
| | Other | | | | |
| **Decrease** | | | | | |
| **Date** | **Reason for Decrease** | | | | |
| | Transfer | | | | |
| | Other | | | | |
| At the End of the year (or on the date of separation, if separated during the year) | | | | | |

*v* ***Shareholding of Directors and Key Managerial Personnel: Nil***

| S. No.: 1 Mr.___ | | Shareholding at the beginning of the year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|
| | | No. of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| At the beginning of the year | | | | | |
| Changes During the Year | | | | | |
| **Increase** | | | | | |
| **Date** | **Reason for Increase** | | | | |
| | | | | | |
| | | | | | |
| **Decrease** | | | | | |
| **Date** | **Reason for Decrease** | | | | |
| | | | | | |
| | | | | | |
| At the End of the year | | | | | |

Parsvnath Landmark Developers Pvt. Ltd. Delhi

## V INDEBTEDNESS

**Indebtedness of the Company including interest outstanding/accrued but not due for payment**

(Rs. In Lakhs)

| Indebtedness at the beginning of the financial | Secured Loans excluding deposits | Unsecured Loans | Deposits | Total Indebtness |
|---|---|---|---|---|
| i) Principal Amount | 20177.98 | 7.11 | - | 20,185 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not | 1490.41 | - | - | 1,490.41 |
| **Total (i+ii+iii)** | **21,668.39** | **7.11** | | **21,675.50** |
| **Change in Indebtedness** | | | | |
| * Addition | 3,505.45 | - | - | 3,505.45 |
| * Reduction | | 7.11 | - | 7.11 |
| **Net Change** | 3,505.45 | -7.11 | - | 3,498.34 |
| **Indebtedness at the end of** | | | | |
| i) Principal Amount | 20,999 | - | - | 20,999 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not | 4,174 | - | - | 4,174 |
| **Total (i+ii+iii)** | **25,173.84** | **0** | **0** | **25,173.84** |

Delhi

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

*A. Remuneration to Managing Director, Whole-time Directors and/or Manager:*

| Sl. no. | Particulars of Remuneration | Name of MD/WTD/ Manager | | | | Total Amount |
|---|---|---|---|---|---|---|
| | | A | B | C | D | |
| 1 | Gross salary | | | | | |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | | | | | |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | | | | | |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | | | | | |
| 2 | Stock Option | | | | | |
| 3 | Sweat Equity | | | | | |
| 4 | Commission | | | | | |
| | - as % of profit | | | | | |
| | - others, specify | | | | | |
| 5 | Others, please specify | | | | | |
| | Total (A) | | | | | |
| | Ceiling as per the Act | | | | | |

*B. Remuneration to other directors:*

| Sl. no. | Particulars of Remuneration | Name of Directors | | | | Total Amount |
|---|---|---|---|---|---|---|
| | | A | B | C | D | |
| 1 | **Independent Directors** | | | | | |
| | Fee for attending board committee meetings | | | | | |
| | Commission | | | | | |
| | Others, please specify | | | | | |
| | Total (1) | | | | | |
| 2 | **Other Non-Executive** | | | | | |
| | Fee for attending board committee meetings | | | | | |
| | Commission | | | | | |
| | Others, please specify | | | | | |
| | Total (2) | | | | | |
| | Total (B)=(1+2) | | | | | |
| | Total Managerial Remuneration | | | | | |
| | Overall Ceiling as per the Act | | | | | |

*C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD*

| Sl. no. | Particulars of Remuneration | Key Managerial Personnel | | | |
|---|---|---|---|---|---|
| | | CEO | Company Secretary | CFO | Total |
| 1 | Gross salary | - | | - | - |
| | (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | - | 5,36,556 | - | 5,36,556 |
| | (b) Value of perquisites u/s 17(2) Income-tax Act, 1961 | - | - | - | - |
| | (c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961 | - | - | - | - |
| 2 | Stock Option | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - |
| 4 | Commission | - | - | - | - |
| | - as % of profit | - | - | - | - |
| | - others, specify... | - | - | - | - |

| Sl. no. | Particulars of Remuneration | Key Managerial Personnel | | | |
|---|---|---|---|---|---|
| | | CEO | Company Secretary | CFO | Total |
| 5 | Others, please specify | - | - | - | - |
| | Total | - | 5,36,556 | - | 5,36,556 |

## VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

| Type | Section of the Companies Act | Brief Description | Details of Penalty / Punishment/ Compounding fees imposed | Authority [RD / NCLT/ COURT] | Appeal made, if any (give Details) | |
|---|---|---|---|---|---|---|
| **A. COMPANY** | | | | | | |
| Penalty | | | | | | |
| Punishment | | | | | | |
| Compounding | | | | | | |
| **B. DIRECTORS** | | | | | | |
| Penalty | | | | | | |
| Punishment | | | | | | |
| Compounding | | | | | | |
| **C. OTHER OFFICERS IN DEFAULT** | | | | | | |
| Penalty | | | | | | |
| Punishment | | | | | | |
| Compounding | | | | | | |

**By order of the Board of Directors**
**For Parsvnath Landmark Developers Pvt. Ltd.**

Parsvnath Landmark Developers Pvt. Ltd. Delhi

**Yogesh Jain**
Director
DIN: 00088662
B-2/35, Ashok Vihar,
Ground Floor, Phase II,
Delhi 110052

**Atul Jain**
Director
DIN: 00102555
B-4, First Floor, Guru Ram
Dass Nagar, Laxmi Nagar,
Delhi-110092

Place: Delhi
Date: 04.09.2018

**PARSVNATH LANDMARK DEVELOPERS PRIVATE LIMITED**
**Registered Office:** Parsvnath Tower, Near Shahdara Metro Station, Shahdara, Delhi – 110032
**CIN:** U45201DL2003PTC122489
**Phone No:** +91-11-43010500, +91-11-43050100; **Fax No:** +91-11-43050473
**E-mail:** secretarial@parsvnath.com

**Annexure-IV**

## Annual Report on CSR Activities for the financial year 2017-18

### 1. A brief outline of the Company's CSR policy

The Company has adopted a Corporate Social Responsibility (CSR) Policy which lays down the vision, objectives and implementation mechanism and the projects that will be undertaken will be within the broad framework of Schedule VII of the Companies Act, 2013 read with the Rules framed thereunder.

The CSR activities to be undertaken will be monitored by the CSR Committee of the Board of Directors of the Company. The CSR Committee shall ensure that the implementation and monitoring of the CSR projects are in compliance with the CSR Policy.

### 2. The composition of the CSR committee

The CSR Committee comprises of two Non-Executive Directors viz. Mr. Yogesh Jain and Mr. Atul Jain.

### 3. Average net profit/ (loss) of the company for last three financial years for the purpose of computation of CSR

₹ (8.82 Crores)

### 4. Prescribed CSR Expenditure (two per cent of the amount as in item 3 above)

Not applicable

### 5. Details of CSR spent during the financial year: Not applicable

(a) Total amount to be spent for the financial year: Nil

(b) Amount unspent: Nil

(c) Manner in which the amount was spent during the financial year: Not applicable

### 6. In case the Company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board Report:

As the average net profit for the last three financial years was negative, the Company was not required to spend any amount on CSR activities.

Parsvnath Landmark Developers Pvt. Ltd. Delhi

**7. A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.**

It is hereby declared that the implementation and monitoring of the CSR project, as and when done, shall be in compliance with CSR objectives and policy of the Company.

**By order of the Board of Directors**
**For Parsvnath Landmark Developers Pvt. Ltd.**

Parsvnath Landmark Developers Pvt. Ltd. Delhi

| | |
|---|---|
| **Yogesh Jain** | **Atul Jain** |
| Director | Director |
| DIN: 00088662 | DIN: 00102555 |
| B-2/35, Ashok Vihar, Ground Floor, Phase II, Delhi 110052 | B-4, First Floor, Guru Ram Dass Nagar, Laxmi Nagar, Delhi-110092 |

Place : Delhi
Date : 04.09.2018

**INDEPENDENT AUDITOR'S REPORT**
**TO THE MEMBERS OF PARSVNATH LANDMARK DEVELOPERS PRIVATE LIMITED**

**Report on the Ind AS Financial Statements**

We have audited the accompanying Indian Accounting Standards (Ind AS) financial statements of Parsvnath Landmark Developers Private Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2018, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

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

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS 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 Ind AS financial statements based on our audit.

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

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

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

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at 31 March 2018, and its loss (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"/"CARO 2016") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.

2. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:

   a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   c) The Ind AS Financial Statements dealt with by this Report are in agreement with the books of account.

   d) In our opinion, the Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

   e) On the basis of the written representations received from the directors as on 31 March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

   f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

   g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

      i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements - Refer Note 28 and 30 to the Ind AS financial statements;

      ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses - Refer Note 31 to the Ind AS financial statements;

iii. There were no amounts which were required to be transferred to the to the Investor Education and Protection Fund by the Company;

For **S.N. Dhawan & Co LLP**
Chartered Accountants
Firm's Registration No.:000050N/N500045

**Vinesh Jain**
Partner
Membership No.: 087701

Place: Delhi
Date: 28 May, 2018

**"ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

b. The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to information and explanations given to us, no material discrepancies were noticed on such verification.

c. The Company does not have any immovable properties of freehold or leasehold land and building and hence reporting under clause (i) (c) of the CARO 2016 is not applicable.

ii. In our opinion and according to the information and explanations given to us, having regard to the nature of inventory, the physical verification by way of verification of title deeds, site visits by the Management and certification of extent of work completion by competent persons, are at reasonable intervals and no material discrepancies were noticed on physical verification.

iii. The Company has not granted any loans, secured or unsecured to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

iv. The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of CARO 2016 is not applicable.

v. According to the information and explanations given to us, the Company has not accepted any deposits from the public.

vi. The Company is not required to maintain cost records and hence reporting under clause (vi) of CARO 2016 is not applicable.

vii. According to the information and explanations given to us in respect of statutory dues:

a. Other than for delays in deposit of Income Tax and Goods and Service Tax, the Company has generally been regular in depositing undisputed statutory dues including Service Tax, Sales Tax, Value Added Tax and other material statutory dues applicable to it with the appropriate authorities during the year. We are informed that the provisions of the Employees Provident Funds and Miscellaneous Act, 1952 and Employees State Insurance Act, 1948 are not applicable to the Company and that the operations of the Company during the year, did not give rise to any liability for Excise Duty and Customs Duty.

b. Undisputed amount of Interest on late deposit of Tax deducted at source (TDS) amounting to Rs. 121.42 lakhs has remained outstanding as at 31 March, 2018 for a period exceeding six months form the date it became payable. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Sales Tax, Service Tax, Value Added Tax, Goods and Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31 March, 2018 for a period of more than six months from the date they became payable.

c. There are no dues in respect of Income Tax, Sales Tax, Value Added Tax, Goods and Service Tax, Service Tax, Excise Duty and Customs Duty, which have not been deposited as on 31 March, 2018 on account of disputes.

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of dues to debenture holders. The Company has not taken any loans or borrowings from financial institutions, banks and government.

ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans during the year and hence reporting under clause (ix) of the CARO 2016 Order is not applicable.

x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

xi. The Company has not paid / provided any managerial remuneration and hence reporting under clause (xi) of the CARO 2016 is not applicable.

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.

xiii. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

xiv. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

xvi. The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

For **S.N. Dhawan & Co LLP**
Chartered Accountants
Firm's Registration No.:000050N/N500045

**Vinesh Jain**
Partner
Membership No.: 087701

Place: Delhi
Date: 28 May, 2018

**'Annexure B' to the Independent Auditor's Report**
(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of the Independent Auditor's Report of even date to the members of Parsvnath Landmark Developers Private Limited on the Ind AS financial statements as at and for the year ended 31 March 2018)

**Independent Auditor's report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls over financial reporting of Parsvnath Landmark Developers Private Limited ("the Company") as of 31 March 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditors' Responsibility**

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

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

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

## Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Ind AS financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Ind AS financial statements.

## Inherent Limitations of Internal Financial Controls over Financial Reporting

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

## Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2018, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **S.N. Dhawan & Co LLP**
Chartered Accountants
Firm's Registration No.:000050N/N500045

**Vinesh Jain**
Partner
Membership No.: 087701

Place: Delhi
Date: 28 May, 2018

**Parsvnath Landmark Developers Private Limited**
**Balance Sheet as at 31 March, 2018**

| | Notes | As at 31-March-18 Rs. in lakhs | As at 31-March-17 Rs. in lakhs |
|---|---|---|---|
| **Assets** | | | |
| **1. Non-current assets** | | | |
| a. Property, plant and equipment | 5 | 18.91 | 18.25 |
| b. Financial assets | | | |
| i. Other financial assets | 6 | 3,959.50 | 3,000.00 |
| c. Deferred tax assets (net) | 19 | 1,558.44 | 661.60 |
| d. Other non-current assets | 11 | 5.24 | - |
| Total non-current assets | | **5,542.09** | **3,679.85** |
| **2. Current assets** | | | |
| a. Inventories | 7 | 17,279.49 | 17,649.99 |
| b. Financial assets | | | |
| i. Trade receivables | 8 | 3,048.21 | 2,758.66 |
| ii. Cash and cash equivalents | 9 | 38.55 | 6.40 |
| iii. Other financial assets | 6 | 4.42 | 4.42 |
| c. Current tax assets (net) | 10 | 54.45 | 65.42 |
| d. Other current assets | 11 | 10,703.98 | 11,564.56 |
| Total current assets | | **31,129.10** | **32,049.45** |
| **Total assets** | | **36,671.19** | **35,729.30** |
| **Equity and Liabilities** | | | |
| **1. Equity** | | | |
| a. Equity share capital | 12 | 328.21 | 328.21 |
| b. Other equity | 13 | 9,008.77 | 11,955.21 |
| Total Equity | | **9,336.98** | **12,283.42** |
| **2. Liabilities** | | | |
| **Non-current liabilities** | | | |
| a. Financial liabilities | | | |
| i. Borrowings | 14 | 20,999.43 | 20,177.98 |
| Total non-current liabilities | | **20,999.43** | **20,177.98** |
| **Current liabilities** | | | |
| a. Financial liabilities | | | |
| i. Trade Payables | 15 | 1,191.67 | 1,128.03 |
| ii. Other financial liabilities | 16 | 4,838.91 | 1,939.12 |
| b. Other current liabilities | 17 | 303.84 | 200.17 |
| c. Provisions | 18 | 0.36 | 0.58 |
| Total current liabilities | | **6,334.78** | **3,267.90** |
| **Total liabilities** | | **27,334.21** | **23,445.88** |
| **Total equity and liabilities** | | **36,671.19** | **35,729.30** |
| See accompanying notes to the financial statements | **1-42** | | |

In terms of our report attached
**For S. N. Dhawan & Co. LLP**
Chartered Accountants
Firm's Registration No. 000050N/N500045

**Vinesh Jain**
Partner
Membership No. 087701

**For and on behalf of the Board of Directors**

**Atul Jain**
Director
DIN: 00102555

**Yogesh Jain**
Director
DIN: 00088662

**Atul Kumar Gupta**
Company Secretary

Place: Delhi
Date: 28 May, 2018

**Parsvnath Landmark Developers Private Limited**
**Statement of Profit and Loss for the year ended 31 March, 2018**

| | PARTICULARS | Notes | Year ended 31 March, 2018 | Year ended 31 March, 2017 |
|---|---|---|---|---|
| | | | Rs. in lakhs | Rs. in lakhs |
| I | Revenue from operations | 20 | 366.08 | 1,526.15 |
| II | Other income | 21 | 173.24 | 27.45 |
| III | **Total income (I + II)** | | **539.32** | **1,553.60** |
| IV | **Expenses** | | | |
| | a. Cost of materials consumed | | 145.53 | 364.55 |
| | b. Contract cost, labour and other charges | | 272.24 | 261.27 |
| | c. Purchases of stock-in-trade | | (841.02) | 5,785.50 |
| | d. Changes in inventories of work-in-progress, stock-in-trade and finished goods | 22 | 2,301.84 | (5,907.38) |
| | e. Employee benefits expense | 23 | 10.37 | 10.55 |
| | f. Finance costs | 24 | 2,111.70 | 1,457.42 |
| | g. Depreciation and amortisation expense | 25 | 6.49 | 6.15 |
| | h. Other expenses | 26 | 359.27 | 281.17 |
| | **Total expenses (IV)** | | **4,366.42** | **2,259.23** |
| V | **Profit/(loss) before tax (III-IV)** | | **(3827.10)** | **(705.63)** |
| VI | Tax expense/(benefit): | 27 | | |
| | a. Current tax | | - | - |
| | b. Tax adjustment for earlier years | | 16.18 | 4.85 |
| | c. Deferred tax charge/(credit) | | (896.84) | (87.02) |
| | | | (880.66) | (82.18) |
| VII | **Profit/(loss) for the year (V - VI)** | | **(2,946.44)** | **(623.45)** |
| VIII | **Other comprehensive income** | | - | - |
| IX | **Total comprehensive income for the year (VII + VIII)** | | **(2,946.44)** | **(623.45)** |
| X. | Earnings per equity share (face value Rs. 10 per share) | 35 | | |
| | a. Basic (in Rs.) | | (89.77) | (19.00) |
| | b. Diluted (in Rs.) | | (89.77) | (19.00) |
| | See accompanying notes to the financial statements | **1-42** | | |

In terms of our report attached
**For S. N. Dhawan & Co. LLP**
Chartered Accountants
Firm's Registration No. 000050N/N500045

**Vinesh Jain**
Partner
Membership No. 087701

Place: Delhi
Date: 28 May, 2018

**For and on behalf of the Board of Directors**

**Atul Jain**
Director
DIN: 00102555

**Yogesh Jain**
Director
DIN: 00088662

**Atul Kumar Gupta**
Company Secretary

**Parsvnath Landmark Developers Private Limited**
**Statement of changes in equity for the year ended 31 March,2018**

**A. Equity Share Capital**

| Particulars | Rs. in lakhs |
|---|---|
| **Balance as at 31 March, 2016** | 328.21 |
| Changes in equity share capital during the year | - |
| **Balance as at 31 March, 2017** | **328.21** |
| Changes in equity share capital during the year | - |
| **Balance as at 31 March, 2018** | **328.21** |

**B Other Equity**

Rs. in lakhs

| Particulars | Reserves and surplus | | | | |
|---|---|---|---|---|---|
| | **Securities premium reserve** | **General Reserve** | **Debenture redemption reserve** | **Retained earnings** | **Total** |
| **Balance as at 31 March, 2016** | **3,849.52** | **1,350.00** | - | **7,379.14** | **12,578.66** |
| Profit/(loss) for the year | - | - | - | (623.45) | (623.45) |
| Other comprehensive income for the year | - | - | - | - | - |
| Transfer from retained earnings to debenture redemption reserve | - | - | 5,000.00 | (5,000.00) | |
| **Balance as at 31 March, 2017** | **3,849.52** | **1,350.00** | **5,000.00** | **1,755.69** | **11,955.21** |
| Profit/(loss) for the year | - | - | - | (2,946.44) | (2,946.44) |
| Other comprehensive income for the year | - | - | - | - | - |
| **Balance as at 31 March, 2018** | **3,849.52** | **1,350.00** | **5,000.00** | **(1,190.75)** | **9,008.77** |

**Note:**

During the year, the Company has issued redeemable debentures amounting to Rs. 20,000 lakhs. In accordance with 'The Companies (Share Capital and debenture) Rules, 2014', the Company has created "Debenture Redemption Reserves' equivalent to 25% of the value of debentures issued.

See accompanying notes to the financial statements

In terms of our report attached
**For S. N. Dhawan & Co. LLP**
Chartered Accountants
Firm's Registration No. 000050N/N500045

**Vinesh Jain**
Partner
Membership No. 087701

Place: Delhi
Date: 28 May, 2018

**For and on behalf of the Board of Directors**

**Atul Jain**
Director
DIN: 00102555

**Yogesh Jain**
Director
DIN: 00088662

**Atul Kumar Gupta**
Company Secretary

**Parsvnath Landmark Developers Private Limited**
**Statement of Cash Flows for the year ended 31 March, 2018**

| Particulars | Year ended 31 March, 2018 Rs. in lakhs | Year ended 31 March, 2017 Rs. in lakhs |
|---|---|---|
| **A. Cash flows from operating activities** | | |
| Profit/(loss) before tax | (3,827.10) | (705.63) |
| Adjustments for : | | |
| Finance costs | 4,021.45 | 1,428.60 |
| Depreciation and amortisation expense | 6.49 | 6.15 |
| | **200.84** | **729.12** |
| **Adjustments for:** | | |
| (Increase)/decrease in inventories | 370.51 | (5,907.38) |
| (Increase)/decrease in trade and other receivables | (289.55) | 626.53 |
| (Increase)/decrease in other non-current financial assets | (959.50) | (3,000.00) |
| (Increase)/decrease in other current financial assets | - | 15.90 |
| (Increase)/decrease in other non-current assets | (5.24) | 3,961.17 |
| (Increase)/decrease in other current assets | 860.58 | (657.38) |
| Increase/(decrease) in trade payables | 63.63 | (133.05) |
| Increase/(decrease) in other financial liabilities | 215.79 | (106.06) |
| Increase/(decrease) in other liabilities | 103.67 | (169.19) |
| Increase/(decrease) in provisions | (0.22) | 0.36 |
| **Cash generated from operations** | **560.51** | **(4,639.97)** |
| Income taxes paid (net) | 5.21 | (21.93) |
| **Net cash (used in)/generated by operating activities** | **555.30** | **(4,618.05)** |
| **B. Cash flows from investing activities** | | |
| Purchase of property, plant and equipment | (7.15) | - |
| **Net Cash (used in)/generated by investing activities** | **(7.15)** | **-** |
| **C. Cash flows from financing activities** | | |
| Proceeds from borrowings | 821.45 | 20,177.98 |
| Repayment of borrowings | - | (12,244.93) |
| Interest paid | (1,337.45) | (3,733.41) |
| **Net Cash (used in)/generated by financing activities** | **(516.00)** | **4,199.63** |
| **Net increase in Cash and cash equivalents (A+B+C)** | **32.15** | **(418.42)** |
| **Cash and cash equivalents at the beginning of the year** | 6.40 | 424.82 |
| **Cash and cash equivalents at the end of the year** | **38.55** | **6.40** |

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

See accompanying notes to the financial statements **1-42**

**For and on behalf of the Board of Directors**

**Atul Jain**
Director
DIN: 00102555

**Yogesh Jain**
Director
DIN: 00088662

**Atul Kumar Gupta**
Company Secretary

In terms of our report attached
**For S. N. Dhawan & Co. LLP**
Chartered Accountants
Firm's Registration No. 000050N/N500045

**Vinesh Jain**
Partner
Membership No. 087701

Place: Delhi
Date: 28 May, 2018

## 1. CORPORATE INFORMATION

Parsvnath Landmark Developers Private Limited ("the Company") was incorporated on 6 October, 2003 and became a subsidiary of Parsvnath Developers Limited with effect from 5 March, 2007. During the year The Company became wholly owned subsidiary of Parsvnath Developers Limited. The Company is primarily engaged in the business of promotion, construction, development of residential buildings, flats, apartments, integrated township etc.

## 2. Significant accounting policies

### 2.1 Basis of preparation

The financial statements have been prepared in accordance with the Indian Accounting Standards (hereinafter referred to as the Ind AS) as notified by Ministry of Corporate Affairs pursuant to Section 133 of the Companies Act, 2013 read with Rule 3 of the Companies (Indian Accounting Standards) rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

Upto the year ended 31 March, 2016, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'Previous GAAP'). The date of transition to Ind AS is 1 April, 2015.

The financial statements are presented in Indian Rupee and all values are rounded to the nearest lakhs, except when otherwise stated.

### 2.2 Basis of measurement and presentation

The financial statements have been prepared on the historical cost basis unless otherwise indicated.

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

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability

**The principal accounting policies are set out below.**

### 2.3 Revenue recognition

Revenue is recognised to the extent that it is probable that economic benefit will flow to the Company and that the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payments and excluding taxes and duties collected on behalf of the Government. Revenue is reduced for estimated customer returns, rebates and other similar allowances.

i. Revenue from real estate projects is recognised when it is reasonable certain that ultimate collection will be made. Revenue from real estate project including integrated townships is recognised on transfer of all significant risks and rewards of ownership of such property, which generally coincides execution of agreement to sell/application form (containing salient features of agreement to sell).

Revenue from constructed properties, where the Company still has obligations to perform substantial acts even after the transfer of all significant risk and rewards, is recognised by applying the percentage of completion method, provided following conditions are met as at the reporting date:

a. all critical approvals necessary for commencement of the project have been obtained;

b. the expenditure incurred on construction and development costs (excluding land and finance cost) is not less than 25 % of the total estimated construction and development costs;

c. at least 25% of the saleable project area is secured by contracts or agreements with buyers; and

d. at least 10% of the contract consideration as per the agreements of sale/application form are realised at the reporting date in respect of such agreement and it is reasonable to expect that parties to the agreement will comply with payment terms as defined in the agreement.

When the outcome of a real estate project can be estimated reliably and the above conditions are satisfied, revenue is recognised by following the 'Percentage of Completion Method' of accounting. Revenue is recognised, in relation to the sold areas only, on the basis of percentage of actual cost incurred thereon (including land) as against the total estimated cost of the project under execution. The estimates of saleable area and costs are revised periodically by the management. The effect of such changes to estimates is recognised in the period such changes are determined.

ii. In case of joint development projects, wherein land owner provides land and the Company acts as a developer and in lieu of land, the Company has agreed to transfer certain percentage of the revenue proceeds, the revenue is accounted on gross basis. In case, where, in lieu of the land, the Company has agreed to transfer certain percentage of constructed area, revenue is recognised in respect of Company's share of constructed area to the extent of Company's percentage share of the underlying real estate development project.

iii. Revenue from sale of land without any significant development is recognised when the sale agreement is executed resulting in transfer of all significant risk and rewards of ownership and possession is handed over to the buyer. Revenue is recognised, when transfer of legal title to the buyer is not a condition precedent for transfer of significant risks and rewards of ownership to the buyer.

iv. Revenue from sale of development rights is recognised when agreements are executed.

vi The revenue on account of interest on delayed payment by customers and expenditure on account of compensation / penalty for project delays are accounted for at the time of acceptance / settlement with the customers due to uncertainties with regard to determination of amount receivable / payable.

x. Interest income on bank deposits is recognised on accrual basis on a time proportion basis. Interest income on other financial instruments is recognised using the effective interest rate method.

## 2.4 Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalised/inventorised until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use or sale.

All other borrowing costs are recognised in profit or loss in the period in which they are incurred.

## 2.5 Employee benefits

Liabilities recognised in respect of short-term employee benefits in respect of wages and salaries, performance incentives, leaves etc. are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

Gratuity to employees and liability for balance of unavailed earned leave due to employees is provided as per management estimate of the liability based on period of service and last salary drawn.

## 2.6 Taxation

Income tax expense for the year comprises of current tax and deferred tax.

**Current tax**

Current tax is the expected tax payable on the taxable income for the year calculated in accordance with the Income Tax Act and any adjustment to taxes in respect of previous years.

**Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding amounts used in the computation of taxable income. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, the carry forward of unused tax losses and unused tax credits. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realised, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

**Current and deferred tax for the year**

Current and deferred tax are recognised in profit or loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

## 2.7 Property, plant and equipment

Property, plant and equipment is stated at their cost of acquisition/construction, net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises purchase price, directly attributable costs for making the asset ready for its intended use, borrowing costs attributable to construction of qualifying asset, upto the date the asset is ready for its intended use.

Subsequent expenditure related to an item of property, plant and equipment is included in the carrying amount only if it increases the future benefits from the existing asset beyond its previously assessed standards of performance.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from the use. Any gain or loss arising on re-recognition to the asset is included in the Statement of Profit and Loss.

Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as 'Capital work-in-progress'.

## 2.8 Depreciation on property, plant and equipment and investment property

Depreciation on property, plant and equipment is provided on straight line basis as per the useful life prescribed in Schedule II to the Companies Act, 2013. Accordingly the useful life of the assets taken is as under:

| Asset | Useful life |
|---|---|
| Plant and equipment | 8 years |
| Furniture and fixture | 8 years |
| Vehicles | 8 years |

## 2.9 Impairment of tangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). When it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash generating unit to which the asset belongs. When a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs of disposal and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset for which the estimates of future cash flows have not been adjusted.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognised immediately in profit or loss.

When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognised for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognised immediately in profit or loss.

## 2.10 Inventories

Inventory comprises completed property for sale and property under construction (work-in-progress),

Land cost, construction cost, direct expenditure relating to construction activity and borrowing cost during construction period is inventorised to the extent the expenditure is directly attributable to bring the asset to its working condition for its intended use. Costs incurred/items purchased specifically for projects are taken as consumed as and when incurred/received.

i. Completed unsold inventory is valued at lower of cost and net relisable value. Cost of inventories are determined by including cost of land (including development rights), internal development cost, external development charges, materials, services, related overheads and apportioned borrowing costs.

ii. Work in progress is valued at lower of cost and net relisable value. Work-in-progress represents costs incurred in respect of unsold area of the real estate projects or costs incurred on projects where the revenue is yet to be recognised. Cost comprises cost of land (including development charges), internal development cost, external development charges, materials, services, overhead related to projects under construction and apportioned borrowing costs.

## 2.11 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation.

If the effect of the time value of money is material, provisions are discounted to reflect its present value using a current pre-tax rate that reflects the current market assessment of the time value of money and the risks specific to the obligation. When discounting is used the increase in the provisions due to the passage of time is recognised as finance cost.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognised as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably.

### 2.12 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 recognised because it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. The Company does not recognise a contingent liability, but discloses its existence in the financial statements.

### 2.13 Cash and cash equivalents

Cash and cash equivalents for the purpose of Cash Flow Statement comprises cash on hand, cash at bank and short-term deposits with banks with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

### 2.14 Unbilled receivables

Unbilled receivables represent revenue recognised on 'Percentage of Completion Method' less amount due from customers as per payment plans adopted by them.

### 2.15 Earnings per share

Basic earnings per share is computed by dividing the net profit for the year attributable to the equity shareholders of the Company by the weighted average number of equity shares outstanding during the year. The weighted average number of equity shares outstanding during the period and for all period presented is adjusted for events, such as bonus shares, that have changed the number of equity shares outstanding without a corresponding change in resources.

Diluted earnings per share is computed by dividing the net profit for the year attributable to equity shareholders as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations.

### 2.16 Current/non-current classification

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

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;

- Expected to be realised within twelve months after the reporting period;
- Cash and cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current

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

All other liabilities are classified as non-current.

**2.17 Operating cycle**

The operating cycle is the time gap between the acquisition of the asset for processing and their realization in cash and cash equivalents. Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the Company has determined its operating cycle as 48 months for real estate projects and 12 months for others for the purpose of classification of its assets and liabilities as current and non-current.

**2.18 Financial instruments**

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

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

**2.19 Financial assets**

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

**Classification of financial assets**

Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

**Effective interest method**

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the "Other income" line item.

**Impairment of financial assets**

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, trade receivables, other contractual rights to receive cash or other financial asset, and financial guarantees not designated as at FVTPL.

Expected credit losses are the weighted average of credit losses with the respective risks of default occurring as the weights. Credit loss is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive (i.e. all cash shortfalls), discounted at the original effective interest rate (or credit -adjusted effective interest rate for purchased or originated credit-impaired financial assets). The Company estimates cash flows by considering all contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) through the expected life of that financial instrument.

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses. 12-month expected credit losses are portion of the life-time expected credit losses and represent the lifetime cash shortfalls that will result if default occurs within the 12 months after the reporting date and thus, are not cash shortfalls that are predicted over the next 12 months.

If the Company's measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

**Derecognition of financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

## 2.20 Financial liabilities and equity instruments

### Classification as debt or equity

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

### Equity instruments

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

### Financial liabilities

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL.

However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

### Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies or is held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or

- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the grouping is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability and is included in the 'Other income' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in profit or loss.

**Financial liabilities subsequently measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability or (where appropriate) a shorter period, to the gross carrying amount on initial recognition.

**Derecognition of financial liabilities**

The Company derecognises financial liabilities when, and only when, the Company's obligations are discharged, cancelled or have expired. An exchange between with a lender of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability (whether or not attributable to the financial difficulty of the debtor) is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in profit or loss.

## 3. Significant accounting judgements, estimates and assumptions

The preparation of the financial statements in conformity with recognition and measurement principles of Ind AS requires the Management to make judgments, estimates and assumptions considered in the reported amounts of assets and liabilities (including contingent liabilities) and the reported income and expenses during the year. The Management believes that these assumptions and estimates used in preparation of the financial statements are prudent and reasonable. Future results could differ due to these estimates and the differences between the actual results and the estimates are recognised in the periods in which the results are known/materialise.

### 3.1 Revenue recognition

Revenue is recognised by following percentage of completion method. The percentage of completion is measured by reference to percentage cost incurred till date to estimated total cost of the project. The Company estimates total cost of the project at the time of launch of the project. These are reviewed at each reporting date. Significant assumptions are required in determining the stage of completion and the estimated total contract cost. These estimates are based on events existing at the end of each reporting date.

### 3.2 Net realisable value of inventory

Inventory of real estate property including work-in-progress is valued at lower of cost and net realisable value (NRV). NRV of completed property is assessed by reference to market prices existing at the reporting date and based on comparable transactions made by the Company and/or identified by the Company for properties in same geographical area. NRV of properties under construction/development is assessed with reference to marked value of completed property as at the reporting date less estimated cost to complete.

### 3.3 Deferred tax assets

Recognition of deferred tax assets is based on estimates of taxable profits in future years. The Company prepares detailed cash flow and profitability projections, which are reviewed by the board of directors of the Company.

### 3.4 Others

Significant judgements and other estimates and assumptions that may have the significant effect on the carrying amount of assets and liabilities in future years are:

a. Useful life of property, plant and equipment
b. Measurement of contingent liabilities and expected cash outflows
c. Provision for expected credit losses

## 4. Recent accounting pronouncements

a. Standard issued but not yet effective:

The Ministry of Corporate Affairs (MCA) has notified the Companies (Indian Accounting Standards) Amended Rules, 2018 on 28 March, 2018. As per these rules, Ind AS 115 "Revenue from Contracts with customers' supersedes Ind AS 11 "Construction contracts" and Ind AS 18 "Revenue". Ind AS 115 shall be applicable to the Company for accounting period commencing on or after 1 April, 2018. The Company is evaluating the effect of this standard.

b. Amendments to Existing standards:

The MCA has also carried amendments to the following existing Ind AS

i. Ind AS 40 – Investment property
ii. Ind AS 12 – Income Taxes
iii. Ind AS 28 – Investments in associates and joint ventures
iv. Ind AS 112 – Disclosure of interest in other entities

These amendments will be effective for accounting period commencing on or after 1 April, 2018. These amendments are not expected to have any significant impact on the Company's financial statements.

**5. Property, plant and equipment**

| | As at 31-March-18 | As at 31-March-17 |
|---|---|---|
| | Rs. in lakhs | Rs. in lakhs |
| **Net Carrying amounts of :** | | |
| a. Plant and equipment | 18.05 | 16.92 |
| b. Furniture and fixture | -0.00 | 0.07 |
| c. Vehicles | 0.86 | 1.26 |
| **Total** | **18.91** | **18.25** |

| | Plant and equipment | Furniture and fixture | Vehicles | Total |
|---|---|---|---|---|
| | Rs. in lakhs | Rs. in lakhs | Rs. in lakhs | Rs. in lakhs |
| **Cost or deemed cost** | | | | |
| **Balance as at 31 March, 2016** | **25.91** | **0.26** | **2.38** | **28.55** |
| Additions | - | - | - | - |
| Disposals | - | - | - | - |
| **Balance as at 31 March, 2017** | **25.91** | **0.26** | **2.38** | **28.55** |
| Additions | 7.15 | - | - | **7.15** |
| Disposals | - | - | - | - |
| **Balance as at 31 March, 2018** | **33.06** | **0.26** | **2.38** | **35.70** |
| **Accumulated depreciation** | | | | |
| **Balance as at 31 March, 2016** | **3.65** | **0.02** | **0.48** | **4.15** |
| Depreciation expense | 5.34 | 0.17 | 0.64 | 6.15 |
| **Balance as at 31 March, 2017** | **8.99** | **0.19** | **1.12** | **10.30** |
| Depreciation expense | 6.01 | 0.07 | 0.41 | 6.49 |
| **Balance as at 31 March, 2018** | **15.00** | **0.26** | **1.52** | **16.79** |
| **Net Carrying amount** | | | | |
| **Balance as at 31 March, 2017** | **16.92** | **0.07** | **1.26** | **18.25** |
| **Balance as at 31 March, 2018** | **18.05** | **-0.00** | **0.86** | **18.91** |

| | As at 31-March-18 Rs. in lakhs | As at 31-March-17 Rs. in lakhs |
|---|---|---|
| **6. Other financial assets** | | |
| **Non-Current** | | |
| a. Security deposits to related party | 3,959.50 | 3,000.00 |
| | **3,959.50** | **3,000.00** |
| **Current** | | |
| a. Security deposits | 4.42 | 4.42 |
| | **4.42** | **4.42** |
| **7. Inventories** (lower of cost and net realisable value) | | |
| a. Work-in-progress | 12,335.01 | 11,864.49 |
| b. Finished goods - plots of land | 4,944.48 | 5,785.50 |
| | **17,279.49** | **17,649.99** |

Note:
The Company has classified its inventory of work-in-progress and finished properties as current.

Details of inventory expected to be realised after more than 12 months from the reporting date is as under:

| | | |
|---|---|---|
| Less than 12 months | 1,000.00 | 2,000.00 |
| More than 12 months | 16,279.49 | 15,649.99 |
| | **17,279.49** | **17,649.99** |

| | | |
|---|---|---|
| **8. Trade receivable** | | |
| **Current** | | |
| a. Secured, considered good | - | - |
| b. Unsecured, considered good | 3,048.21 | 2,758.66 |
| | **3,048.21** | **2,758.66** |

Notes:

1. The average credit period is 30 days. For payments, beyond credit period, interest is charged at 18% per annum on outstanding balances.

2. The real estate sales are made on the basis of cash down payment or construction linked payment plans. In case of construction linked payment plans, invoice is raised on the customer in accordance with milestones achieved as per the flat buyer agreement. The final possession of the property is offered to the customer subject to payment of full value of consideration. The possession of the property remains with the Company till full payment is realised. Accordingly, the Company does not expects any credit losses.

3. Sales are generally made to individual customers and there is no concentration of credit to a single customer or group of customers

| | | |
|---|---|---|
| **9. Cash and cash equivalents** | | |
| a. Balances with banks | 35.64 | 3.29 |
| b. Cash on hand | 2.91 | 3.11 |
| | **38.55** | **6.40** |
| **10. Current tax assets (net)** | | |
| a. Tax refund receivable | 54.45 | 65.42 |
| | **54.45** | **65.42** |
| **11. Other assets** | | |
| **Non-Current** | | |
| a. Fixed deposits under lien | 4.95 | - |
| b. Interest accrued on deposits | 0.29 | - |
| | **5.24** | **-** |
| **Current** | | |
| a. Prepaid expenses | 1.73 | 3.98 |
| b. Balances with government authorities | | |
| i. Cenvat Credit receivable | - | 116.09 |
| ii. GST receivable | 14.36 | - |
| c. Mobilisation advance to contractors | 101.14 | 101.14 |
| d. Advances to suppliers | 1,098.83 | 1,730.70 |
| e. Unbilled receivables | 9,487.92 | 9,612.65 |
| | **10,703.98** | **11,564.56** |

## 12. Equity Share Capital

| | As at 31-March-18 Rs. in lakhs | As at 31-March-17 Rs. in lakhs |
|---|---|---|
| **Authorised Share Capital** | | |
| CLASS A - 27,20,101 fully paid equity shares of Rs. 10 each (as at 31 March, 2017: 27,20,101) | 272.01 | 272.01 |
| CLASS B - 7,40,000 fully paid equity shares of Rs. 10 each (as at 31 March, 2017: 7,40,000) | 74.00 | 74.00 |
| | **346.01** | **346.01** |
| **Issued, subscribed and fully-paid share capital** | | |
| CLASS A - 27,20,101 fully paid equity shares of Rs. 10 each (as at 31 March, 2017: 27,20,101) | 272.01 | 272.01 |
| CLASS B - 5,61,951 fully paid equity shares of Rs. 10 each (as at 31 March, 2017: 5,61,951) | 56.20 | 56.20 |
| | **328.21** | **328.21** |

### 12.1 - Reconciliation of share capital

| | Number of Shares | Share Capital Rs. in lakhs |
|---|---|---|
| Balance as at 31 March, 2016 | 32,82,052 | 328.21 |
| Movements during the year | - | - |
| Balance as at March 31, 2017 | **32,82,052** | **328.21** |
| Movements during the year | - | - |
| Balance as at March 31, 2018 | **32,82,052** | **328.21** |

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

i. Each equity holder of each class is entitled to one vote per share.

ii. Class B Shares are entitled to a dividend in preference to Class A shares as provided in the Shareholders Agreement dated January 6, 2011.

### 12.3 - Details of share held by the holding company, its subsidiaries and associates

| | As at 31-March-18 No. of shares | As at 31-March-17 No. of shares |
|---|---|---|
| Parsvnath Developers Limited, the Holding Company | | |
| a. Class A Equity shares | 27,20,101 | 27,20,101 |
| b. Class B Equity Shares | 5,61,951 | 5,61,951 |
| | **32,82,052** | **32,82,052** |
| Subsidiaries of the holding Company | - | - |
| Associates of the holding company | - | - |

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

| | As at March 31, 2018 | | As at March 31, 2017 | |
|---|---|---|---|---|
| | Number of shares held | % holding of equity shares | Number of shares held | % holding of equity shares |
| **Fully paid equity shares** | | | | |
| **Class A** | | | | |
| Parsvnath Developers Limited | 27,20,101 | 100.00% | 27,20,101 | 100.00% |
| **Class B** | | | | |
| Parsvnath Developers Limited | 5,61,951 | 100.00% | 5,61,951 | 100.00% |

| | As at 31-March-18 Rs. in lakhs | As at 31-March-17 Rs. in lakhs |
|---|---|---|
| **13. Other equity** | | |
| a. General reserve | 1,350.00 | 1,350.00 |
| b. Securities premium reserve | 3,849.52 | 3,849.52 |
| c. Debenture redemption reserve | 5,000.00 | 5,000.00 |
| d. Retained earnings | (1,190.75) | 1,755.69 |
| | **9,008.77** | **11,955.21** |

**a. General reserve**

| | | |
|---|---|---|
| Balance at the beginning of the year | 1,350.00 | 1,350.00 |
| Movement during the year | - | - |
| Balance at the end of the year | 1,350.00 | 1,350.00 |

**b. Securities premium reserve**

| | | |
|---|---|---|
| Balance at the beginning of the year | 3,849.52 | 3,849.52 |
| Movement during the year | - | - |
| Balance at the end of the year | 3,849.52 | 3,849.52 |

**c. Debenture redemption reserve**

| | | |
|---|---|---|
| Balance at the beginning of the year | 5,000.00 | - |
| Transferred from retained earnings | - | 5,000.00 |
| Balance at the end of the year | 5,000.00 | 5,000.00 |

**d. Retained earnings**

| | | |
|---|---|---|
| Balance at the beginning of the year | 1,755.69 | 7,379.14 |
| Profit/(loss) for the year | (2,946.44) | (623.45) |
| **Less:** | | |
| Less: Transfer to debenture redemption reserves | - | 5,000.00 |
| Balance at the end of the year | (1,190.75) | 1,755.69 |

**Nature and purpose of reserves:**

a. General reserve - The Company has transferred a part of the net profit of the Company to general reserve.

b. Securities premium reserve - The amount received in excess of the face value of the equity shares issued by the Company is recognised in securities premium reserve.

c. Debenture redemption reserve - The company has recognised debenture redemption reserve from its retained earnings. The amount of reserve is equivalent to 25% of the value of redeemable debentures issued by the Company. The reserve is to be utilised for the purpose of redemption of debentures.

d. Retained earnings - Retained earnings are profits of the Company earned till date less transfer to general reserve and debenture redemption reserve.

| | As at 31-March-18 Rs. in lakhs | As at 31-March-17 Rs. in lakhs |
|---|---|---|
| **14. Borrowings** | | |
| **Non current** | | |
| **Secured - at amortised cost** | | |
| a. 16% Non-convertible Debentures 2,000 (31 March, 2017: 2000) Non-Convertible debentures of Rs. 10.00 lakhs each | 20,999.43 | 20,177.98 |
| | **20,999.43** | **20,177.98** |

2000 16% Listed Redeemable Non -Convertible Debentures of face value Rs. 10.00 lakhs for cash aggregating to Rs. 20,000.00 lakhs were issued on 13th October, 2016.

The rate of Interest is 16% per annum for a period of 36 months from the date of issue and 18% per annum for the period starting from the expiry of 36 months from the date of issue and ending on the final settlement date.
There is a moratorium period of 12 months from the date of issue on the payment of interest.

The maturity date shall be on the expiry of 36 months from the date of issue and can be at the option of the Debenture Holders extended for a period of 6 months.

On the maturity date, redemption premium of Rs. 2,300.00 lakhs is payable and in the event that the entire amount is prepaid within a period of 24 months from the issue date then the redemption premium payable shall stand reduced to Rs. 1,300.00 lakhs.

The Loan is secured by (a) First charge over Company's assets, present and future, including underlying land of the project and Jodhpur project of Parsvnath Developers Limited (b) First charge over all accounts established in relation to the proceeds of the Project and the Debentures, cash flows and distributions, agreements and other rights and properties of the Company and all monies, securities, instruments and/or cash equivalents deposited or required to be deposited in the bank accounts of the Company; and (c) First charge over all receivables of the Project and Jodhpur Project (specified units) (d) First charge over (i) all shareholder loans advanced to the Company; (ii) the Company's rights and interests under all approvals, insurance contracts, project documents and any completion guarantees provided in relation to project documents; (iii) pledge over all shares of the Company held by Parsvnath Developers Limited; (iv) guarantees given by Parsvnath Developers Limited and Mr. Pradeep Jain, Chairman of Parsvnath Developers Limited.

| | As at 31-March-18 Rs. in lakhs | As at 31-March-17 Rs. in lakhs |
|---|---|---|
| **15. Trade payables** | | |
| **Current** | | |
| Trade Payables | 1,191.67 | 1,128.03 |
| | **1,191.67** | **1,128.03** |

Note:
As per the information available with the Company, trade payables do not include any amount due to Micro and Small Enterprises as defined under 'Micro, Small and Medium Enterprises Developments Act, 2006' (MSMED Act, 2006) and no interest has been paid or payable in terms of MSMED Act, 2006.

| | As at 31-March-18 Rs. in lakhs | As at 31-March-17 Rs. in lakhs |
|---|---|---|
| **16. Other financial liabilities** | | |
| **Current** | | |
| a. Interest accrued: | | |
| i. Interest accrued but not due on borrowings | 4,174.41 | 1,490.41 |
| b. Others: | | |
| i. Due to related parties | - | 7.11 |
| ii. Refund due to customers | 492.08 | 263.47 |
| iii. Security deposits received | 168.51 | 178.13 |
| iv. Book overdrafts | 3.91 | - |
| | **4,838.91** | **1,939.12** |
| **17. Other liabilities** | | |
| **Current** | | |
| a. Advances from customers | 151.60 | 74.11 |
| b. Statutory dues (Withholding tax etc.) | 152.24 | 126.06 |
| | **303.84** | **200.17** |
| **18. Provisions** | | |
| **Current** | | |
| a. Employee benefits | 0.36 | 0.58 |
| | **0.36** | **0.58** |

| | As at 31-March-18 Rs. In lakhs | As at 31-March-17 Rs. In lakhs |
|---|---|---|
| **19. Deferred tax assets ( net)** | | |
| Deferred tax assets | 1,558.44 | 661.60 |
| Deferred tax liabilities | - | - |
| **Net** | **1,558.44** | **661.60** |

| | Opening Balance | Recognised in Profit or loss | Closing balance |
|---|---|---|---|
| **Year ended 31 March, 2018** | | | |
| Deferred tax (liabilities)/assets in relation to | | | |
| Property, Plant and Equipment | 0.36 | (0.14) | 0.22 |
| Defined benefit obligation | 7.93 | (1.42) | 6.51 |
| | 8.29 | (1.56) | 6.73 |
| Tax losses | 653.31 | 898.40 | 1,551.71 |
| | **661.60** | **896.84** | **1,558.44** |
| **Year ended 31 March, 2017** | | | |
| Deferred tax (liabilities)/assets in relation to | | | |
| property, plant and equipment | 0.06 | 0.30 | 0.36 |
| Defined benefit obligation | 8.61 | (0.68) | 7.93 |
| | 8.67 | (0.38) | 8.29 |
| Tax losses | 565.90 | 87.41 | 653.31 |
| | **574.57** | **87.02** | **661.60** |

**Notes:**

1. The Company has tax losses of Rs. 5,921.50 lakhs ( 31 March, 2017 - Rs. 2,114.26 lakhs) that are available for offsetting for eight years against future taxable income of the Company. The losses will expire as under:

| | Rs. in lakhs |
|---|---|
| Year ending 31 March, 2022 | 129.35 |
| Year ending 31 March, 2023 | 1,276.52 |
| Year ending 31 March, 2024 | 28.85 |
| Year ending 31 March, 2025 | 679.54 |
| Year ending 31 March, 2026 | 3,807.23 |

2. The Company has recognised deferred tax assets on its unabsorbed depreciation and business losses carried forward. The Company has executed flat / plot sale agreements with the customers against which the Company has also received advances, as disclosed in Note 17 of the financial statements. Revenue in respect of such sale agreements will get recognised in future years on percentage completion method. Based on these sale agreements, the Company has certainty as on the date of the balance sheet, that there will be sufficient taxable income available to realise such assets in the near future. Accordingly, the Company has created deferred tax assets on its carried forward unabsorbed depreciation and business losses.

3. The recognition of deferred tax assets on tax losses is based on detailed budgets prepared by the Company has have been approved by the board of directors

| | | Year ended 31 March, 2018 Rs. in lakhs | Year ended 31 March, 2017 Rs. in lakhs |
|---|---|---|---|
| **20.** | **Revenue from Operations** | | |
| | a. Revenue from operations | 361.69 | 1,524.33 |
| | b. Other operating revenue: | | |
| | i. Scrap Sales | 4.31 | 1.82 |
| | ii. Miscellaneous income | 0.08 | - |
| | **Total** | **366.08** | **1,526.15** |

**Note:**
Revenue from sale of properties comprise revenue recognised on Real Estate Projects on 'Percentage of completion method'

| | | Year ended 31 March, 2018 | Year ended 31 March, 2017 |
|---|---|---|---|
| **21.** | **Other income** | | |
| | a. Interest income: | | |
| | i. From customers | 23.70 | 25.75 |
| | ii. On income tax refund | - | 1.70 |
| | iii. On fixed deposit with bank | 0.33 | - |
| | b. Excess provisions written back | 25.85 | - |
| | c. Recovery from customers | 123.36 | - |
| | **Total** | **173.24** | **27.45** |
| **22.** | **Changes in inventories of work-in-progress, stock-in-trade and finished goods** | | |
| | a. Inventories at the beginning of the year | | |
| | i. Work-in-progress | 11,864.49 | 11,742.62 |
| | ii. Finished goods | 5,785.50 | - |
| | | **17,649.99** | **11,742.62** |
| | b. Add: Finance cost allocated to inventory of work-in-progress | 1,931.34 | - |
| | c. Inventories at the closing of the year | | |
| | i. Work-in-progress | 12,335.01 | 11,864.49 |
| | ii. Finished goods | 4,944.48 | 5,785.50 |
| | | **17,279.49** | **17,649.99** |
| | **Net (increase)/decrease** | **2,301.84** | **-5,907.38** |
| **23.** | **Employee benefits expense** | | |
| | a. Salaries and Wages | 10.37 | 10.54 |
| | b. Staff welfare expenses | - | 0.01 |
| | | **10.37** | **10.55** |
| **24.** | **Finance costs** | | |
| | a. Interest expenses: | | |
| | i. On borrowings | 4,021.45 | 1,428.60 |
| | ii. On delayed payment of statutory dues | 20.82 | 26.27 |
| | | 4,042.27 | 1,454.87 |
| | Less: Finance cost allocated to inventory of work-in-progress | 1,931.34 | - |
| | | 2,110.93 | 1,454.87 |
| | b. Other borrowing cost | 0.77 | 2.55 |
| | | **2,111.70** | **1,457.42** |
| **25.** | **Depreciation and amortisation expense** | | |
| | a. Depreciation on property, plant and equipment | 6.49 | 6.15 |
| | | **6.49** | **6.15** |
| **26.** | **Other expenses** | | |
| | a. Power and fuel | 44.86 | 35.92 |
| | b. Travelling and conveyance | 0.51 | 0.01 |
| | c. Repair and maintenance | 2.52 | 28.82 |
| | d. Insurance | 8.88 | 18.48 |
| | e. Rates and Taxes | 75.47 | 2.14 |
| | f. Postage and telegram | 0.50 | 0.10 |
| | g. Printing and stationery | 0.54 | 1.21 |
| | h. Compensation to customers | 82.21 | 87.02 |
| | i. Advertisement and publicity | 1.75 | - |
| | j. Payment to auditors (see note below) | 7.00 | 7.00 |
| | k. Legal and professional charges | 64.02 | 50.45 |
| | l. Project consultancy fee | 0.26 | 5.55 |
| | m. Miscellaneous expenses | 70.75 | 44.47 |
| | | **359.27** | **281.17** |
| | **Payment to auditors (net of GST/Service tax credit)** | | |
| | i. Statutory audit fee | 7.00 | 7.00 |
| | | **7.00** | **7.00** |

| | | Year ended 31 March, 2018 Rs. in lakhs | Year ended 31 March, 2017 Rs. in lakhs |
|---|---|---|---|
| **27.** | **Income taxes** | | |
| **A.** | **Income tax recognised in profit and loss** | | |
| | **Current tax** | | |
| | In respect of the current year | - | - |
| | Tax adjustment of previous year | 16.18 | 4.85 |
| | | **16.18** | **4.85** |
| | **Deferred tax** | | |
| | In respect of the current year | (896.84) | (87.02) |
| | | **(896.84)** | **(87.02)** |
| | Total income tax expense recognised in the Profit and loss | **(880.66)** | **(82.18)** |
| **B.** | **Reconciliation of income tax expense with accounting profit** | | |
| i. | Profit/(loss) before tax | (3,827.10) | (705.63) |
| i. | Income tax expense calculated at 26.00%/30.9% | (995.05) | (211.69) |
| ii. | Effect of expenses that are not deductible in determining taxable income | - | - |
| iii. | Adjustments recognised in the current year in relation to the current tax of previous years | 16.18 | 4.85 |
| iv. | Adjustments recognised in the current year in relation to the deferred tax of previous years | 98.21 | 124.66 |
| | Total income tax expense recognised in the Statement of Profit and Loss (i to iv) | **(880.66)** | **(82.18)** |

The tax rate used for the year 2017-2018 is coporate tax rate of 25% plus Cess of 4% on corporate tax rate and for 2016-2017 is the corporate tax rate of 30% plus education cess of 3% on corporate tax, payable by corporate entities in India on taxable profits under the Indian tax law

| | As at 31 March, 2018 Rs. in lakhs | As at 31 March, 2017 Rs. in lakhs |
|---|---|---|
| **28. Contingent liabilities** | | |
| Claims against the Company not acknowledged as debts | | |
| - Customers complaints pending in consumer court | 13,757.37 | 1,417.52 |
| | **13,757.37** | **1,417.52** |

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

**29 Commitments**

The Company does not have any significant financial commitments.

**30.** The National Consumer Disputes Redressal Commission (NCDRC) vide its interim order passed on 19 July 2015 in connection with a complaint filed by Resident Welfare Association (RWA) for delay in handing over of possession of La-Tropicana project, has given interim relief to complainants by way of compensation as agreed in the flat buyer agreement. The company has paid the compensation in accordance with the interim order and the amount paid has been charged to the statement of profit and loss. Actual liability may vary on receipt of final order.

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

**32.** Details of borrowing cost capitalised during the year

| | Year ended 31 March, 2018 Rs. in lakhs | Year ended 31 March, 2017 Rs. in lakhs |
|---|---|---|
| Inventory | 1,931.34 | - |

**33. Employee benefit plan**

The Company offers its employees defined benefit plan in the form of a gratuity scheme. Benefits under gratuity scheme are based on year's of service and employee remuneration. The scheme provides for lump sum payment to vested employees at retirement, death while on employment, resignation or on termination of employment.

Amount is equivalent to 15 days salary payable for each completed year of service or part thereof in excess of 6 months. Vesting occurs upon completion of 5 years of continuous service.

The following table sets out the amount recognised in respect of gratuity in the financial statements:

| | As at 31 March, 2018 Rs. in lakhs | As at 31 March, 2017 Rs. in lakhs |
|---|---|---|
| Liability at the beginning of the year | 0.31 | - |
| Current service cost | (0.01) | 0.31 |
| Paid during the year | - | - |
| Liability at the end of the year | 0.30 | 0.31 |
| Expensed recognised in the Statement of Profit and Loss | (0.01) | 0.31 |

**34. Segment reporting**

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

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

There is no single customer contributed 10% or more to the Company's revenue during the year 2017-18 and 2016-17.

**35. Earnings per share**

| | | | As at 31 March, 2018 | As at 31 March, 2017 |
|---|---|---|---|---|
| i. | Net loss for calculation of basic and diluted earnings per share | Rs. In lakhs | (2,946.44) | (623.45) |
| ii. | Weighted average number of equity shares outstanding during the year | Numbers | 32,82,052 | 32,82,052 |
| iii. | Basic and diluted earnings per share | Rs. | (89.77) | (19.00) |
| iv. | Nominal value of equity shares | Rs. | 10 | 10 |

**36. Corporate social responsibility**

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

**37. Related party disclosures**

**a. List of related parties**

**i. Holding Company**
- Parsvnath Developers limited (PDL)

**ii. Fellow Subsidiary Company**
Parsvnath Rail Land Project Private Limited (PRLPPL)
Parsvnath Buildwell Private Limited (PBPL)

**b. Balances outstanding/transactions with related parties**

| | Holding Company | Fellow subsidiary Companies | |
|---|---|---|---|
| | PDL | PBPL | PRLPPL |
| | Rs. In lakhs | Rs. In lakhs | Rs. In lakhs |
| **i. Transactions during the year** | | | |
| Short-term loan repaid | 127.46 | - | - |
| | (195.38) | (-) | (-) |
| Advance received | 120.35 | - | - |
| | (116.79) | (-) | (-) |
| Advance for land purchase returned | - | - | - |
| | (3,961.17) | (-) | (-) |
| Purchase of finished goods (including service tax) | - | - | - |
| | (5,785.50) | (-) | (-) |
| Purchase return (including service tax) | 841.02 | - | - |
| | (-) | (-) | (-) |
| Security Deposit given | 959.50 | - | - |
| | (10,725.00) | (-) | (-) |
| Security deposit returned | - | - | - |
| | (7,725.09) | (-) | (-) |
| Redemption of Debentures | - | - | - |
| | (7,578.26) | (-) | (-) |
| Transfer of liabilities | - | - | - |
| | (-) | (-) | (2.02) |
| Purchase of goods | 8.06 | - | - |
| | (-) | (-) | (-) |
| Sale of goods | - | - | - |
| | (-) | (2.00) | (-) |
| Financial Guarantees | - | - | - |
| | (15,333.33) | (-) | (-) |
| **ii. Balances at year-end** | | | |
| Creditors | 8.06 | - | - |
| | (-) | (-) | (2.02) |
| Short term borrowings | - | - | - |
| | (7.11) | (-) | (-) |

**Parsvnath Landmark Developers Private Limited**
**Notes to the financial Statements for the year ended 31 March,2018**

| | PDL<br>Rs. In lakhs | PBPL<br>Rs. In lakhs | PRLPPL<br>Rs. In lakhs |
|---|---|---|---|
| Trade Receivables | 613.35 | - | - |
| | (225.52) | (2.00) | (-) |
| Security Deposit | 3,959.50 | - | - |
| | (3,000.00) | (-) | (-) |
| Financial Guarantees | 20,000.00 | - | - |
| | (20,000.00) | (-) | (-) |

**Notes:**

1 Related party transactions entered during the year were in ordinary course of business and are on arm's length basis

2 Figures in brackets represent figures as at and for the year ended 31 March, 2018.

**Terms and conditions of transactions with related parties**

All related party transactions entered during the year were in ordinary course of business and are on arm's length basis. For the year ended 31 March, 2018, the Company has not recorded any impairment of receivables from related parties (31 March, 2017 - Nil). The Company makes this assessment each financial year through examination of the financial position of the related party and the market condition in which the related party operates.

## 38 Financial Instruments

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

Rs. in lakhs

| | As at 31-March-18 | | | | As at 31-March-17 | | | |
|---|---|---|---|---|---|---|---|---|
| | Total | Amortised Cost | At cost | FVTPL | Total | Amortised Cost | At cost | FVTPL |
| **Financial assets** | | | | | | | | |
| i. Trade receivables | 3,048.21 | 3,048.21 | - | - | 2,758.66 | 2,758.66 | - | - |
| ii. Cash and cash equivalents | 38.55 | 38.55 | - | - | 6.40 | 6.40 | - | - |
| iii. Other financial assets | 3,963.92 | 3,963.92 | - | - | 3,004.42 | 3,004.42 | - | - |
| **Total financial assets** | **7,050.68** | **7,050.68** | - | - | **5,769.48** | **5,769.48** | - | - |
| **Financial liabilities** | | | | | | | | |
| i. Borrowings | 20,999.43 | 20,999.43 | - | - | 20,177.98 | 20,177.98 | - | - |
| ii. Trade Payables | 1,191.67 | 1,191.67 | - | | 1,128.03 | 1,128.03 | - | |
| iii. Other financial liabilities | 4,838.91 | 4,838.91 | - | | 1,939.12 | 1,939.12 | - | |
| **Total financial liabilities** | **27,030.01** | **27,030.01** | - | - | **23,245.13** | **23,245.13** | - | - |

The Company has disclosed financial instruments such as trade receivables, other financial assets, trade payables, borrowings and other financial liabilities at carrying value because their carrying amounts are reasonable approximation of the fair values.

## 39 Financial Risk Management

The Company's business operations are exposed to various financial risks such as liquidity risk, market risks, credit risk, interest rate risk, funding risk etc. The Company's financial liabilities mainly includes borrowings taken for the purpose of financing company's operations. Financial assets mainly includes trade receivables and other financial assets.

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

### Liquidity Risk

Liquidity risk is the risk that the Company may face to meet its obligations for financial liabilities. The objective of liquidity risk management is that the Company has sufficient funds to meet its liabilities when due. The Company is under stressed conditions, which has resulted in delays in meeting its liabilities. The Company, regularly monitors the cash outflow projections and arrange funds to meet its liabilities.

The following table summarises the maturity analysis of the Company's financial liabilities based on contractual undiscounted cash outflows:

Rs. in lakhs

| | Carrying amount | Payable within 1 year | Payable in 1-3 years | Payable more than 3 years |
|---|---|---|---|---|
| **As at 31 March, 2018** | | | | |
| Borrowings | 20,999.43 | - | 20,999.43 | - |
| Trade payables | 1,191.67 | 1,191.67 | - | - |
| Other financial liabilities | 4,838.91 | 4,670.40 | 168.51 | - |
| | **27,030.01** | **5,862.07** | **21,167.94** | - |
| **As at 31 March, 2017** | | | | |
| Borrowings | 20,177.98 | - | 20,177.98 | - |
| Trade payables | 1,128.03 | 1,128.03 | - | - |
| Other financial liabilities | 1,939.12 | 1,760.99 | 178.13 | - |
| | **23,245.13** | **2,889.02** | **20,356.11** | - |

### Market risk

Market risk is the risk that future cash flows will fluctuate due to changes in market prices i.e. interest rate risk and price risk.

### A. Interest rate risk

Interest rate risk is the risk that the future cash flows will fluctuate due to changes in market interest rates. The Company is mainly exposed to the interest rate risk due to its borrowings. The Company manages its interest rate risk by having fixed rate borrowings. The Company does not enter into any interest rate swaps.

**Interest rate sensitivity analysis**

The exposure of the company's borrowing to interest rate change at the end of the reporting periods are as follows :

| | As at 31 March, 2018<br>Rs. in lakhs | As at 31 March, 2017<br>Rs. in lakhs |
|---|---|---|
| **Variable rate borrowings** | | |
| Long Term | - | - |
| Short Term | - | - |
| **Total Variable rate Borrowing** | - | - |
| **Fixed Rate Borrowings** | | |
| Long Term | 20,999.43 | 20,177.98 |
| Short Term | - | - |
| **Total Fixed rate Borrowing** | 20,999.43 | 20,177.98 |
| **Total Borrowing** | 20,999.43 | 20,177.98 |

**Sensitivity**

Variable Interest rate loans are exposed to interest rate risk, the impact on profit or loss before tax maybe as follows :

| | Year ended 31 March, 2018<br>Rs. in lakhs | Year ended 31 March, 2017<br>Rs. in lakhs |
|---|---|---|
| Increase in interest rate by 1 % | -209.99 | -201.78 |
| Decrease in interest rate by 1 % | 209.99 | 201.78 |

**B. Price risk**

The Company has very limited exposure to price sensitive securities, hence price risk is not material.

**Credit Risk**

Credit risk is the risk that customer or counter-party will not meet its obligation under the contract, leading to financial loss. The Company is exposed to credit risk for receivables from its real estate customers and refundable security deposits.

Customers credit risk is managed, generally by receipt of sale consideration before handing over of possession and/or transfer of legal ownership rights. The Company credit risk with respect to customers is diversified due to large number of real estate projects with different customers spread over different geographies.

Based on prior experience and an assessment of the current receivables, the management believes that there is no credit risk and accordingly no provision is required. The ageing of trade receivables is as below:

| | As at 31 March, 2018<br>Rs. in lakhs | As at 31 March, 2017<br>Rs. in lakhs |
|---|---|---|
| Outstanding for more than 6 months | 2,431.43 | 2,533.14 |
| Outstanding for 6 months or less | 616.78 | 225.52 |
| | **3,048.21** | **2,758.66** |

**40 Capital Management**

For the purpose of capital management, capital includes equity capital, share premium and retained earnings. The Company maintains balance between debt and equity. The Company monitors its capital management by using a debt-equity ratio, which is total debt divided by total capital.

The debt-equity ratio at the end of the reporting period is as follows:

| | As at 31 March, 2018 Rs. in lakhs | As at 31 March, 2017 Rs. in lakhs |
|---|---|---|
| **Borrowings:** | | |
| - Long term | 20,999.43 | 20,177.98 |
| - Short term | - | - |
| - Current maturities of long term borrowings | - | - |
| **Total borrowings - A** | **20,999.43** | **20,177.98** |
| **Equity** | | |
| - Share capital | 328.21 | 328.21 |
| - Other equity | 9,008.77 | 12,036.04 |
| **Total Equity - B** | **9,336.98** | **12,364.25** |
| Debt to equity ratio (A/B) | 2.25 | 1.63 |

**41. Events after the reporting period**

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

**42. Approval of the financial statements**

The financial statements were approved for issue by Board of Directors on 28th May, 2018.

**For and on behalf of the Board of Directors**

**Atul Jain**
Director
DIN: 00102555

**Yogesh Jain**
Director
DIN: 00088662

**Atul Kumar Gupta**
Company Secretary

Place: Delhi
Date: 28 May, 2018