

BUILDING  
**SPACES**

ENRICHING  
**LIFESTYLES**

DELIVERING  
**PROMISES**

**Parsvnaths**

committed to build a better world

**PARSVNATH DEVELOPERS LIMITED**



**ANNUAL  
REPORT**  
2017-18

# Inside this Report

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## Caution regarding forward looking statements

Certain statements in this annual report concerning our future growth prospects are forward-looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expect', 'project', 'intend', 'plan', 'believe' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, our actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.



Building **Spaces**. Enriching **Lifestyles**. Delivering **Results**.

In testing times, it is our strong fundamentals that keep us alive and thriving. We only need to 'look within to look ahead' and find solutions to all our problems. We are a firm believer of the fact that the only way to sail through the stormy waves is by staying on one's grounds. 'Look around and stay aground' is the watchword of Parsvnath Developers.

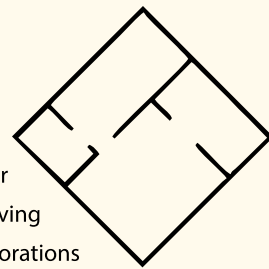
At Parsvnath Developers, we can fairly admit that the business landscape became challenging as both the economy and real estate sector of India went through solid fundamental overhaul in the last two financial years. Concurrently, we also undertook strong initiatives that facilitated us to stay abreast in this challenging phase. We believe that it is imperative for the thought leaders to tackle challenges, hunt for solutions, find opportunities and make their way ahead.

We are overcoming the challenges by strengthening our fundamental deliveries i.e. fulfilling the dreams of our present and prospective customers of owning a space. We will relentlessly work towards Building Spaces, Enriching Lifestyles and Delivering Promises.

**'At Parsvnaths we are committed to build a better world'**



## Building Spaces



As a real estate developer of thought leadership league, we have been at the forefront of Indian real estate sector for for nearly 3 decades. Our singleton focus has been on 'building spaces' – spaces to help people realize their dream of having own roof above their heads, spaces that give wings to one's professional journey or entrepreneurship, spaces for corporations to expand, and spaces where the brands can meet their customers and vice-a-versa.

We believe that working relentlessly on our fundamentals is our core duty and also the most proximate way to overcome our challenges. Building spaces and realizing people's dreams is something that will help us to sustain the macro and micro adversities.

During FY18, we continued on our strategy to focus on execution of residential projects. We expanded our commercial segment and reinforced our retail business with high-end projects like Delhi Metro Rail retail spaces. We developed a total of 3.53 Mn Sq Ft of area under all our segments. We believe that it is our fundamental objective and success formula to build spaces today and tomorrow.



Parsvnath Green Ville, Gurugram



The Parsvnath 27, KG Marg

## Enriching Lifestyles

India is marching ahead as one of the strongest and fastest growing economies on the globe. The people of India, too, are either on the same track or aligning with this reality. The same is evident from the fact that Indian economy rose by 7.4% in the fourth quarter of FY17-18, which is the highest among all large economies. The growth in Per Capita Income from ₹82,269 in FY16-17 to ₹86,668 in FY17-18, exemplifies the effect of these growth parameters. This progress coupled with demographic trends like increasing propensity to spend; rural growth; increasing urbanization; growing nuclear families; and increasing population with bigger younger lot are inducing higher standards of living, demand for better lifestyle and need for better infrastructure to experience the better life.



India needs quality retail spaces, premium/ semi-premium office spaces and luxurious spaces for a family to relax and enjoy. We believe that as an established player in the industry, and the one to have introduced many firsts to the industry, we have an even bigger role to play. This endeavor of enhancing the lifestyle has illuminated our portfolio right from the inception. We are proud to be the first developer to bring mall to a tier II city of Moradabad back in 1994. Since then, we have been providing quality office spaces, retail destinations and places of leisure.

During FY18 also, our greater focus has been on developing commercial and retail spaces including DMRC projects. While we add lifestyle to country's progressive population, we add diversity, sustainability and stability to our business by focusing on these lucrative segments. During FY18, we developed 9809 Sq. Mtr. under commercial and 0.10 Mn Sq Ft under our retail segments.

Our progressive nation demands our bit of contribution in Enriching Lifestyles.

## Delivering Promises

The core essence of Real Estate industry is 'fulfilling dreams and aspirations'. In the present scenario, it has become vital for the industry to fulfill its commitment towards the most important stakeholders – the customers. Over the years, a perception of non-delivery, delayed-delivery or unfair deliveries has been build-up around the sector. Thus, it has become imperative to banish such perceptions. Furthermore, industry's regulatory overhaul coupled with related economic reforms have made it mandatory to deliver promises.

At Parsvnaths, we have been committed to build a better world and to deliver on our promises. There have been instances where we also had difficulties in kick-starting, developing or completing units or projects. However, we moved ahead with our resolve to deliver on our promises.

In the present scenario of industry's largest ever transformation and resultant stagnation, we have been working on our strategies of balanced portfolio. In spite of our increased focus and much higher success rate in our commercial and retail segments, we are absolutely committed to delivering existing residential projects. While we are delivering majority of our commercial and retail projects like The Parsvnath 27, Parsvnath Capital Towers and DMRC Projects, we have equal focus on completing residential projects. During FY18 also, we handed over possession / fit-outs of 371 residential units and 1573 units in total.

We are committed to build a better world and we are even more committed to Delivering on Promises.



Parsvnath Mall, Akshardam

# About Parsvnath Developers Limited

Parsvnath Developers Limited (The Company/ Parsvnaths/ PDL) is a name to reckon with in the Indian Real Estate industry. Parsvnaths has been fulfilling numerous Indian dreams for more than three decades. The company has built one of the most diversified portfolios of development spread across various domains including Group Housing, Integrated Townships, Commercial Properties, Retail Properties, Delhi Metro Rail Corporation Retail Projects, Hospitality and Third Party Construction projects. In terms of geographic reach, Parsvnaths is one of the most diversified developers having presence across 39 cities in 14 states. Parsvnaths is known for developing some of the most prominent landmarks on the country's real estate horizon.



Parsvnath Mall, Tis Hazari

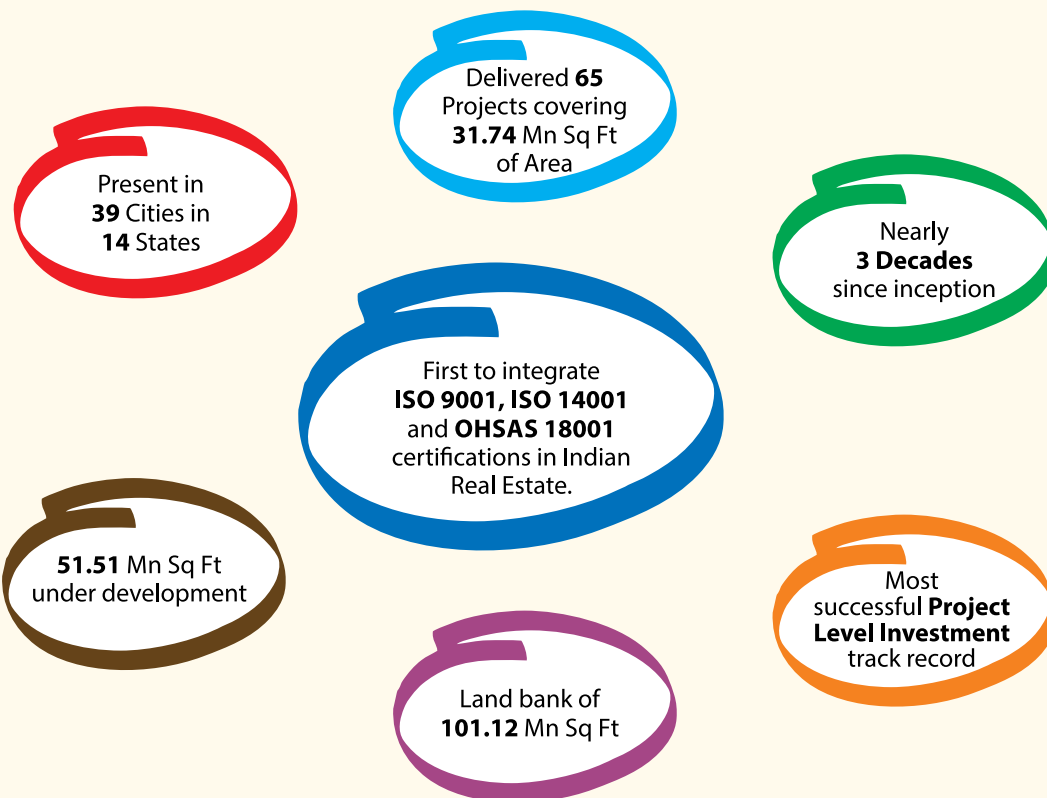
## VISION

Our vision statement can be encapsulated in our corporate philosophy and motto of 'Building a better world'; to envision, design and construct the most magnificent landmarks and edifices; to contribute tangibly in regional and national development by way of key infrastructure projects, and to protect and preserve the environment we live in. At the end of the day, our vision is about making the world a better place to live in; to transform and uplift quality of living and lifestyles of each and every individual who comes in contact with us.

## MISSION

- Committed to build a better world
- To cater to the real needs of a growing population
- To set standards and improve our environment
- Offer a wide portfolio of international quality products that cater to different markets and segments
- To deliver value for money and excellent investment returns
- Take customer relationships and customer satisfaction to new levels
- To focus on strategic growth
- Evolve contemporary benchmarks in construction and marketing practices

## Key Facts & Numbers



## Business Verticals



**GROUP HOUSING PROJECTS**



**INTEGRATED TOWNSHIP PROJECTS**



**COMMERCIAL PROJECTS**



**DELHI METRO RAIL CORPORATION (DMRC) PROJECTS**



**HOSPITALITY PROJECTS**



**SPECIAL ECONOMIC ZONES (SEZS) / IT Parks PROJECTS**



**THIRD PARTY CONTRACTS**

## Presence in **Key growth areas**

The notion of looking within to look ahead has facilitated us to overcome recent challenges. For the last three decades, Parsvnaths has built a diversified projects portfolio across Residential, Commercial, Retail, DMRC (BOT), SEZs, Hospitality and Third Party Contracts.

To cater to the evolving landscape of Indian real estate sector, we have re-aligned our portfolio. Since there has been slugging demand in the residential segment in the past 4-5 financial years, we haven't launched any new project in recent years and shifted our focus on executing the on-going projects only. Concurrently, the demand for quality office spaces and retail spaces has augmented. Parsvnaths always had a strong presence in the commercial segment which was further strengthened with the development of retail assets on Delhi Metro Rail stations in the year 2002.

In order to have a sustainable growth and to address present challenges, Parsvnaths has full focus on the major growth hot-spots of the industry – Commercial & Retail.

### Commercial Properties

Today, the demand for commercial properties is escalating with growth momentum picking up in the Indian economy. As per Colliers International, around 117 Mn Sq Ft of office spaces will be released between 2018 and 2020 of which 30 Mn Sq Ft will be released in 2018 alone. The Office Space stock across 7 major cities is expected to reach ~600 Mn Sq Ft. The Private Equity Investment in office spaces stood at USD 8.3 Billion (₹57,300 Crore) between 2011 and 2017. The investor inclination, too, in the entire Real Estate sector is towards portfolio which gives steady returns along with positive growth. This growth is induced by the recovery in Indian economy's growth of 7.4% in the last quarter of FY18. The major sectors contributing to commercial spaces include IT-ITeS, Pharmaceutical, Banking & Financial Institutions (BFSI) among others. These sectors being manpower-heavy, need a huge amount of office spaces in Category 'A' property class. The other rising sector these days is 'Co-Working Space' which is in demand by Start-ups and small businesses due to its affordability, flexibility and easy access.

Parsvnath Developers has over recent years built a robust portfolio of commercial properties in the recent years. PDL has developed a total of 0.93 Mn Sq Ft of commercial spaces till date. Going forward, the Company has a clear focus on big commercial properties.

### Key Projects:

- **Parsvnath Capital Tower, Bhai Veer Singh Marg, New Delhi. (Phase I Delivered)**

With 0.23 Mn Sq Ft of leasable Area under phase 1, the project stands delivered. PDL has started developing the phase 2 of this project, which will have an additional 0.12 Mn Sq Ft of leasable area

- **The Parsvnath 27, Kasturba Gandhi Marg, New Delhi (Under Development)**

With 1.18 Acres under development, The Parsvnath 27 KG Marg is pegged to become India's most premium and prominent business place. The project is nearing completion.



Parsvnath Capital Tower,  
Bhai Veer Singh Marg



The Parsvnath 27, KG Marg

**Delivered**  
**0.93 Mn Sq Ft of**  
**Commercial**  
**space**

## Retail Properties

The retail segment is the next big thing on the industry's growth landscape. Factors like growing urbanization; increasing nuclear families; entry of big international brands; and enhancing lifestyle of the people; are fuelling the growth of organized retail. As per Boston Consulting Group (BCG) report, Indian market is estimated to have reached USD 750 Billion and USD 1.1 Trillion by 2020. As per a JLL report, the retail sector is going to see 20 Mn Sq Ft retail spaces getting ready by 2019, of which 11 Mn Sq Ft is expected to be ready by 2018. The e-commerce part of retail, growing at an exponential rate, is expected to reach USD 64 billion by 2020 and USD 200 billion by 2026. However, it needs an equally strong offline retail infrastructure in India. This is due to rural growth and increasing urbanization. Major players in the retail sector are adopting an Online-plus-Offline mode of operations while pure-play online retail has witnessed major consolidation and caution from even the investors.

**Delivered  
0.98 Mn Sq Ft  
of Retail  
space**

At Parsvnaths, our journey with retail segment dates back to 1994, when we had set up first ever mall in an Indian Tier II city, Moradabad. Till date, we have developed 15 commercial/retail projects covering 0.93 Mn Sq Ft area excluding DMRC retail projects business which involves developing malls at 8 Delhi metro stations. This has been a great success for Parsvnaths. Till date, Parsvnaths has developed 0.98 Mn Sq Ft area across 8 stations of the Delhi Metro. (Delhi Metro itself is great success case study. Since its start in 2002, Delhi Metro has expanded across 6 different lines that cover 296 kilometer of distance, connected through 214 Metro Stations. Today, Delhi Metro carries on an average 2.76 million passengers on a daily basis.

Combining our strength of developing mall properties and Delhi Metro projects, we have registered a strong presence in the promising Retail segment.

## Key Projects:

- **Delhi Metro Retail Projects:** 11 DMRC Mall projects, covering 0.98 Mn Sq Ft of leasable area
- **Parsvnath Mall, Rohini:** Total 0.3 Mn Sq Ft of leasable area
- **Parsvnath City Centre Mall, Faridabad:** Around 0.18 Mn Sq Ft of Leasable area



Parsvnath Mall, Rohini



Parsvnath Mall, Inderlok



**From  
The Chairman's  
Desk**



**In the reported year, the Company has seen considerable uptake of its Grade 'A' office and Retail offerings from marquee Corporate names such as CP wholesale (Thailand), Miniso (Japan), Adidas, Reebok etc.**



### ***Dear Shareholders***

The financial year 2017-18 was an extremely challenging, yet transformational year for the country and the real estate industry. We had hoped and anticipated that the effect of demonetisation would be over latest by first quarter of 2017-18. However, not only did the after-effects of demonetisation linger much longer, the adverse situation was compounded with Goods & Services Tax (GST) implementation and the delayed and differential progress in RERA implementation across the country meant that the buyers stayed away from the sector till everything settled down. Similar situation was experienced across most sectors of the economy, and this meant that the GDP growth was only 6.7% for the FY2017-18. In the real estate sector, housing sales declined during this period and the absorption in commercial office space was robust, but flat.

The scenario, however, took a turn for better towards the end of the year with the economy growing at 7.7% in the last quarter of FY2017-18, and Construction sector contributing handsomely to this jump with an 11.5% increase over Q4 FY2016-17. Real estate sector metrics also reflected this acceleration with housing sales going up by 33% on a YOY basis. The transition phase and turmoil because of the monumental reforms in regulatory framework now seems nearly complete, and the outlook for the future seems brighter. The picture is further enhanced because of sustained buoyancy in private consumption, and Government's mega investment thrust in urban infrastructure and transportation sectors.

## Company's Performance

During the year under review, our consolidated revenues saw a decline of 30.6% to ₹193.67 crores against ₹278.90 crores in FY2016-17. The bottom line was a net loss of ₹323.93 crores as against net loss of ₹148.87 crores in the previous year, mainly on account of revenue decline and 38.8% jump in finance costs. The Company has established itself as a trusted name in developing quality commercial properties that have become landmarks over the years. In the reported year, it has seen considerable uptake of its Grade 'A' office and Retail offerings from marquee Corporate names such as CP wholesale (Thailand), Miniso (Japan), Adidas, Reebok etc. In its nearly three decade long existence, the Company has completed 13 independent projects and 11 projects for Delhi Metro Rail Corporation (DMRC) in the commercial and retail segment, totaling up to 1.91 million sq. ft. It has ongoing projects in commercial space (luxury office and retail) with a Saleable/Leasable area of 2.27 million sq. ft. Some of the major ongoing Commercial projects are, The Parsvnath 27, K.G.Marg New Delhi, Rohini Mall, Delhi, DMRC - Bhai Veer Singh Marg, New Delhi. In FY2017-18, possession/fit-out for 1573 units was offered during the reported year across residential, commercial, retail and integrated township segments, which totaled to 3.53 million sq. ft. of space.

## Way Forward

Similar to the past few years, the focus of Company's efforts and investments in new projects will be for the Commercial segment given the steadily increasing demand for Grade A office space in major markets. Propensity of investors is clearly towards investing in quality assets that generate a stable return, which is true for the luxury office and retail formats. Hence, it will be easier for the Company to raise capital for new launches in this segment. Within the Residential segment, the Company's energies will be directed towards completion of under-construction projects and offer possession to successfully fulfill all outstanding commitments. Reduction in the debt burden is another important area of thrust for the Company; which will be done through sale of non-core assets and having steady cash flows from commercial assets or fee-based projects.

## Outlook

Further to the grant of infrastructure status for the Affordable Housing segment and Credit Linked Subsidy Scheme (CLSS) for interest subsidy to Low Income Group (LIG) and Middle Income Group (MIG) in budget 2017, Indian government has announced further support to the Affordable Housing segment through formation of Affordable Housing Fund in National Housing Bank for funding the Affordable Housing projects. It also extended the CLSS scheme for MIG up to March 2019 and liberalized the norms for qualification. With such consistent support and latent demand for low ticket housing, the Affordable Housing segment is expected to grow at a fast pace. In the Commercial segment, absorption of office space is likely to remain above 30 million sq. ft. for the fourth consecutive year and 11 million sq. ft. of retail supply is going to be released in 2018. Availability of funds for quality projects is likely to be much easier with REITs expected to make a debut in 2018, and a greater number of Foreign Institutional Investors (FII) and/ or Private Equity (PE) investors are lining up to invest in the sector.

The real estate sector is expected to flourish in the coming year alongside the Indian economy, which is expected to grow at 7.4% in 2018-19. Performance of the economy in fourth quarter of 2017-18 is likely to be the harbinger of sustained good performance here onwards for the next few years. One of the downside risks to industry growth is from Reserve Bank of India (RBI) pushing through interest rate hikes in light of sustained high inflation. This is highly probable, however, the overall effect is likely to be only a small dampener on the expected breakaway performance. Parsvnath's meticulously honed capabilities will see us through, while taking advantage of this market opportunity to the fullest. We are indeed in a difficult space, but there is no wavering from our commitment to reclaim our rightful place in the industry, as a leading player and again generate value for all stakeholders.

## In conclusion

On behalf of the Board, I would like to take this opportunity to express our gratitude to all our shareholders, financial institutions, bankers, investors, esteemed customers and associates for their constant trust and continued support. I would also like to thank all our employees, who have performed with great dedication and devotion for the organization to the best of their skills and capabilities. As we embark on another fiscal, it is my pleasure to communicate our results and accomplishments in this report for the year under review.

With warm regards,

**Pradeep Jain**  
Founder Chairman



# Operational Performance

FY18 witnessed third of the major policy/ regulatory reforms that were transformational in nature. After demonetization and roll-out of RERA (Real Estate Regulation Act) during FY17, Goods and Services Tax (GST) was rolled-out. These measures are surely going to bring transparency and organized approach to the sector in the long-term, but it had short-term adverse impacts, most significantly on the real estate sector. Today, when the economy is picking up momentum and Government is pushing growth-oriented programs, we can be optimistic on the outlook.

In this backdrop and in the face of financial difficulties, the total delivered area as on date, stood at 31.74 Mn Sq Ft in 65 completed projects across all major verticals including Residential, Commercial, DMRC, Retail, and Third Party Contracts. At the end of FY18, PDL has 40 projects under development, covering 51.51 Mn Sq Ft. The Company had a total land bank of 101.12 Mn Sq FT as at the end of FY18.

## COMPLETED PROJECTS as on June 30, 2018:

SEGMENT	NO. OF PROJECTS	SALEABLE AREA SQ. MT.	(MN. SQ. FT.)
Group Housing Projects	20	10,02,035	10.79
Commercial Projects	15	86,846	0.93
Integrated Township Projects	13	15,97,846	17.19
DMRC (BOT) Projects	11	90,749	0.98
<b>Contractual Projects</b>	06	1,71,347	1.85
<b>Total</b>	<b>65</b>	<b>29,48,823</b>	<b>31.74</b>

## ON-GOING PROJECTS as on June 30, 2018:

SEGMENT	NO. OF PROJECTS	SALEABLE AREA SQ. MT.	(MN. SQ. FT.)
Group Housing Projects	16	18,36,907	19.77
Commercial Projects/ IT Parks	10	1,99,438	2.15
Integrated Township Projects	13	27,37,938	29.47
DMRC (BOT) Projects	1	11,463	0.12
<b>Total</b>	<b>40</b>	<b>47,85,746</b>	<b>51.51</b>

# Operational Performance

## Group Housing Projects

Parsvnath Developers is known for developing high-quality and aesthetically sound Group Housing projects encompassing high-rise and multi-storey projects, which provide community style living laden with all the requisite amenities. All the Parsvnath projects are located in prime locations which deliver a unique edge to its customers. Over the years, Parsvnaths has delivered some of the industry's most sought-after residential projects like Prestige -Noida, Exotica - Gurugram, Green Ville -Gurugram. As on date, the Company is developing some prestigious projects like La-Tropicana- Delhi, Privilege- Greater Noida, Exotica -Ghaziabad, etc,

As on June 30, 2018, Parsvnaths had delivered 20 Group Housing projects having 10,02,035 Sq Mt (10.79 Mn Sq Ft) of developed area. Over the past three decades, the Company has built-up a balanced portfolio of Residential, Commercial and Retail projects. However, due to challenges at macro as well as company level, PDL has strategically shifted its focus to execution of residential projects without launching any new project. It has managed to deliver 371 units for possession during FY18 and the total new sales booking stood at Rs.1949 Lakhs encompassing 6216 Sq. Mt. (0.07 Mn Sq FT) of area under this segment.



Parsvnath Planet, Lucknow



Parsvnath Exotica, Gurugram



The Parsvnath 27, KG Marg

## Commercial Projects

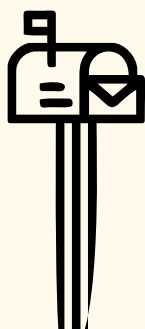
Parsvnath Developers is known to deliver highest quality commercial projects that are situated at premium locations entail strategic edge to our clients' businesses. The Company has been strategically investing in its commercial projects portfolio to increase its share in the overall business. Arrays of prominent brands like Axis Bank, Aditya Birla Group, World Health Organization (WHO), Loreal, Facebook, ICICI Prudential, Indiabulls, State Bank of India, Regus and Thomson Reuters have patronized the commercial spaces developed by the Company.

Commercial segment has been doing particularly well in country and the Company has vowed to take full advantage of this opportunity to garner stable revenues and sustainable growth going forward. As on June 30, 2018, PDL had delivered a total of 15 commercial projects with developed area measuring 86,846 Sq. Mtr. (0.93 Mn Sq Ft). At the end of same period, the Company had 10 on-going commercial projects covering 1,99,438 Sq. Mtr. (2.15 Mn Sq Ft) of leasable area. This exemplifies the execution success of our strategy to focus on commercial projects. The key cities where we have higher concentration of our commercial projects include Delhi, Moradabad, Faridabad, Saharanpur, Gurgaon, Dehradun, Bhiwadi, Greater Noida among others.

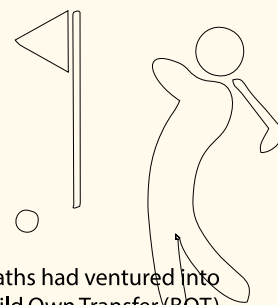
Some of Parsvnath's iconic commercial projects include Parsvnath Capital Towers at Bhai Veer Singh Marg, New Delhi Phase 1 and Phase 2 (under development); The Parsvnath 27 at Kasturba



Parsvnath Capital Tower, Bhai Veer Singh Marg



# Operational Performance



## Delhi Metro Rail Corporation - Retail Projects

On the back of its executorial prowess and impeccable track record of delivering real estate projects, Parsvnaths had ventured into developing Retail Spaces at Delhi Metro Rail Stations, in the year 2002. These projects are developed under Build Own Transfer (BOT) and Build Operate Own (BOO) model with leasing period ranging from 12 to 30 years. These projects offer commercial office and retail spaces at prime locations with high footfall of end consumers.

As at the end of June 2018, Parsvnaths has developed 11 such projects at 8 stations along the Red, Yellow and Blue lines of the Delhi Metro. The total leasable area across these DMRC projects stands at 90,749 Sq Mtr (0.98 Mn Sq Ft). As at June 30, 2018, the Company had 1 DMRC projects under various stages of development, encompassing a total of 11,463 Sq Mtr (0.12 Mn Sq Ft) of leasable area. Some of the most prominent retail spaces along Delhi Metro lines built by Parsvnaths include Parsvnath Mall at Akshardham, Inderlok and Shahdara among others.

## Integrated Townships

Integrated Townships have been conceived as a means of complete living within a boundary, which is self-sustaining, owing to availability of all facilities and amenities. A usual integrated township project offers affordable housing, residential plots, premium living, commercial spaces, retail destinations, educational institutions, and medical facilities thereby offering peace of mind and complete living. There is an immense future growth opportunity in this segment. However, due to sheer big sizes, these projects are witnessing a slow growth in present macro environment.

Parsvnath Developers has developed a strong edge by developing a number of Integrated Township projects. Also, these projects provide insulation against uncertain market environment since these projects offer varied kind of properties for varied needs of customers. As on June 30, 2018 the Company had 13 Integrated Township projects with an area measuring 27,37,938 Sq Mtr (29.47 Mn Sq Ft) under development, whereas it has already delivered 13 projects in this category for 15,97,846 Sq Mtr (17.19 Mn Sq Ft) of developed area. Parsvnaths has executed Township projects in some of India's upcoming cities and towns, such as Indore, Karnal, Jaipur, Jodhpur, Lucknow, Panipat, Saharanpur, Sonapat, Ujjain, Rajpura, Rohtak, Dharuhera and Derabassi.



Parsvnath Mall,  
Pratap Nagar



Parsvnath Mall,  
Akshardham



Parsvnath City,  
Dharuhera



Parsvnath City,  
Indore



Parsvnath Mall, Seelampur



Parsvnath Panchvati, Agra



# Operational Performance

## Hospitality Projects

The booming hospitality sector, which is dominantly driven by business travelers, needs quality spaces to accommodate its travelers. Parsvnath Developers through a wholly owned subsidiary - Parsvnath Hotels Limited, has entered this lucrative segment with a hospitality project. First of PDL's hospitality project is a hotel at Shirdi, District Ahmednagar, Maharashtra. This project, upon completion, will offer 35,147 Sq Ft of hospitable space.

## Special Economic Zones / IT Parks

The Indian economy is picking up growth momentum with some developing key sectors like Pharmaceutical, Education, BFSI and IT/ITES. These organizations need larger spaces that too at minimal pricing, and SEZs/IT Parks deliver just the right solution. Parsvnath had ventured in this large scale real estate development category back several years back. The Company carries out its SEZ business through the subsidiary company named Parsvnath Infra Limited (PIL).

## Third Party Contracts

Over several years, Parsvnaths has developed strong project execution capabilities in the industry. While the Company has built a strong portfolio of its own projects across residential, commercial and retail segments, its execution capabilities are entrusted for third party projects immensely. The Company has expertise in the execution of third party projects on contractual basis. Under this segment, the Company undertakes construction projects for other private and public entities. As at end of June 2018, PDL has delivered 06 projects under this segment which entailed a total of 1,71,347 sq. mt. (1.84 million sq. ft.) of built-up area with project value of ₹311.71 crore. At present, there are no on-going third party projects, but the Company is open to develop any suitable third party construction projects.

Some of the key third party construction projects include SAI ASHRAM at Shri Saibaba Sansthan, Shirdi Maharashtra; institute and hostel buildings for Footwear Design & Development Institute, Bareilly, UP; and Station Complex at Dhaura Kuan Metro Station, New Delhi.



Sai Ashram, Shirdi



FDDI, Rae Bareilly

## Highlights of **Operations**

Offered  
possession/ fit-outs  
of 1573 units

Phase II  
development  
nearing completion  
at Parsvnath  
Capital Tower, Bhai  
Veer Singh Marg,  
New Delhi

Nearing project  
completion at The  
Parsvnath 27,  
Kasturba Gandhi  
Marg, New Delhi

Reaching final  
stages of  
development at  
Parsvnath Mall,  
Rohini



## Awards & **Recognitions**

- **Scroll of Honour to Mr. Pradeep Jain, Founder Chairman**  
At the 9th Realty Plus Conclave & Excellence Awards 2017
- **Best Upcoming Commercial Project of the Year 2018**  
For 'The Parsvnath 27, KG Marg' by 'Construction Times' Magazine
- **Best Upcoming Affordable Housing Project of the Year 2018**  
For 'Parsvnath Akanksha Floor, Jodhpur'
- **Ranked among 'The BW Real 500'**  
'The Definitive Ranking of India's Largest Companies'

# Corporate Social Responsibility (CSR)

We believe that our notion of building spaces, enriching lifestyles and delivering promises is incomplete without giving back to our society and the environment.

We conduct our Corporate Social Responsibility activities under the aegis of Parsvnath Foundation, which is a not-for-profit/ non-profit organization engaged in social development and welfare. In addition to being a guiding light for company's senior management and team members, Shri Pradeep Jain, the Founder Chairman extends his visionary guidance to Company's CSR planning and execution. .

The Company has formulated a structured CSR policy to ensure fulfillment of its social responsibilities. The CSR policy clearly defines the vision, objectives as well as its implementation mechanism. The policy has outlined the CSR projects that are to be undertaken, which are under the broad framework of Schedule VII of the Companies Act, 2013.

At the Board level, a CSR Committee is formed. The CSR Committee has five director members with representation of two Executive Directors namely Shri Pradeep Kumar Jain and Shri Sanjeev Kumar Jain. The Committee also draws representation of three Non-Executive Independent Director members namely Shri Ashok Kumar (Chairman of the Committee), Shri Mahendra Nath Verma and Ms. Deepa Gupta. The Committee is assisted by Shri V. Mohan, Vice President (Legal) & Company Secretary who even serves as the Secretary to the CSR Committee. The CSR Committee at the Board level monitors the CSR projects and shall ensure that the implementation of the projects is in line with the CSR Policy.



DOING

GOOD

MATTERS

#CSR

# Corporate Information

## BOARD OF DIRECTORS

### Executive Directors

Shri Pradeep Kumar Jain  
*Founder Chairman*

Shri Sanjeev Kumar Jain  
*Managing Director & CEO*

Dr. Rajeev Jain  
*Director (Marketing)*

### Non-Executive Independent Directors

Shri Ashok Kumar  
Dr. Pritam Singh  
Ms. Deepa Gupta  
Shri Mahendra Nath Verma

## SR. VICE PRESIDENT (LEGAL) & COMPANY SECRETARY

Shri V. Mohan

## AUDITORS

M/s S. N. Dhawan & Co. LLP  
Chartered Accountants,  
410, Ansal Bhawan,  
16, Kasturba Gandhi Marg,  
New Delhi - 110001

## REGISTRAR & SHARE TRANSFER AGENT

M/s Link Intime India Pvt. Ltd.  
44, Community Center,  
2nd Floor, Naraina Industrial Area,  
Phase-I, New Delhi - 110 028.

## SHARES LISTED AT

National Stock Exchange of India Limited  
(NSE)  
BSE Limited (BSE)

## REGISTERED AND CORPORATE OFFICE

Parsvnath Tower,  
Near Shahdara Metro Station,  
Shahdara, Delhi - 110 032.  
CIN: L45201DL1990PLC040945  
Phone No: 011-43010500, 011-43050100  
Fax No: 011-43050473  
E-mail: investors@parsvnath.com  
Website: www.parsvnath.com

## BANKS & FINANCIAL INSTITUTIONS

Axis Bank Ltd.  
Bank of India  
Canara Bank  
HDFC Bank Ltd.  
IDBI Bank Ltd.

IndusInd Bank Ltd.  
Karnataka Bank Ltd.  
Kotak Mahindra Bank Ltd.  
Life Insurance Corporation of India  
Oriental Bank of Commerce

Punjab National Bank  
State Bank of India  
Syndicate Bank  
UCO Bank

## BOARD'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 27<sup>th</sup> Annual Report, together with the Audited Financial Statements of the Company for the financial year ended March 31, 2018.

### 1. FINANCIAL RESULTS

[₹ in lakhs]

Item	STAND-ALONE		CONSOLIDATED	
	FY 2017-18	FY 2016-17	FY 2017-18	FY 2016-17
<b>Total Revenue</b>	16,040.39	27,468.27	21,008.12	30,653.08
<b>Profit/ (loss) before depreciation and tax</b>	(13,016.55)	(3,325.45)	(32,929.09)	(13,319.37)
Less: Depreciation	1,079.23	852.17	3,023.64	2,794.09
<b>Profit/ (loss) before tax</b>	<b>(14,095.78)</b>	<b>(4,177.62)</b>	<b>(35,952.73)</b>	<b>(16,113.46)</b>
Less: Provision for taxation	(2,360.93)	(694.48)	(3,557.05)	(1,224.21)
<b>Profit/ (loss) after tax</b>	<b>(11,734.85)</b>	<b>(3,483.14)</b>	<b>(32,395.68)</b>	<b>(14,889.25)</b>
Share of Profit/(loss) in Associates	-	-	1.93	2.21
<b>Profit/ (loss) for the year</b>	<b>(11,734.85)</b>	<b>(3,483.14)</b>	<b>(32,393.75)</b>	<b>(14,887.04)</b>
Other comprehensive income	(36.37)	(18.92)	(36.37)	(18.92)
<b>Total comprehensive income for the year</b>	<b>(11,771.22)</b>	<b>(3,502.06)</b>	<b>(32,430.12)</b>	<b>(14,905.96)</b>
Net profit/(loss) attributable to:				
a) Owners of the holding company	(11,771.22)	(3,502.06)	(31,742.88)	(14,474.94)
b) Non-controlling interest	-	-	(687.24)	(431.02)
Balance brought forward (including other comprehensive income)	76,170.78	87,475.34	54,994.32	82,271.76
Add: Profit/(loss) for the year attributable to shareholders of the company	(11,771.22)	(3,502.06)	(31,742.88)	(14,474.94)
Less: Transferred to Debenture Redemption Reserve	225.00	7,802.50	225.00	12,802.50
<b>Closing balance (including other comprehensive income)</b>	<b>64,174.56</b>	<b>76,170.78</b>	<b>23,026.44</b>	<b>54,994.32</b>

### 2. DIVIDEND

In view of loss incurred during the financial year ended March 31, 2018 coupled with constrained liquidity position of the Company, your Directors have considered it appropriate not to recommend any dividend. The Company has not transferred any amount to General Reserve during the Financial Year 2017-18.

### 3. REVIEW OF OPERATIONS

During the year under review, on consolidated basis, the Company has earned total revenue of ₹ 21,008.12 lakhs as against ₹ 30,653.08 lakhs in 2016-2017 and incurred a Net loss of ₹ 32,393.75 lakhs as against a net loss of ₹ 14,887.04 lakhs in 2016-2017. Earnings per Share (EPS) of the Company stood at ₹ -2.70 on stand-alone basis and ₹ -7.29 on consolidated basis in 2017-2018.

A detailed business-wise review of the operations of the Company is included in the Management Discussion and Analysis section of this Annual Report.

### 4. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The Management Discussion and Analysis Report, forming part of the Board's Report for the year under review, as stipulated under Regulation 34 (2)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), is discussed in a separate section of this Annual Report.

### 5. SUBSIDIARIES, JOINT VENTURE ENTITIES AND ASSOCIATE COMPANIES

At the beginning of the year, your Company had seventeen subsidiary companies. The project-specific or sector-specific subsidiary companies ensure maximum utilization of available resources through focused attention on specific activities.

During the year under review, Farhad Realtors Private Limited ("FRPL") has become a wholly owned subsidiary of the Company, consequent upon the acquisition of 10,000 equity shares, with effect from July 29, 2017.

Subsequent to year under review:

- Parsvnath Rail Land Projects Pvt. Ltd. (PRLPPL) has become a subsidiary of the Company in terms of Section 2(87) of the Companies Act, 2013, pursuant to MCA notification dated May 07, 2018.
- The Company has, pursuant to the Securities Purchase Agreement dated June 21, 2018, acquired 4,90,000 Class A Shares and 1,00,000 Class B Shares from Anuradha SA Investments LLC, Mauritius (Investor 1) and 87,51,000 Series A Fully Convertible Debentures from Anuradha Ventures Limited, Cyprus (Investor 2), of Parsvnath Buildwell Private Limited ("PBPL"), a subsidiary company and SPV for implementing a premium residential project viz. "Parsvnath Exotica" in Ghaziabad (UP).

As at March 31, 2018, Parsvnath Estate Developers Pvt. Ltd. (PEDPL) was a "material subsidiary" as defined under Regulation 16(1)(c) of the Listing Regulations.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 ("Act"), a statement containing brief financial details of the Company's subsidiaries, associate companies and joint ventures for the financial year ended March 31, 2018 in Form AOC-1 is attached to the financial statements of the Company. The details as required under Rule 8 of the Companies (Accounts) Rules, 2014 regarding the performance and financial position of each of the subsidiaries and associate companies forms part of the Consolidated Financial Statements of the Company for the financial year ended March 31, 2018.

Pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, including consolidated financial statements alongwith relevant documents and separate audited accounts in respect of its subsidiary companies are available on the website of the Company. The annual accounts of these subsidiaries and the related detailed information will be made available to any Shareholder of the Company/its subsidiaries seeking such information at any point of time and will also be kept open for inspection by any Shareholder of the Company/its subsidiaries at the registered office of the Company and that of the respective companies between 11.00 a.m. and 1.00 p.m. on all working days. The Company shall furnish a copy of detailed annual accounts of such subsidiaries to any Shareholder on demand.

## 6. CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the provisions of the Act and implementation requirements of Indian Accounting Standards ('Ind- AS') Rules on accounting and disclosure requirements and Regulation 33 of the Listing Regulations, the Audited Consolidated Financial Statements are provided in this Annual Report.

## 7. DEBENTURES

During the year under review, the Company has issued Series XVI (Issue-II), (Issue-III), (Issue-IV) and (Issue-V) 19% Secured Redeemable Non-Convertible Debentures (NCDs) aggregating to ₹ 900 lakhs.

## 8. FIXED DEPOSITS

During the year under review, the Company has not accepted fixed deposits from the public.

## 9. DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, there has been no change in the composition of the Board of Directors.

Your Company has received annual declarations from all the Independent Directors of the Company confirming that they meet with the criteria of Independence provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and there has been no change in the circumstances which may affect their status as Independent Director during the year.

During the year, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, apart from receiving Directors' remuneration.

In accordance with the applicable provisions of the Act read with the Articles of Association of the Company, Shri Sanjeev Kumar Jain (DIN: 00333881), Director of the Company, will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

The Notice convening the ensuing 27<sup>th</sup> Annual General Meeting includes the proposal for re-appointment of Shri Sanjeev Kumar Jain as stated above. Further, as required under the Listing Regulations and Secretarial Standard on General Meetings, his brief resume is furnished in the explanatory statement to the Notice convening the ensuing Annual General Meeting.

## 10. BOARD COMMITTEES

### Audit Committee

The Audit Committee comprises Shri Mahendra Nath Verma (Chairman), Shri Sanjeev Kumar Jain, Shri Ashok Kumar, Dr. Pritam Singh and Ms. Deepa Gupta. All members except Shri Sanjeev Kumar Jain are Non-Executive Independent Directors of the Company. Shri V. Mohan, Sr. Vice President (Legal) & Company Secretary acts as the Secretary to the Committee.

### CSR Committee

The Committee comprises five directors including two Executive Directors viz. Shri Pradeep Kumar Jain and Shri Sanjeev Kumar Jain and three Non-Executive Independent Directors viz. Shri Ashok Kumar, who is also the Chairman of the Committee, Ms. Deepa Gupta and Shri Mahendra Nath Verma. Shri V. Mohan, Sr. Vice President (Legal) & Company Secretary acts as the Secretary to the Committee.

### Nomination and Remuneration Committee

The Committee comprises Dr. Pritam Singh (Chairman), Shri Ashok Kumar, Shri Mahendra Nath Verma and Ms. Deepa Gupta, all being Non-Executive Independent Directors. Shri V. Mohan, Sr. Vice President (Legal) & Company Secretary acts as the Secretary to the Committee.

### Stakeholders Relationship Committee

The Committee comprises Shri Ashok Kumar, Non-Executive Independent Director (Chairman), Shri Sanjeev Kumar Jain and Dr. Rajeev Jain. Shri V. Mohan, Sr. Vice President (Legal) & Company Secretary acts as the Secretary to the Committee and is the Compliance Officer.

### Shares Committee

The Committee comprises three members viz. Shri Pradeep Kumar Jain, Shri Sanjeev Kumar Jain and Dr. Rajeev Jain. Shri Pradeep Kumar Jain is the Chairman of the Committee and Shri V. Mohan, Sr. Vice President (Legal) & Company Secretary acts as the Secretary to the Committee.

A detailed note on the Committees of the Board of Directors is given in the Corporate Governance Report which forms part of this Report.

## 11. NUMBER OF MEETINGS OF THE BOARD

Seven meetings of the Board of Directors were held during the year. For details of the meetings of the Board, please refer

to the Corporate Governance Report, which forms part of this Report.

## 12. COMPLIANCE OF THE SECRETARIAL STANDARDS ISSUED BY ICSI

The Board confirms that, during the period under review, the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India (ICSI), as amended from time to time.

## 13. BOARD EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance and that of its committees and individual Directors, pursuant to the provisions of the Act, based on the criteria recommended by the Nomination and Remuneration Committee. Pursuant to Regulation 17 (10) read with Schedule II to the Listing Regulations and Schedule IV to the Act, the performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated.

A separate meeting of the Independent Directors was held, inter-alia, to review the performance of Non-Independent Directors and the Board as a whole, to review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors and to assess the quality, quantity and timeliness of flow of information between the Company's management and the Board, that is necessary for the Board to effectively and reasonably perform its duties.

## 14. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS

The Nomination and Remuneration Policy recommended by the Nomination and Remuneration Committee duly approved by the Board of Directors of the Company is available on the Company's website at link: <http://www.parsvnath.com/investors/iulr/nomination-and-remuneration-policy/>. The salient features of the Remuneration Policy have been outlined in the Corporate Governance Report which forms part of this Report.

The details of programmes for familiarisation of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are posted on the website of the Company at the link: <http://>

[www.parsvnath.com/investors/iulr/familiarization-programs-for-independent-directors/](http://www.parsvnath.com/investors/iulr/familiarization-programs-for-independent-directors/).

## 15. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(5) of the Companies Act, 2013 ("Act"), the Board of Directors, to the best of their knowledge and ability, state that:

- a) in the preparation of the annual accounts for the financial year ended March 31, 2018, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;
- b) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and the loss of the Company for the financial year ended on that date;
- c) the Directors have taken proper and sufficient care for the 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 fraud and other irregularities;
- d) the Directors have prepared the annual accounts on a 'going concern' basis;
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and the reviews of the management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2017-18.

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

## 16. CORPORATE SOCIAL RESPONSIBILITY

The Annual Report on Corporate Social Responsibility (CSR)

under Section 135 of the Companies Act, 2013 is annexed as **Annexure I** to this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Company's CSR policy is available on the Company's website at link: <http://www.parsvnath.com/investors/iulr/corporate-social-responsibility-policy/>.

## 17. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. Also, the Company has obtained prior omnibus approval for related party transactions occurred during the year for transactions which are of repetitive nature and / or entered in the ordinary course of business at arm's Length.

During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material under Section 188 of the Companies Act, 2013.

In view of the above, the requirement of giving particulars of contracts / arrangements made with related parties, in Form AOC-2 is not applicable for the year under review.

The related party transactions undertaken during the financial year 2017-18 are detailed in the Notes to Accounts of the Financial Statements.

The Policy for determination of materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link: <http://www.parsvnath.com/investors/iulr/related-party-transaction-policy/>.

## 18. INTERNAL FINANCIAL CONTROLS AND INTERNAL AUDIT

The Company has in place adequate internal financial controls with reference to the Financial Statements. The Audit Committee periodically reviews the internal control systems with the management, Internal Auditors and Statutory Auditors and the adequacy of internal audit function, significant internal audit findings and follow-ups thereon.

## 19. AUDIT COMMITTEE RECOMMENDATIONS

During the year under review, the suggestions put forth by the Audit Committee were duly considered and accepted by the Board of Directors. There were no instances of non-acceptance of such recommendations.

## 20. AUDITORS

### (a) Statutory Auditors

M/s S.N.Dhawan & Co. LLP, Chartered Accountants (Firm Registration No. 000050N/ N500045) has been appointed as Statutory Auditors of the Company from the conclusion of 25th Annual General Meeting for a term of five consecutive years till the conclusion of the 30th Annual General Meeting.

#### Statutory Auditors Report

- The Auditors in their Report on the financial statements of the Company for the financial year ended March 31, 2018 have drawn attention to the following matter in the notes to the Ind AS financial statements:

"Note 47, which indicates that the Company has incurred cash loss during the current and previous years and there have been delays/defaults in payment of principal and interest on borrowings, statutory liabilities, salaries to employees and other dues by the Company. The management of the Company is of the opinion that no adverse impact is anticipated on future operations of the Company.

Our opinion is not modified in respect of this matter."

- The response given by the management vide Note 47 of the Stand-alone financial statements is given below:

"The Company has incurred cash losses during the current and previous years. Due to continued recession in the real estate sector owing to slowdown in demand, the Company is facing tight liquidity situation as a result of which there have been delays/defaults in payment of principal and interest on borrowings, statutory liabilities, salaries to employees and other dues. Also, the Company continues to face lack of adequate sources of finance to fund execution and completion of its ongoing projects resulting in delayed realisation from its customers and lower availability of funds to discharge its liabilities. The company is continuously exploring alternate sources of finance, including sale of non-core assets to generate adequate cash inflows for meeting these obligations and to overcome this liquidity crunch. In the opinion of the Management, no adverse impact is anticipated on future operations of the Company."

- There were no instances of frauds reported by the Statutory Auditors under Section 143(12) of the Act.

### (b) Secretarial Auditors and Secretarial Audit Report

The Board of Directors of the Company has re-appointed M/s Chandrasekaran Associates, Company Secretaries, to conduct the Secretarial Audit of the Company for the Financial Year 2018-19. The Secretarial Audit Report for the financial year ended March 31, 2018 is annexed herewith as **Annexure II** to this Report. The Secretarial Auditors in their report have made certain observations and the response of your Directors is as given above.

### (c) Internal Auditors

The Board of Directors of the Company has re-appointed M/s P. Jain & Company, Chartered Accountants, (Firm Registration No. 000711C) as Internal Auditors, pursuant to the provisions of Section 138 of the Companies Act, 2013, for the financial year 2018-19.

### (d) Cost Auditors

The Company is required to maintain the cost records as specified by Central Government under Section 148(1) of the Companies Act, 2013, and accordingly such accounts and records are made and maintained. The Board of Directors of the Company has re-appointed M/s Chandra Wadhwa & Company, Cost Accountants (Firm Registration No. 000239) as Cost Auditors for conducting the audit of cost records of the Company, for the financial year 2018-19.

## 21. CORPORATE GOVERNANCE

A separate section on Corporate Governance, forming part of the Board's Report and the Certificate from M/s Chandrasekaran Associates, Practicing Company Secretary confirming compliance with the Corporate Governance norms, as prescribed under Regulation 34 of the Listing Regulations are included in the Annual Report.

### Code of Conduct

The Board of Directors has laid down a Code of Conduct for Board Members and Senior Management Personnel. The said Code has been posted on the Company's website [www.parsvnath.com](http://www.parsvnath.com). As prescribed under Listing Regulations, a declaration signed by the Managing Director & CEO affirming compliance with the aforesaid Code of Conduct by the Directors and Senior Management Personnel of the Company for the financial year 2017-18 is annexed and forms part of the Corporate Governance Report.

## 22. LISTING WITH STOCK EXCHANGES

During the year under review, the equity shares of the Company continue to remain listed with the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The listing fee for the financial year 2018-19 has been paid by the Company to both NSE and BSE.

## 23. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

During the year under review, the Company was not required to transfer any amount to Investor Education and Protection Fund (IEPF) established by the Central Government.

## 24. DISCLOSURES

1. Conservation of energy, technology absorption, foreign exchange earnings and outgo

The nature of operations of the Company does not require disclosure of particulars relating to conservation of energy and technology absorption, as prescribed under Section 134(3)(m) of the Act, read with Rule 8(3) of the Companies (Accounts) Rules, 2014. During the year under review, the Company has nil foreign exchange earnings and has incurred expenditure of ₹ 130.25 lakhs, as compared to ₹ 90.14 lakhs in the previous year.

2. 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:

Name of the Directors	Ratio to median remuneration
<b>Non-Executive Directors</b>	
Shri Ashok Kumar	18.18
Dr. Pritam Singh	18.18
Ms. Deepa Gupta	17.27
Shri Mahendra Nath Verma	18.18
<b>Executive Directors</b>	
Shri Pradeep Kumar Jain	N.A.
Shri Sanjeev Kumar Jain	N.A.
Dr. Rajeev Jain	N.A.

- b. The percentage increase in remuneration of each Director,

Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year: Nil

- c. The percentage increase in the median remuneration of employees in the financial year: 10.37%
- d. The number of permanent employees on the rolls of Company as on March 31, 2018: 407
- 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 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 ₹ 102 lakhs per annum, if employed throughout the financial year and ₹ 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, the list of top ten employees of the Company is annexed herewith as **Annexure III**.

3. Particulars of loans, guarantees or investments under Section 186 of the Companies Act, 2013

As your Company is engaged in the business of real estate development included in the term Infrastructural projects/ facilities under Schedule VI to the Act, the provisions of Section 186 of the Act related to loans made, guarantees given or securities provided are not applicable to the Company. However, the details of the same are provided in the financial statements.

4. Extract of Annual Return

Extract of Annual Return in the Form MGT-9, as required under Section 92 of the Act is annexed herewith as **Annexure IV** to this Report. The extract of Annual Return

may be accessed on the Company's website at the link:  
<http://www.parsvnath.com/investors/iulr/extract-of-annual-return-form-mgt-9/>

## 25. RISK MANAGEMENT

Your Company has in place a Risk Management Policy to assist the Board in:

- (a) Overseeing and approving the Company's enterprise wide risk management framework;
- (b) Overseeing that all the risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks.

The Company manages, monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. The Company's management systems, organisational structure, processes, standards, code of conduct etc. governs how the Company conducts its business and manages associated risks.

The Board periodically reviews implementation and monitoring of the risk management plan for the Company including identification therein of elements of risks, if any, which in the opinion of the Board may threaten the existence of the Company.

## 26. VIGIL MECHANISM

The Company has in place the Vigil Mechanism, which also incorporates a Whistle Blower Policy for Directors and employees to report genuine concerns in the prescribed manner, in terms of the Listing Regulations. The Vigil Mechanism is overseen by the Audit Committee and provides adequate safeguards against victimization of employees and Directors. Whistle Blower Policy is a mechanism to address any complaint(s) related to fraudulent transactions or reporting intentional non-compliance with the Company's policies and procedures and any other questionable accounting/operational process followed. It provides a mechanism for employees to approach the Chairman of the Audit Committee or Shri V. Mohan, Sr. Vice President (Legal) & Company Secretary designated as Whistle and Ethics Officer under the aforesaid mechanism. During the year, no such incidents were reported and no personnel were denied access to the Chairman of the Audit Committee. The Vigil Mechanism/ Whistle Blower Policy may be accessed on the Company's website at the link: <http://www.parsvnath.com/investors/information/vigil-mechanism-whistle-blower-policy/>.

## 27. INTERNAL COMPLAINTS COMMITTEE

The Company has an Internal Complaints Committee ("ICC") as required under The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. The Company is strongly opposed to sexual harassment and employees are made aware about the consequences of such acts and about the constitution of ICC. During the year under review, there were no cases filed/ reported pursuant to the aforesaid Act.

## 28. 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. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
4. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
5. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
6. No material changes and/or commitments affecting the financial position of your Company have occurred between the end of the financial year and the date of signing of this Report.

Securities and Exchange Board of India ("SEBI") had issued directions to the Stock Exchanges vide letter No. SEBI/HO/ISD/ISD/OW/P/2017/18183 dated August 7, 2017 whereby the Company's name was included amongst the list of suspected "Shell Companies", as a result of which, the equity shares of the Company were shifted to GSM VI on the Stock Exchanges. The Company had filed an appeal against the aforesaid directions of SEBI with Hon'ble Securities Appellate Tribunal ("SAT") on August 9, 2017. Hon'ble SAT has passed an order dated August 11, 2017 staying the aforesaid directions of SEBI in respect of trading restriction on the Shares of the Company and accordingly, the equity shares of the Company were restored to the normal trading segment of the Stock Exchanges with effect from August 14, 2017. After the Hon'ble SAT's order, in pursuance to the directions of SEBI, BSE and NSE sought various information and/

or clarifications in respect of the Company which were provided. An opportunity of personal hearing was also given by SEBI and NSE, which was attended by the representatives of the Company and necessary information / clarifications were provided.

SEBI vide its Interim Order dated August 8, 2018 has directed the Stock Exchange to, inter-alia, appoint an independent forensic auditor to further verify; (a) alleged misrepresentation of financials and/or business by Company, if any, in the context of certain past transactions of sub- contracts during the financial years 2009-10, 2010-11 and 2011-12 and (b) alleged misuse of the books of accounts/ funds, if any, in the context of said transactions, including the role of KMPs, Directors and Promoters in those transactions. The Company has been given an opportunity to file its reply/ objections to the aforesaid Interim Order and also to seek a personal hearing with the SEBI in this matter within thirty days of the Order and as such the Company shall be filing its reply/ objections to the Interim Order and also seek an opportunity of personal hearing with the SEBI within the stipulated time as mentioned in the said Order.

## ACKNOWLEDGEMENT

Your Directors wish to place on record their sincere gratitude to the shareholders, customers, bankers, financial institutions, investors, vendors and all other business associates for the continuous support provided by them to the Company and for the confidence reposed in the management of the Company.

The Directors also wish to acknowledge the contribution made by employees at all levels for steering the growth of the organisation. Your Directors also thank the Government of India, the State Governments and other Government Agencies for their assistance and co-operation and look forward to their continued support in future.

**On behalf of the Board of Directors**

Place: Delhi  
Date: August 13, 2018

**Sd/-**  
**PRADEEP KUMAR JAIN**  
Chairman  
DIN 00333486

## CAUTIONARY STATEMENT

*Certain statements in the Board's Report describing the Company's objectives, projections, estimates, expectations or predictions may be forward-looking statements within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include labour and material availability, and prices, cyclical demand and pricing in the Company's principal markets, changes in government regulations, tax regimes, economic development within India and other incidental factors.*

## ANNUAL REPORT ON CSR ACTIVITIES

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

The Company is a responsible corporate citizen and is conscientiously working towards fulfilling its Corporate Social Responsibility (CSR). A separate section on CSR forms part of the Annual Report. The Company's CSR Policy lays out the vision, objectives and implementation mechanisms. The projects undertaken will be within the broad framework of Schedule VII to the Companies Act, 2013 read with the Rules made thereunder.

2. **The composition of the CSR committee:**

The Company has constituted the CSR Committee which comprises five directors including two Executive Directors viz. Shri Pradeep Kumar Jain and Shri Sanjeev Kumar Jain and three Non-Executive Independent Directors viz. Shri Ashok Kumar, who is also the Chairman of the Committee, Shri Mahendra Nath Verma and Ms. Deepa Gupta. Shri V. Mohan, Sr. Vice President (Legal) & Company Secretary acts as the Secretary to the Committee.

3. **Average net profit/ (loss) of the Company for last three financial years for the purpose of computation of CSR:** ₹ -10,948.72 lakhs.

4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):** Not Applicable

5. **Details of CSR Expenditure spent during the financial year:** Not Applicable

6. **In case the Company has failed to spend the two per cent 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 years was negative, the Company was not required to spend any amount on CSR activities in the Financial Year 2017-18. However, suitable eligible project(s) shall be identified to make expenditure towards Corporate Social Responsibility as and when the need arises.

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.**

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

**Sd/-**  
**Sanjeev Kumar Jain**  
**DIN 00333881**  
**Managing Director & CEO**

Delhi  
August 13, 2018

**Sd/-**  
**Ashok Kumar**  
**DIN 00138677**  
**Chairman, Corporate Social Responsibility Committee**

**SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED MARCH 31, 2018**

The Members,

**PARSVNATH DEVELOPERS 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 Developers 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;
- (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;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (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; Not Applicable
  - (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;
  - (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/regulations 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. There are certain instances of delay in repayment of loan and interest due to financial institutions during the period under review.
2. The Company has not complied with the provision of regulation 24(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to appointment of one Independent director of the company on the board of Parsvnath Estate Developers Private Limited (PEDPL), the material subsidiary company for the Financial Year 2017-18. Subsequently, Ms Deepa Gupta, Non- Executive Independent Director of the Company was appointed as an Additional Director on the Board of PEDPL with effect from 20.06.2018.
3. The Company has received several notices under section 434 of the Companies Act 2013, regarding the winding-up petition filed against the Company during the financial year 2017-18.
4. The Securities and Exchange Board of India ("SEBI") has issued directions to the Stock Exchanges vide letter No. SEBI/HO/ISD/ISD/OW/P/2017/18183 dated 7th August, 2017 whereby the Company's name was included amongst the list of suspected "Shell Companies".

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place, if any, 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 atleast 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 following specific events / actions took place having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc:

The Company has made allotment of Non-convertible Debentures (NCDs) as per the details mentioned below:

S.no	Type of NCDs	Amount(in ₹)
1.	Series XVI- Issue-II	5,00,00,000
2.	Series XVI- Issue-III	1,00,00,000
3.	Series XVI- Issue-IV	2,00,00,000
4.	Series XVI- Issue-V	1,00,00,000
Total funds raised during the period		9,00,00,000

**For Chandrasekaran Associates**

Company Secretaries

Sd/-

**Shashikant Tiwari**

Partner

Membership No. ACS 28994

Certificate of Practice No. 13050

Date: 13.08.2018

Place: New Delhi

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.

The Members,

**PARSVNATH DEVELOPERS 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.

**For Chandrasekaran Associates**

Company Secretaries

**Sd/-**

**Shashikant Tiwari**

Partner

Membership No. ACS 28994

Certificate of Practice No. 13050

Date: 13.08.2018

Place: New Delhi

**PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 197 (12) OF THE COMPANIES ACT, 2013**

S. No.	Name	Designation / Nature of duties	Qualifications	Remuneration (₹)	Experience (Years)	Date of Joining	Age (Years)	Last Employment Held	Number & % of shares held in the Company as at March 31, 2018	
									Number	%
List of Top Ten Employees of the Company (in terms of remuneration drawn)										
1	Mr. Prehlad Kumar Jain	President	BE (Civil)	7,338,073	45	27-Sep- 04	68	Deb Construction Private Limited	8266	0.002
2	Mr. Rakesh Kumar Jain	President (Marketing & Business Development)	CA	2,888,484	36	2-Nov- 17	59	Zee Entertainment	0	0
3	Dr. Sunit Sachar	Sr. Vice President (Marketing & Publicity)	PhD, MBA, PGD	4,814,244	37	17-Apr- 09	64	Sarvapriya Developers Private Limited	0	0
4	Mr. V. Mohan	Sr. Vice President (Legal) & Company Secretary	LLB, FCS, MBA	4,474,987	39	3-May- 03	62	Laxmi Sugar Mills Limited	1252	0
5	Mr. Mukesh Chand Jain	Sr. Vice President (Corporate) & Group CFO	CA, LLB	4,363,719	35	1-Dec- 03	59	Lok Housing & Construction Limited	0	0
6	Ms. Rema Menon	Vice President (Retail)	MBA (Marketing)	3,375,747	26	1-May- 14	52	Innovations	0	0
7	Mr. Satish Chander	Vice President (Constructions)	M.Tech. (Structure)	2,905,662	32	26-May- 15	57	Earth Infrastructure Limited	0	0
8	Dr. Jayanti A.R.	Vice President (Business Development)	Phd, LLB, MA, MBA	2,886,259	32	10-Jul- 06	60	Infinite Biosol Private Limited	104	0
9	Mr. Vivek Garg	Vice President (Townships)	B.Sc. (Engg.), PGDBM	2,732,532	28	1-Oct- 12	56	JSL Architecture Limited	0	0
10	Mr. Sandeep Kumar Jain	Consultant (Project Execution)	BE (Civil)	2,650,765	34	5-Dec- 06	55	Rishabh Nath Developers & Builders Private Limited	612	0

**Notes:**

- 1 The remuneration does not include leave encashment, gratuity and other retirement benefits.
- 2 The nature of employment in all cases is on contractual basis except in case of Directors, whose terms have been approved by the shareholders. Other terms and conditions of employment are as per Company policy.
- 3 All the employees have adequate experience to discharge the responsibilities assigned to them and their designations are indicative of their nature of duties.
- 4 None of the employees mentioned above is a relative of any Director of the Company.

**FORM NO. MGT 9**

## EXTRACT OF ANNUAL RETURN

as on financial year ended on March 31, 2018

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

**I. REGISTRATION & OTHER DETAILS:**

i)	CIN	L45201DL1990PLC040945
ii)	Registration Date	July 24, 1990
iii)	Name of the Company	Parsvnath Developers Limited
iv)	Category/Sub-category of the Company	Public Limited Company
v)	Address of the Registered office & contact details	Parsvnath Tower, Near Shahdara Metro Station, Shahdara, Delhi-110032. Contact No: 011-43010500, 43050100
vi)	Whether listed company (Yes/ No)	Yes
vii)	Name , Address & Contact details of Registrar & Transfer Agent, if any	Link Intime India Private Limited Address: 44, Community Centre, 2 <sup>nd</sup> Floor, Naraina Industrial Area, Phase-I, Near PVR Naraina, New Delhi-110028 Contact No.: 011-41410592/93/94

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

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

S. No.	Name & Description of main products/services	NIC Code of the Product /service	% to total turnover of the Company
1	Development, Construction and Marketing of Real Estate projects for Commercial and Residential use	681-Real estate activities with own or leased property	74.45%

**III. PARTICULARS OF HOLDING , SUBSIDIARY AND ASSOCIATE COMPANIES**

S. No	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
1	Parsvnath Landmark Developers Pvt. Ltd.	U45201DL2003PTC122489	Subsidiary	100	2(87)
2	Parsvnath Infra Ltd.	U45200DL2006PLC154061	Subsidiary	94.87	2(87)
3	Parsvnath Film City Ltd.	U92412DL2007PLC159853	Subsidiary	100	2(87)
4	Parsvnath Hotels Ltd.	U55204DL2007PLC170126	Subsidiary	100	2(87)
5	PDL Assets Ltd.	U45400DL2007PLC170966	Subsidiary	100	2(87)
6	Parsvnath Telecom Pvt. Ltd.	U32204DL2007PTC169471	Subsidiary	100	2(87)
7	Parsvnath Developers Pte. Ltd. (Overseas Subsidiary – Singapore)	N.A.	Subsidiary	53.32	2(87)
8	Primetime Realtors Pvt. Ltd.	U70109DL2006PTC149614	Subsidiary	100	2(87)
9	Parsvnath Estate Developers Pvt. Ltd.	U45400DL2007PTC166218	Subsidiary	100	2(87)
10	Parsvnath Promoters and Developers Pvt. Ltd.	U45400DL2007PTC166189	Subsidiary	51	2(87)
11	Parsvnath HB Projects Pvt. Ltd.	U45200DL2008PTC175708	Subsidiary	51	2(87)
12	Parsvnath Hessa Developers Pvt. Ltd.	U45400DL2007PTC166177	Subsidiary	100	2(87)
13	Parsvnath Buildwell Pvt. Ltd.	U45400DL2008PTC178395	Subsidiary	90.05	2(87)
14	Parsvnath Realty Ventures Ltd.	U70101DL2008PLC176045	Subsidiary	100	2(87)
15	Vasavi PDL Ventures Pvt. Ltd.	U45309TG2016PTC112697	Subsidiary	51	2(87)
16	Farhad Realtors Pvt. Ltd.	U70200DL2008PTC175679	Subsidiary	100	2(87)

S. No	Name & Address of the Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of Shares held	Applicable Section
17	Parsvnath MIDC Pharma SEZ Pvt. Ltd. (Subsidiary of Parsvnath Infra Ltd.)	U24239MH2008PTC178174	Subsidiary (Step Down Subsidiary)	—	2(87)
18	Parsvnath Realcon Pvt. Ltd. (Subsidiary of Parsvnath Buildwell Pvt. Ltd. )	U70109DL2008PTC177916	Subsidiary (Step Down Subsidiary)	—	2(87)
19	Amazon India Ltd.	U01100DL1994PLC063704	Associate	48.31	2(6)
20	Homelife Real Estate Pvt. Ltd.	U70101CH2003PTC026160	Associate	50	2(6)
21	Vardaan Buildtech Pvt. Ltd.	U45201DL2005PTC138264	Associate	33.33	2(6)
22	Parsvnath Rail Land Project Pvt. Ltd.	U45203DL2011PTC227343	Associate	28.3	2(6)
23	Ratan Parsvnath Developers AOP	N.A.	Associate (Joint Venture)	50	2(6)

## IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to Total Equity)

## (i) Category-wise Shareholding

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. PROMOTERS									
(1) Indian									
a) Individual/HUF	262,308,819	0	262,308,819	60.276	259,483,819	0	259,483,819	59.627	-0.649
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 Corporates	47,186,992	0	47,186,992	10.843	47,186,992	0	47,186,992	10.843	0
e) Bank/Fl	0	0	0	0	0	0	0	0	0
f) Any other	0	0	0	0	0	0	0	0	0
SUB TOTAL:(A) (1)	309,495,811	0	309,495,811	71.119	306,670,811	0	306,670,811	70.470	-0.649
(2) Foreign									
a) NRI- Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/Fl	0	0	0	0	0	0	0	0	0
e) Any other	0	0	0	0	0	0	0	0	0
SUB TOTAL (A) (2)	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	309,495,811	0	309,495,811	71.119	306,670,811	0	306,670,811	70.470	-0.649
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	0	0	0	0	0	0	0	0	0
b) Banks/Fl	816,884	0	816,884	0.188	383,812	0	383,812	0.088	-0.100
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 Fund	0	0	0	0	0	0	0	0	0
f) Insurance Companies	0	0	0	0	0	0	0	0	0
g) Foreign Institutional Investors	30,661,264	0	30,661,264	7.046	26,110,220	0	26,110,220	6.000	-1.046
h) Foreign Venture Capital Funds	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):	31,478,148	0	31,478,148	7.233	26,494,032	0	26,494,032	6.088	-1.145

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	
(2) Non Institutions									
a) Bodies corporates									
i) Indian	51,254,458	0	51,254,458	11.778	58,965,995	0	58,965,995	13.550	1.772
ii) Overseas	22	0	22	0	22	0	22	0.000	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹ 1 lakhs	34,296,635	43,621	34,340,256	7.891	28,154,861	43,869	28,198,730	6.480	-1.411
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs	5,753,625	0	5,753,625	1.322	9,251,468	0	9,251,468	2.126	0.804
c) Others (specify)	2,858,850	0	2,858,850	0.657	5,600,110	2	5,600,112	1.287	0.630
<b>SUB TOTAL (B)(2):</b>	<b>94,163,590</b>	<b>43,621</b>	<b>94,207,211</b>	<b>21.648</b>	<b>101,972,456</b>	<b>43,871</b>	<b>102,016,327</b>	<b>23.442</b>	<b>1.794</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	<b>125,641,738</b>	<b>43,621</b>	<b>125,685,359</b>	<b>28.881</b>	<b>128,466,488</b>	<b>43,871</b>	<b>128,510,359</b>	<b>29.530</b>	<b>0.649</b>
<b>C. SHARES HELD BY CUSTODIAN FOR GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Grand Total (A+B+C)</b>	<b>435,137,549</b>	<b>43,621</b>	<b>435,181,170</b>	<b>100.00</b>	<b>435,137,299</b>	<b>43,871</b>	<b>435,181,170</b>	<b>100.00</b>	<b>0</b>

(ii) SHARE HOLDING OF PROMOTERS

Shareholder's Name*	Shareholding at the beginning of the Year				Shareholding at the end of the Year				% change in shareholding 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	No. of shares	% of total shares of the Company	
Shri Pradeep Kumar Jain	117,156,162	26.921	25.988	117,156,162	26.921	23.916	23,916	0	0
Smt Nutan Jain	44,911,886	10.320	4.861	44,911,886	10.320	4.861	4,861	0	0
Pradeep Kumar Jain & Sons (HUF)	100,157,571	23.015	21.963	97,332,571	22.366	19.171	19,171	-0.649	-0.649
Parasnath And Associates Pvt. Ltd.	47,186,992	10.843	10.843	47,186,992	10.843	10.843	10,843	0	0
Shri Sanjeev Kumar Jain	21,600	0.005	0	21,600	0.005	0	0	0	0
Late Shri Sheetal Prasad Jain	21,600	0.005	0	21,600	0.005	0	0	0	0
Ms. Neelam Jain	24,000	0.005	0	24,000	0.005	0	0	0	0
Dr. Rajeev Jain	16,000	0.004	0	16,000	0.004	0	0	0	0
<b>TOTAL</b>	<b>309,495,811</b>	<b>71.119</b>	<b>63.655</b>	<b>306,670,811</b>	<b>70.469</b>	<b>58.791</b>	<b>58,791</b>	<b>-4.864</b>	<b>-4.864</b>

\* Includes Promoter & Promoter Group

## (iii) CHANGE IN PROMOTERS' SHAREHOLDING ( SPECIFY, IF THERE IS NO CHANGE)

Particulars	Name of Promoters alongwith their PAN	Change in the number of Shares	Date wise increase/decrease in Promoters Share holding during the year	Reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc)	Shareholding at the beginning of the Year		Cumulative Share holding during the year
					No. of Shares	% of total shares of the company	
<b>At the beginning of the year</b>					100,157,571	23.015	
Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc)	Pradeep Kumar Jain & Sons (HUF) (AAFHP8013H)	-2,825,000	01.03.2018	Invocation of pledged Shares	-	-	97,332,571
<b>At the end of the year</b>							97,332,571

## (iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRs and ADRs)

Name of the Shareholders*	Shareholding at the beginning of the year (April 1, 2017)**		Cumulative Shareholding at the end of the year (March 31, 2018)**	
	No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
Fidelity Securities Fund - Fidelity Blue Chip Growth Fund	18,930,597	4.350	16,443,447	3.779
IL And FS Financial Services Ltd.	0	0	13,108,215	3.012
Anand Rathi Global Finance Ltd.	4,517,787	1.038	9,259,427	2.128
ITF Mauritius	9,781,177	2.248	8,821,323	2.027
Ivory Consultants Pvt. Ltd.	2,555,000	0.587	3,129,999	0.719
Satpal Khattar	0	0	3,000,000	0.689
Decent Financial Services Pvt. Ltd.	2,177,000	0.500	2,372,000	0.545
Seminary Tie Up Pvt. Ltd.	1,765,000	0.406	1,765,000	0.406
B K Coal Fields Pvt. Ltd.	1,725,000	0.396	1,725,000	0.396
Sidhu Investments Pvt. Ltd.	822,491	0.189	1,617,158	0.372

\*The names of the shareholders are taken as on March 31, 2018 and since the shares of the Company are traded on a daily basis, hence the date wise increase / decrease in shareholding is not indicated. \*\* Shareholding is consolidated based on Permanent Account Number (PAN) of the shareholder.

(v) SHAREHOLDING OF DIRECTORS & KMP

For each of the Directors & KMP	Name of Directors and KMPs alongwith their PAN*	Change in the number of Shares	Date wise increase/decrease in Promoters Share holding during the year	Reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc.)	Shareholding at the beginning of the Year		Cumulative Share holding 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	Shri Pradeep Kumar Jain (Director & KMP) -AEHPJ6194D	0	N.A.	N.A.	117,156,162	26.921		
Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc)							0	0
At the end of the year							117,156,162	26.921
At the beginning of the year	Shri Sanjeev Kumar Jain (Director & KMP)- AEHPJ6244G	0	N.A.	N.A.	21,600	0.005		
Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc)							0	0
At the end of the year							21,600	0.005
At the beginning of the year	Dr. Rajeev Jain (Director & KMP)- AEDPJ4758B	0	N.A.	N.A.	16,000	0.004		
Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc)							0	0
At the end of the year							16,000	0.004
At the beginning of the year	Shri Ashok Kumar (Director)- ABFPK9610A	0	N.A.	N.A.	2,000	0		
Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc)							0	0
At the end of the year							2,000	0
At the beginning of the year	Shri V/Mohan(KMP)- AAJPM9761B	0	N.A.	N.A.	1,252	0		
Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc)							0	0
At the end of the year							1,252	0
*No other Director/KMP is holding any shares in the Company.								

**V. Indebtedness**

Details of Indebtedness of the Company including interest outstanding / accrued but not due for payment					(Rs. in lakhs)
Sl. No.	Particulars	Secured loans excluding deposits	Unsecured loans	Total Indebtedness	
<b>A</b>	<b>Indebtedness at the beginning of the financial year</b>				
i)	Principal Amount	167,008.93	2,315.75	169,324.68	
ii)	Interest due but not paid	3,689.61	-	3,689.61	
iii)	Interest accrued but not due	6,741.46	280.14	7,021.60	
	<b>Total (i+ii+iii)</b>	<b>177,440.00</b>	<b>2,595.89</b>	<b>180,035.89</b>	
<b>B</b>	<b>Change in Indebtedness during the financial year</b>				
i)	<b>Additions</b>				
a)	Principal	64,150.87	1,075.00	65,225.87	
b)	Interest	34,881.33	395.88	35,277.21	
ii)	<b>Reductions</b>				
a)	Principal	21,293.68	200.00	21,493.68	
b)	Interest	29,295.00	41.89	29,336.89	
	<b>Net Change</b>				
	Principal	42,857.19	875.00	43,732.19	
	Interest	5,586.33	353.99	5,940.32	
<b>C</b>	<b>Indebtedness at the end of the financial year</b>				
i)	Principal Amount	209,866.12	3,190.75	213,056.87	
ii)	Interest due but not paid	6,677.46	-	6,677.46	
iii)	Interest accrued but not due	9,339.94	634.13	9,974.07	
	<b>Total (i+ii+iii)</b>	<b>225,883.52</b>	<b>3,824.88</b>	<b>229,708.40</b>	

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole time director and/or Manager (in ₹):

S.No	Particulars of Remuneration	Name of the MD/WTD/Manager				Total amount
1	Gross salary	Shri Pradeep Kumar Jain	Shri Sanjeev Kumar Jain	Dr. Rajeev Jain		
		Chairman	Managing Director and CEO	Director (Marketing)		
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	-	-	-	-	-
	(b) Value of perquisites under section 17(2) of the Income Tax Act, 1961	-	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of the 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					-

Note : The Company has not paid any Managerial Remuneration during the year.

B. Remuneration to other directors (in ₹):

S.No	Particulars of Remuneration	Name of the Directors				Total Amount (in ₹)
1	Independent Directors	Shri Ashok Kumar	Dr. Pritam Singh	Ms. Deepa Gupta	Shri Mahendra Nath Verma	
	(a) Fee for attending board committee meetings	600,000	600,000	570,000	600,000	2,370,000
	(b) Commission	0	0	0	0	0
	(c) Others, please specify	0	0	0	0	0
	Total (1)	600,000	600,000	570,000	600,000	2,370,000
2	Other Non Executive Directors					N.A.
	(a) Fee for attending board committee meetings	0	0	0	0	0
	(b) Commission	0	0	0	0	0
	(c) Others, please specify	0	0	0	0	0
	Total (2)	0	0	0	0	0
	Total (B)=(1+2)	600,000	600,000	570,000	600,000	2,370,000
	Total Managerial Remuneration (A+B)					2,370,000
	Overall Ceiling as per the Act					Refer Note below

Note : The Non-Executive Independent Directors were being paid only sitting fee, for attending each meeting of the Board of Directors or Committees thereof. The sitting fee so paid by the Company for each meeting is within the limits prescribed under the Act.

## C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD (in ₹)

Particulars of Remuneration		Key Managerial Personnel			
S. No.		Shri.V.Mohan (Company Secretary)	Shri M.C.Jain (Group CFO)	Total (in ₹)	
1	Gross Salary				
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	4,442,587	4,324,119	8,766,706	
	(b) Value of perquisites under section 17(2) of the Income Tax Act, 1961	32,400	39,600	72,000	
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0	0	0	
2	Stock Option	0	0	0	
3	Sweat Equity	0	0	0	
4	Commission	0	0	0	
	as % of profit	0	0	0	
	Others, specify	0	0	0	
5	Others, please specify	0	0	0	
	<b>Total</b>	<b>4,474,987</b>	<b>4,363,719</b>	<b>8,838,706</b>	

## VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

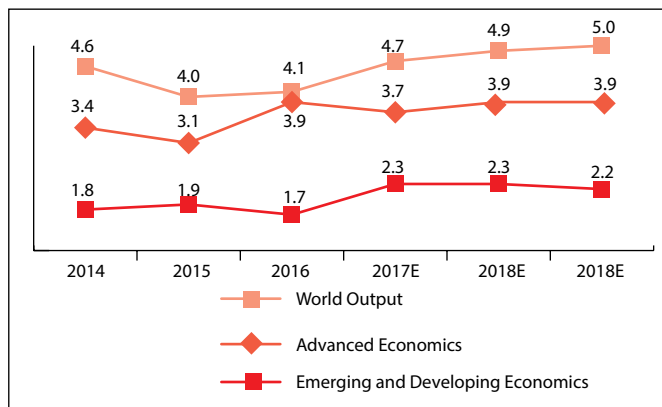
Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority(RD/NCLT/ Court)	Appeal made if any (give details)
<b>A. COMPANY</b>					
Penalty					
Punishment					
Compounding					
<b>B. DIRECTORS</b>					
Penalty					
Punishment					
Compounding					
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty					
Punishment					
Compounding					

## MANAGEMENT DISCUSSION AND ANALYSIS

### 1. MACRO-ECONOMY OVERVIEW

#### a. Global Economy

The Global Economic Prospects June 2018 report from World Bank estimated that the world economic growth showed an uptick from 2.4% in 2016 to 3.1% in 2017. Both the major groupings of economies, viz. Advanced Economies and Emerging Market & Developing Economies (EMDE) showed accelerated growth. While all the major advanced countries showed increase in economic activity, within the EMDE grouping it was a mixed bag with some of the major economies experiencing slowdown in economic activity. The acceleration in growth at the global level was mainly on account of momentum gathered at the end of 2016 in trade, energy and commodity prices, manufacturing activity and investments. The cluster of Advanced Economies grew at 2.3% vs. 1.7% in 2016, whereas EMDE cluster growth increased from 3.7% to 4.3% in 2017.



Source: World Economic Outlook 2018, International Monetary Fund

In 2017, United States (US) witnessed a significant jump in rate of growth from 1.5% to 2.3% on account of robust demand and investments. The employment rate and capacity utilization peaked at levels seen prior to the 2008 financial crisis. Building up on the fiscal stimulus through the Tax Cuts and Jobs Act 2017 and Bipartisan Budget Act 2018, the US economy was forecasted to grow at 2.8% in 2018. Euro Area also accelerated to a 2.4% GDP growth in 2017 from an under-potential 1.8% rate in the previous year on the back of strong consumption, investment and exports. However, the rising energy and commodity prices were expected to impact consumption and tariff wars cause a slowdown in exports, resulting in a projected rate of 2.1% in 2018. A similar situation could be seen in Japan

with growth rising to 1.7% in 2017, but projected to slacken to 1% in 2018. Deceleration for Japan was expected to be faster due to VAT hike and fiscal tightening, whereas continuation of monetary policy stimulus reducing the impact for Euro Area. As a collective, the forecasted growth for Advanced Economies in 2018 was 2.2%.

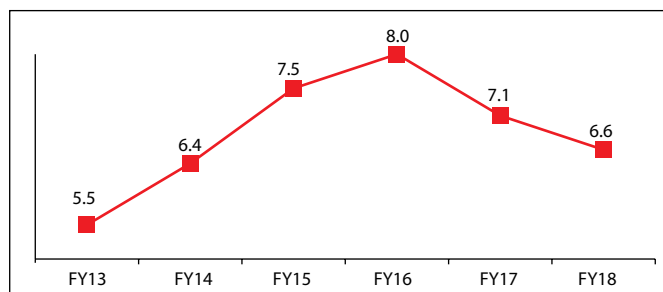
China that is the largest economy among the EMDE grouping, grew at a marginally faster rate in 2017 than 2016 due to pick-up in global trade, while the overall economy continued to shift towards consumption. However, tighter fiscal, monetary and regulatory regime is likely to impact growth and it is expected to drop to 6.5% in 2018. Among other major EMDE countries, the export oriented economies such Russia, Brazil, South Africa, Nigeria, etc. grew at rates faster than 2016 due to the increasing energy and commodity prices. On the other hand, this price rise was not enough to affect the cyclical recovery in commodity importing economies that grew at a faster pace due to higher consumption, high capacity utilizations and export growth. India and Mexico were exceptions due to specific local factors, such as disruptive reforms and elections respectively. EMDE grouping was expected to continue to further accelerate in 2018 at a projected rate of 4.5%.

Collectively, the global economy is expected to grow at the same pace of 3.1% in 2018, as in 2017. In spite of EMDE grouping growing at a faster rate, the moderation of trade and manufacturing activity is expected to affect the Advanced Economies. Further risks to growth are from intensification of tariff wars initiated by US, faster monetary policy tightening leading to financial shocks for the emerging economies through impact on currency depreciation and increase in capital costs, and faster rise in inflation depressing consumption.

#### b. Indian Economy

The momentum of Indian economy was brought to a screeching halt in the first half of 2017-18 on account of double whammy of Goods & Services Tax (GST) implementation and lingering impact of demonetisation. This meant that the economy grew at the lowest rate of 6.7% over the last four years. However, the year ended on a much better note with the last quarter GDP growth touching 7.7%, once again making India the fastest growing large economy in the world. A major factor contributing to this turnaround in momentum was significantly higher

private consumption, especially from the rural sector due to bumper harvest and the government spends on rural housing and infrastructure. Growth in capital formation, which is linked to private investment, also accelerated, as the Insolvency and Bankruptcy Code started making a dent in the intractable NPA mess facing the banking sector. The growth was wide spread across sectors in Q4 of 2017-18 with manufacturing sector, growing at 9.1% vs. 6.1% in same quarter of previous year, and construction, growth at 11.5% vs. -3.9% in Q4 2016-17, being the major accelerators. Agriculture and Services also grew at a robust pace, though somewhat slower than the same quarter of last year.



Source: Central Statistical Office

Some of the macro fundamentals continued to remain strong as seen in following indicators during 2017-18:

- 1) Average CPI rate slowed down to 3.58% in 2017-18 vs. 4.53% in 2016-17
- 2) Fiscal deficit in 2017-18 remained at the same level of 3.5% as last year. This was higher than the original budget estimate of 3.2%, but same as the revised estimate.
- 3) The Current Account Deficit (CAD) increased from 0.6% to 1.9% in 2017-18 on account of widening trade deficit that was mainly a result of increase in oil prices.
- 4) Gross Foreign Direct Investment (FDI) rose to US\$ 61.96 billion in 2017-18, the highest ever amount, amidst global pull back in capital flows. Net FDI however declined.

Reserve Bank of India (RBI) has projected the GDP to grow at 7.4% in 2018-19. Private investment is expected to continue to recover with swift resolution of distressed loans and rural demand is expected remain buoyant with a projected normal monsoon and proposed increase in Minimum Support Prices. Continued investment by the Government in infrastructure and housing is expected to favour the construction and allied industries. However, firming up of crude prices is expected to have a negative

impact on inflation, and as a consequence overall private consumption. This is also expected to negatively affect the current account and fiscal deficit. The Government has however maintained a declining trend for budgeted fiscal deficit with 3.2% as the target for 2018-19. Expected tariff wars initiated by the US government can be a deflator or may turn out to be a blessing for India's exports. Benefits of the new GST regime are expected to start accruing to the industry with initial niggles getting smoothened out, and free flow of goods and abolishing of cascading tax structures resulting in more efficient supply chains and lower costs. The Government has also seen higher tax compliance and buoyancy in revenue, based on which it has moved many items to lower GST rate slabs benefitting industry and consumers.

## 2. INDIAN REAL ESTATE SECTOR

Real estate sector is a key contributor to the economy not only through its contribution in the form of production and employment, but it is a harbinger of future growth potential, as it creates critical housing and commercial infrastructure necessary for the economy to function. Hence, it is also considered as a key barometer for consumer and business confidence. It is also one of the top sectors that generates indirect and induced effects in the economy, thus promoting growth and prosperity.

Similarly, in India, the real estate sector is the second largest employer (6.86% of the workforce) after agriculture. It is composed of four major segments - Housing, Commercial, Retail and Hospitality & Economic Services (for e.g. Schools, Hospitals). Overall sector is expected to touch US\$ 180 billion in size by 2020 from US\$ 126 billion in 2015 as projected by JLL India in its report 'Traversing Through The Epic, Predicting The Curve' released in March 2018. Contribution of housing segment within the sector is itself expected to jump to 11% of India's GDP by 2020 from an estimated 5 – 6% currently. Other segments within the sector such as Retail, Hospitality, Logistic Parks and Commercial are also witnessing increasing growth has an outcome of and feeder to the country's growing economy. The sector is witnessing momentous evolution with increasing participation of Private Equity investments, which are expected to grow to US\$ 100 billion by 2026.

Major trends that are driving activity in the sector are as follows:

1. Population growth and urbanization increasing the demand for housing. Government is also investing a significant sum in ensuring its target of 'Housing for All by 2022'.
2. Growth in Indian economy leading to increase in demand for office spaces, retail, hotels, etc.

3. Regulatory overhaul to make the sector more transparent and accountable leading to increase in investments in the sector. Introduction of modified guidelines for Real Estate Investment Trusts (REIT) is expected to attract a lot of alternative asset managers (foreign and domestic) to establish some in India, adding to sources of funding. Private Equity inflow into the sector is also growing at a fast clip and is expected to reach US\$ 100 billion by 2026.
4. Favourable terms for affordable housing through tax concessions, Credit Linked Subsidy Scheme (CLSS) and infrastructure industry status leading to growth in this segment.
5. Improvements in urban infrastructure through massive investments by the Government leading to enhanced prospects for the sector.

2017-18 was a landmark year for the industry with implementation and roll-out of various game-changing regulations including Real Estate (Regulation & Development) Act (RERA), GST and industry status to affordable housing. The real estate sector has undergone a lot of churn with this overhaul that favours organised and established players, and is on the cusp of a complete makeover with a large-scale consolidation of developers and brokers that is expected to continue in the coming financial year.

Demand for Government's Credit Linked Subsidy Scheme (CLSS) was higher than budgeted in the Economically Weaker Section (EWS) and Low Income Groups (LIG), which was balanced by the lower uptake in the Middle Income Group (MIG) segment. The government extended the CLSS scheme till March 2019 and further relaxed the carpet area norms to increase demand from MIG category. 2018-19 budget allocations for CLSS were increased by more than one-third of 2017-18 budget allocations, making affordable housing the most attractive segment in the industry. Government's push in promoting affordable housing will continue. Overall recovery in the sector will be backed by solid fundamentals.

The year ended on a high note for the sector as visible in the 11.5% growth in Construction segment during Q4 of 2017-18. India's rank in the Global House Price Index Q1 2018 was 40<sup>th</sup> among 57 residential markets with a 12-month growth of 3.3% and a jump of 6 spots from 46<sup>th</sup> in Q4 2017. The sector is also attracting more funds from Private Equity (PE) investments, which have grown at a CAGR of 36% since 2014 to stand at US\$ 8.6 billion (or ₹ 59,100 crores) in 2017, as per a Knight Frank report released in July 2018. This figure in the first half of 2018 stood at US\$ 4.9 billion (or ₹ 33,700 crores) across 31 deals with an average investment per

deal going up to US\$ 158 million, four times the average in 2011. PE investments into the sector from 2014-15 to 2017-18 have totalled US\$ 24 billion, out of which US\$ 10 billion have come as equity investments in prime office assets and select retail malls. Such investments are typically in the form of structured debt for riskier assets, specifically so in the residential segment.

#### **a. Residential segment**

##### **Overview**

2017 was a watershed year for the residential real estate sector because of continued churn imposed by regulatory changes such as RERA and GST, remaining effect of demonetisation and anti-black money initiatives. While GST and demonetisation may have required incremental changes, RERA and the Benami Transactions (Prohibition) Amendment Act enforced complete overhaul of business model for most developers. These changes are however expected to be beneficial for the sector in the longer term.

These changes meant that demand from the end-user-driven markets was only deferred, but not affected as much. However, the investor and speculators stayed away from the sector with buying activity from this segment reducing to a trickle, and more so for the luxury properties. Some of the key changes in the trends that have emerged from this tumultuous phase for the sector are:

1. Focus on Affordable Housing which is gaining traction on account of push by the Government and also because developers find sustainable demand in this segment.
2. A steady stream of visits now show a clear preference for 2 BHK & 3 BHK configurations.
3. Preference for ready possession properties that remove uncertainty related to compliance issues and also avoid payment of GST.
4. End-user segment is willing to pay a premium for trusted and reputed developers with an established track record.

##### **Market Dynamics - Demand & Supply**

A PropTiger report indicated that the residential unit sales in 2017 declined to 218,500 houses in the nine major markets of Gurgaon, Noida, Mumbai, Bengaluru, Chennai, Kolkata, Pune, Hyderabad and Ahmedabad from 263,500 units in 2016. This translated to a drop of 17% from the levels seen in the previous year. Similarly, in these markets, a 43% fall in new launches was observed in 2017 on a YOY basis. The number of new units launched were 163,573 in

2017, as against 288,748 in the previous year. One of the major reason for decline in sales was the precipitous drop in new launches itself. Only exception to the broad trend were Gurgaon and Hyderabad, which saw an increase in sales of 27% and 2% respectively, whereas other seven cities witnessed decline in the range of 3% to 33%. Inventory of unsold housing units declined by 7% in 2017 to 725,828 units in these nine cities because of relatively high fall in new launches. Mumbai and Pune contribute more than half of this inventory with a total of ~4 lakh unsold units. Similar report from Knight Frank India reported a 7% decline in housing sales and 41% fall in home launches in top eight cities, whereas a Cushman & Wakefield report noted a 35% fall in launches.

Housing sales, however, showed an impressive recovery in the first quarter of 2018 by growing 33% on a YOY basis to register unit sales of 80,000 across nine major cities tracked by PropTiger. Major recovery was seen in Noida and Gurgaon which showed a YOY growth of 69% and 62% respectively in housing sales. High property prices, prolonged delays and unscrupulous developers had affected the Delhi-NCR residential real estate sector very badly. But the latent demand seems to now have been released due to confidence generated by RERA and IBC reforms. Hyderabad was the only city to buck the trend with a 29% decline in sales. This performance is indicative of beginning of a recovery process.

PE investments in residential sector have languished as the investors have focused more on attractive and relatively lower risk commercial and retail assets.

#### Growth Drivers

- **Housing Shortage:** As of 2017, the Indian government had estimated a shortage of 10 million dwellings in urban India, down from the previous estimate of 18.8 million in 2012. The estimated rural housing shortage was updated to 62 million houses from 43.3 million for the year 2012. Therefore, size of the opportunity for residential sector is immense. In addition to the existing shortage in housing, 1.3% population growth per annum, urbanization, demographic bonanza, 'nuclear families', rising income/aspirations, etc. are expected to add demand for another 10 million houses per annum.
- **Urbanization:** Share of urban population in India went up from 33.14% in 2016 to 33.54% in 2017. It is projected that the country will add 404 million people

to its urban population between 2014 and 2050. India's urban population, which constituted around 31.16% of the total population as seen in 2011 census, is expected to rise to 40.8% by 2030 as per UN State of the World Population Report, 2007. This will lead to a higher demand for new houses to settle in urban areas in the ensuing years.

- **Rising Living Standards:** The per capita income in real terms (at 2011-12 prices) during 2017-18 was ₹86,668 as compared to ₹82,269 for the year 2016-17. The growth rate in per capita income was 5.4%, as against 5.7% in the previous year (Source: Ministry of Statistics and Programme Implementation).
- **Government Initiatives:** Government has a mission to achieve 'Housing for All' by 2022. It has envisioned construction of 10 million houses for the rural poor and sanctioned as many for the urban poor by the end of 2018. It has proposed a new Public Private Policy (PPP) for Affordable Housing that allows extending central assistance of up to ₹2.50 lakh per house to be built by private builders even on private lands, besides opening up immense potential for private investments in affordable housing projects on government lands in urban areas.

#### Outlook

After-effects of RERA and anti-black money actions are expected to continue to be felt in the residential segment because entire scope of the changes are yet to play-out across the country. Hence, the segment is likely to continue to be in consolidation mode in 2018. This process is expected to filter and sieve credible players, who are transparent and focused on delivering on their commitments to the customers. This will ultimately lead to an improvement in buyer sentiment and a sustainable growth for the segment. Another dark cloud on the horizon for the sector is hardening of interest rates, as RBI effected first rate hike for 2018-19 in its June 2018 review by 25 basis points, and is expected to increase it by at least another 25 basis points during the year. This may affect housing demand due to higher EMI outgo from customer's pockets. Affordable housing will continue to be the key driver for the segment with a projected growth of 30% in the medium term, and private participation in the segment is likely to pick up pace.

## **b. Commercial segment**

### **Overview**

Continued demand for quality office spaces has led the commercial segment within the realty sector to consistently perform well since the year 2014. Not only has the sector attracted greenfield investments, but also a significant amount of brownfield investments from foreign institutional investors looking for steady, low risk returns.

Major sectors which contribute to the demand for office space are from the manpower intensive services sector, such as IT/ITeS, BFSI and Healthcare. Employment growth in these sectors is a key demand driver for the commercial real estate market. Manufacturing sectors such as Automobile, Pharmaceuticals, etc., which are also growth sectors, contribute a small portion of the incremental demand every year. Another segment that has taken-off in recent years is 'co-working', which offer 'hybrid' spaces with flexibility and affordable rents to start-ups, professionals and small scale set-ups. More than 100 co-working providers have established presence across Indian metros and Tier-2 cities. However, there is still a lot of scope for growth in co-working spaces.

US\$ 8.35 billion (or ₹ 57,300 crores) is the total amount invested by PE funds into office assets since 2011, out of which 89% of total office investments was into ready assets. Capitalisation (Cap) rates for good quality rent yielding office assets have compressed from 10-12% in 2011 to 7.5%-8.5% in 2017.

### **Market Dynamics - Demand & Supply**

Office space absorption in top 8 cities marginally declined in 2017 by ~7% from 2016, but continued to remain over 30 million sq. ft. mark for the 4<sup>th</sup> straight year as per Cushman & Wakefield. The absorption rate was 30.57 million sq. ft. in 2017 vs. 32.85 million sq. ft. during previous year. The total supply also fell by 11% during the year to 32.2 million sq. ft. in comparison with 36.34 million sq. ft. in 2016. The scenario was clouded by the global and domestic regulatory churn in the first half of 2017, impacting the overall annual performance for the segment.

As per Colliers International, pan-India gross leasing volume increased marginally from 41.6 million sq. ft. across 7 major metros to 42.8 million sq. ft. excluding pre-commitments. Net supply jumped to 34 million sq. ft. from 27.2 million sq. ft. in 2016, thus reducing the gap between demand and supply to some extent. In the leasing market, Bengaluru

had the maximum share of overall office demand at 36%, followed by 18% in NCR, 13% in Hyderabad, 12% in Mumbai, 11% in Chennai, Pune with 8% and Kolkata on 2%. In 2017, vacancy levels remained at around 14% on a pan India basis, same as 2016. Co-working spaces saw absorption of ~1.2 million sq. ft. across major Indian cities in 2017.

Numbers for Q1 of 2018 continued to show similar trend as developers were focused on quality Grade A developments. Net absorption declined 10% to 5 million sq. ft. from 5.5 million sq. ft. a year ago. Similarly, supply also contracted by 14% from 6.2 million sq. ft. to 5.4 million sq. ft. in Q1 2018. While the share of IT/ITeS sector continued to decline, it continued to retain leadership with 37% of the leasing in Q1 2018, which was down from 46% a year ago. Healthcare & Pharma overtook BFSI sector as the second largest lessee during Q1 2018 with a 15% share vs. 11% for BFSI though both sectors grew over same quarter of previous year. Share of major micro-markets in leasing were 33% for Bengaluru (Bangalore), 22% for Delhi-NCR, 24% for Hyderabad, 10% each for Mumbai and Pune at 9%, and Kolkata with 2%. Chennai was the only market which saw release of leased capacity.

### **Growth Drivers**

Technology, Healthcare & Pharma and BFSI Segments: GDP growth for Indian economy in 2018-19 is expected to be at 7.4% vs. 6.7% in 2017-18. Services sector is expected to continue to expand as the mainstay of the Indian economy, and these industries are core to the performance of the overall sector. Having adapted to the stricter visa regime in United States, the IT/ITeS industry is expected to grow at a rate of 7 – 9% in 2018-19 with the domestic market growing at a marginally faster rate of 10 – 12%. However, NASSCOM has projected hiring of only 100,000 people by the industry in 2018-19. Hence, share of IT/ITeS in new office space absorption is likely to remain stagnant or go lower in the coming year. It will however continue to remain one of the largest contributing sector. BFSI segment is expected to expand on the back of newer banks increasing their reach, NBFC segment performing well with consumption on the rise, multiple listings in the Insurance sector driving further expansion and the asset management sector also continuing to see high level of inflows. Healthcare is a growing opportunity with India becoming known as a high quality, low cost tertiary care destination. Hence, medical tourism is increasing at a high growth rate with the segment estimated to grow from USD 3 billion in October 2015 to USD 7-8 billion by 2020.

Real Estate Investment Trusts (REIT): REITs make real estate investments accessible for smaller investors from a size and expertise perspective, similar to a mutual fund. They are known to make a transformational impact through corporatization and consolidation within the sector, apart from being a source of longer term, cheaper funding. After entry of international institutional investors in India through acquisition of or investment in Grade A income yielding leased commercial assets in 2016, the year 2018 is expected to be the year of REITs. This is likely to spur growth in the commercial space because of availability of capital to service growing demand.

### Outlook

Roughly 117 million sq. ft. of Grade A office supply is slated to release over 2018-2020, out of which 30 million sq. ft. is expected to be released in 2018, as per Colliers International. The commercial segment is expected to be heavily biased towards Grade A quality spaces going forward. Vacancy rates in key micro-markets such as Bangalore, Pune, Chennai that are technology driven will remain low at 6-9% over 2018-2020 and hence, a 3-5% YOY increase in average rents may be seen. Prices of commercial assets are likely to see a 2-3% YOY hike over 2018-2020 supported by active investor interest.

JLL expects overall vacancy levels to remain between 14 – 15% in 2018 with new supply of 35.9 million sq. ft. and net absorption of 30.2 million sq. ft. On top of this, main office markets of Bengaluru, Gurgaon, Hyderabad and Pune will see continued demand, which would help rental appreciation in 2018. Rise of 6 – 8% YOY is expected in these markets, apart from select sub-markets in Mumbai, NCR and Chennai. Total office stock across the seven major cities has been forecasted to reach ~600 million sq. ft. by the end of 2019. Delhi-NCR is the second largest office market with a consistent 20% share of annual office space absorption, and this position is likely to be maintained over the next five years.

First REIT to be listed is from Blackstone and its local partner the Embassy group that would raise US\$ 1 billion. It is expected that a positive response to this listing will encourage other holders of high-quality realty assets such as Canada Pension Plan Investment Board (CPPIB), Maple Tree, Tishman Speyer, Morgan Stanley, Xander group, Brookfield and IIFL Holdings to follow suit. 229 million sq. ft. of office space in India is currently REIT compliant, and supply of such Grade A properties is growing. Hence,

REITs are expected to grow to US\$ 50 billion in a few years' time.

### c. Retail segment

#### Overview

India is one of the most attractive destinations for the Retail industry across the globe due to its fast growing retail sector and its size (5th largest in the world). Retail sector in India contributes to 10% of GDP. The sector has seen a fast transformation journey from neighbourhood mom & pop standalone stores to introduction of supermarkets, hyper markets, shopping malls, e-commerce, and today it is composed of all these diverse formats. Growth in organized retail segment, and the trends of omni-channel presence and retailtainment are the key trends driving real estate investments in the sector. A.T. Kearney's 2017 Global Retail Development Index ranked India as the number one country for retail investment out of top 30 developing countries as it is on the cusp of fast paced growth.

Retail segment within the realty industry in India witnessed US\$ 800 million worth investments in 2017 from PE firms and wealth funds. The segment has also seen US\$ 1.51 billion (or ₹ 10,362 crores) investment from PE investors since 2011 in the realty sector for retail. Expected rate of return (or Cap rates) for a good quality rent yielding retail asset have dropped to 6%-8% in 2017 from 11-13% in 2011.

#### Market Size

The Indian retail market was expected to grow to US\$ 1.1 trillion by 2020 from an estimated US\$ 622 billion in 2015 and US\$ 750 billion in 2017. The contribution of organized retail in 2015 was estimated to be around 10% of the total market. The e-commerce piece of retail sector is projected to touch US\$ 64 billion by 2020 and US\$ 200 billion by 2026 from US\$ 38.5 billion as of 2017. The sector began 2017 with an overhang of demonetisation and then went through a churn of liquidation and re-stocking due to GST implementation. Nevertheless, most consumer product categories showed a relatively healthy growth of 8 – 15% over 2016. Brick-and-mortar retail once again became the buzzword in 2017 due to a spectacular stock market listing and subsequent share price growth of Avenue Supermarkets (D'Mart).

In the seven major cities, the supply of organised retail space remained static in 2017 at 3.4 million sq. ft., same as in 2016 according to CBRE's India Retail Market View report. A report from JLL gave the cumulative mall stock in

India as 76 million sq. ft. in 2017, up from 70 million sq. ft. in 2016, with new retail space of 6.4 million sq. ft. getting completed. Net completions went up from 0.3 million sq. ft. decline to 0.8 million sq. ft. addition in 2017. The absorption also increased to 3.2 million sq. ft. as against 2.7 million sq. ft. in 2016. There is a shift towards superior quality supply in the market as these have better chances of survival in the market.

#### **Growth Drivers**

**Demographic Growth, Urbanization & Prosperity:** Increasing population of spend thrift millennial, increasingly residing in urban pockets are the key archetype that will lead the boom in retail sector. Nuclearisation of family and individualized entertainment with high consumption will drive a greater share of business towards organized retail.

**e-Commerce & Digital Payments:** Ease of transaction and lowering of barriers for access to capital and product through digitization are going to fuel expansion of the retail sector, especially the e-commerce segment.

**Retail-tainment Market:** One of the major factor influencing the need for quality real estate by the retail sector is the consumer need to have retail spaces as a one-stop-shop for entertainment, shopping and celebration. This is visible in greater share of space for the Food-Entertainment-Cinema (FEC) component in major malls to drive traffic by catering to this need. Fast fashion, F&B and Entertainment operators are dominating leasing space in premium malls, with F&B operators being the most active retailer category in India's major high streets, followed by apparel.

#### **Outlook**

In 2018, India is expected to see a steady growth in private consumption across categories, including merchandise consumption that is expected to grow at 12% in nominal terms. Retail sector saw entry of several new international players such as Tom Tailor, ToysRus, Miniso, Simon Carter, Women's Secret, and Jo Malone in recent times, and Madame Tussauds and IKEA also made their debut with the first museum in Delhi and an experience centre in Hyderabad, respectively. This trend is likely to continue in 2018, and with bigger stores showing more profitability demand for retail floor space is likely to go up. 'Fuelling the Retail Revolution – The Paradigm of Emerging Cities' report released by JLL and CII in December 2017 identified 20 cities including Tier 2 cities such as Lucknow, Jaipur, Chandigarh, Kochi, Patna, Bhubaneshwar, Indore and Nagpur as the next

retail destinations in the country in light of the withdrawal of malls across many Tier 1 cities.

More pure-play online retailers, except the top 3 of Flipkart, Amazon, and Paytm and a few others, may bite the dust in 2018 as investors get cautious about prospects of pure-play online retailers. Physical retail sector is likely to be the more exciting sector. Paytm Mall is attempting a seamless Offline-to-Online (O2O) integration of existing standalone physical stores for specific product categories to have the same product offering across channels.

Shopping mall floor space is expected to grow strongly in the next 3 to 4 years in the seven major cities of India, as around 20 million sq. ft. of retail space is expected to be ready by end of 2019, out of which 11 million sq. ft. is likely to be completed in 2018. Majority of the new stock will be in Delhi NCR, Mumbai and Bengaluru, but the percentage share of other cities is expected to rise. The upcoming REITs platform has attracted the attention of private equity players, who are now gearing up to expand their retail portfolio across Indian cities.

#### **d. Hospitality segment**

##### **Overview**

Hospitality sector mainly caters to three types of customer groups – business travel, leisure and religious tourism, and occasions, listed in the order of the overall size of the opportunity. In India, most of the geographical hospitality markets are commercial in nature, making business traveler key to the performance of the overall sector. Travel and tourism take up an increasing wallet share in overall consumer spending in India, as reflected in growth in domestic travelers. India is one of the top 10 destination in Asia Pacific region and is seeing a healthy double digit growth in Foreign Tourist Arrivals (FTAs). Tourism is expected to drive higher incremental growth for the sector vis-à-vis commercial segment, and hence both these segments are important for the hospitality sector. Similarly, the wedding market that is growing at 25 – 30% annual growth also contributes a relatively smaller but a fast growing portion of hospitality sector's overall business pie. Each year new brands are launched either through signing of a new/ under-construction premise or conversion of an existing hotel.

##### **Market Dynamics – Demand & Supply**

As per World Travel & Tourism Council, the Tourism & Hospitality industry in India generated US\$ 230 billion in year 2017 in revenue, making it one of the main contributors

to nation's GDP at 9.4% of the total. The industry supported 41.6 million jobs in 2017 and is expected to further add staff at a rate of 2% per annum to 52.3 million jobs by 2028. The sector is predicted to reach a size of US\$ 490 billion by 2028 at a CAGR of 6.9%. All these changes are expected to reflect in the present trends in hospitality industry.

Assessment of growth in business travel can be judged from two correlated factors – growth in domestic aviation market and office space absorption in key commercial markets. Upsurge of 17.5% in domestic air travelers during 2017 meant that India was the fastest growing domestic aviation market in the world, as per the International Air Transport Association (IATA). This was the third year in a row that India had posted fastest growth because of economic and network expansion. Office space absorption has been consistently above 30 million sq. ft. mark for the last few years. India was ranked eighth in terms of FTAs in Asia-Pacific in 2017 with FTAs of 10.18 million visitors, a growth of 15.6% over 2016. Total spending by these tourists grew at a faster rate of 17% YOY, reaching a total of US\$ 27.7 billion. Bangladesh, the US and UK are India's three largest foreign source markets. Increase in tourism has a direct correlation with growth in Hospitality sector. The size of hotel and wedding related segment within the hospitality sector is estimated to be roughly ₹ 5,000 crores.

Hospitality sector has faced in the past a phase with six consecutive years of slowdown, one of the longest ever, that lasted from 2009 to 2015. However, with the addition of limited supply and pick-up in all the segments as seen above, the sector has turned around since last three years and is continuously increasing its RevPAR (Revenue Per Available Room) through improvements in both utilisation rates and ADR (Average Daily Rates). Among the major markets, Pune and Jaipur showed exceptionally strong growth, whereas others including Gurgaon, Chennai and Goa were either flat or showed moderate growth. The top eleven markets in India saw an increase in occupancy of 1.7% in 2017 vis-à-vis previous year. With the ADRs increasing by 2.6%, RevPAR grew by 5.2% YOY in 2017. Few glitches due to demonetisation, GST and Supreme Court's ruling banning sale of liquor in all commercial establishments located on or within 500 metres of any major highways were taken in its stride by the sector.

Based on data released by JLL, a total of 173 hotels were signed amounting to 16,020 rooms during the year 2017. Out of these 173, a staggering 62 hotels were brand

conversions vs. 33 out of 170 in 2016. New builds accounted for 92 hotels with 9,126 keys and under construction hotel signings were 19 hotels with 1,295 keys. Share of Tier 3 cities, which accounted for roughly half of all signings in 2016, was reduced to 33% on the basis of number of hotels in 2017 as Tier 2 cities showed an uptake with a 35% share. Tier 2 markets such as Jaipur, Kochi, and Chandigarh have generated interest on the back of continued growth performance. The ratio of new hotel signings in commercial destinations declined as against increase in the share of leisure locations. Hence, this establishes the trend of business travel contributing maximum volumes, but growth increasingly coming from tourism sector.

### Growth Drivers

Growth in Air Travel: Airport Authority of India (AAI) has plans to invest ₹ 150 billion to develop 15 new terminals and add new airports in 2018-19. Privatized airports such as Delhi and Mumbai which are operating at near saturation capacity, are likely to see expansion through alternative airports and terminals. Regional connectivity scheme launched by Indian government namely UDAN (Ude Desh Ka Aam Nagrik) in 2017 is likely to add scheduled and subsidised flights to 56 new airports to Tier 2 and Tier 3 cities, out of which 19 airports have already become operational as of March 2018. Rising disposable incomes are likely to add to the growth in domestic travelers.

Ease of Travel and Visa: e-Tourist visa facility has contributed majorly to the jump in FTA numbers by improving the ease of travel. Number of e-tourist visas issued in 2017 was 1.7 million, accounting for ~17% of FTAs and a growth of 57.2% YOY basis. Additional flexibility of allowing foreign tourists to stay for two months instead of one with double entry on tourist and business visas was introduced in 2017. This will help those tourists and business travelers who have multi-stop itineraries also covering neighbouring countries. Ease of access through increasing connectivity with airports and sea ports, and rising number of online operators and travel agents is enabling rapid growth in tourism.

Rising Investor Interest: Tourism and hospitality is among the top sectors in terms of FDI in India. The total amount invested through FDI route in the sector from April 2000 – December 2017 was US\$ 10.9 billion, a share of ~3% of the total FDI inflows in the country. The figure for 2017 was US\$ 0.9 billion. In addition to this, the strong precedent set by The Lemon Tree Hotels IPO and improving sectoral prospects means there is likely to renewed investor interest even from the domestic segment in the hotel sector.

**Emergence of New Tourism Formats:** Tourism sector in India is likely to witness diverse set of domestic and international tourists, who will tour the country to seek a wide range of experiences from adventure, spirituality, ecological, cultural, wellness, agriculture to cruise. Medical tourism is also a growing opportunity due to quality healthcare at reasonable cost offered by leading healthcare players in India.

### Outlook

2018 is expected to be the year where the sector is likely to get back to a secular growth cycle after a much needed growth in ADR and occupancy on account of growing demand and stagnated supply. Some of the clear signs of growth are visible in the lead indicators such as domestic flyers, FTAs, office space absorption and expansion in economic activity in general. During the period from January to May 2018, the number of domestic flyers has grown by 22.7% as compared to same period of previous year. FTAs registered a growth of 10.8% during January-April 2018, with 3.88 million arrivals as compared to 3.5 million in the same period of 2017. Office absorption is also likely to sustain the buoyancy of previous few years in 2018 with the economy expected to grow at 7.4% in 2018-19. Demand scenario is expected to be favourable given the underlying strength in growth drivers. JLL therefore expects that across the top eleven markets, supply of nearly 18,680 keys (roughly 20% of existing capacity of 97,100) is likely to be added in 2018. The market though will see a lot of trading transactions involving conversion because of complimentary factors of reduction in construction of new hotels and an almost certain performance upcycle for hotels on one side and entry of large foreign investors and establishment of REITs that are focused on steady income yielding assets across the country on the other.

### 3. COMPANY OVERVIEW

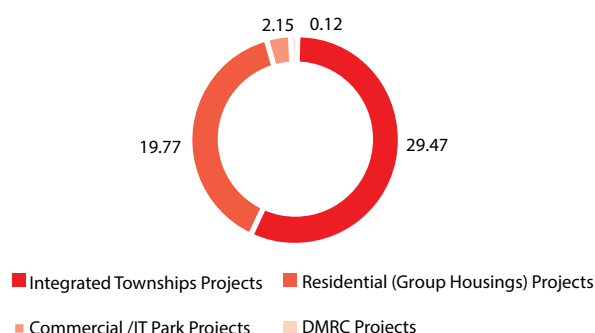
Parsvnath Group is a trusted name in the real estate sector with nearly three decades of experience across multiple segments such as Integrated Township, Residential, Commercial, Retail, DMRC Station Development, Hotel, IT Park & SEZ, and Third Party Contracting projects. It has a wide presence across the country in 39 cities of 14 states. The Company has successfully delivered many projects within each vertical that have been appreciated and acknowledged by customers and industry.

The total developable area across all real estate verticals as on 30<sup>th</sup> June, 2018 was 93,94,065 sq. mt. (101.12 million sq. ft.). The Company executed 65 projects till date, with an area of 29,48,823 sq. mt. (31.74 million sq. ft.) and the number of on-going projects that are under construction is 40, corresponding to 47,85,746 sq. mt. (51.51 million sq. ft.) of developed area.

### Total area under construction, as on 30th June, 2018

Sl. No.	Segment	Area in (Sq.mtrs)	Area (Mn/ Sq.ft.)
A	Residential (Group Housings) Projects	18,36,907	19.77
B	Commercial /IT Park Projects	1,99,438	2.15
C	DMRC Projects	11,463	0.12
D	Integrated Townships Projects	27,37,938	29.47
	<b>GRAND TOTAL (A+B+C+D)</b>	<b>47,85,746</b>	<b>51.51</b>

### Total Area Under Construction - FY18 (Mn Sq Ft)



### COMPANY'S PERFORMANCE

Performance of the Company continued to be weighed on by the increasing interest burden. In addition to this, FY2017-18 was again a challenging year for the sector, and the same affected your company as well. Operating revenue of the Company on a consolidated basis stood at ₹ 193.67 crores as compared to ₹ 278.90 crores in the previous financial year. EBITDA for the year was a loss of ₹ 5.15 crores, as against ₹ 100.38 crores in FY2016-17. The net loss was ₹ 323.95 crores vs. ₹ 148.87 crores in FY2016-17.

#### a. Operational Highlights

- The Company received bookings for 57,316 sq. mt. (0.62 million sq. ft.) of real estate at ₹7,934 lakhs, which is distributed in residential group housing (11% at 6,216 sq. mt. or 0.07 million sq. ft.), residential plots (79% at 45,352 sq. mt. or 0.49 million sq. ft.) and commercial property (10% at 5,748 sq. mt. or 0.06 million sq. ft.).
- Possession/Fitout was offered or construction completed of 1,573 units in total, measuring 3,28,402 sq. mt. (3.53 million sq. ft.) of saleable/ leasable area; of which, 20% was residential group housing (65,874 sq. mt. or 0.71 million sq. ft.), 77% residential plot

(2,52,718 sq. mt. or 2.72 million sq. ft.) and 3 % was commercial/ retail property (9809 sq. mt. or 0.10 million sq. ft.).

## **b. Business Segment Review including Segment Highlights**

### **Residential Segment**

The Company has a strong brand presence in the residential segment, especially in North India. High-rise apartment blocks, row houses and group housing are its major offerings in this segment. The Company has successfully offered for possession of 20 residential projects totalling to 10,02,035 sq. mt. (10.79 million sq. ft.) of total developable area. 16 existing projects are ongoing across the country with a total developable area of 18,36,907 sq. mt. (19.77 million sq. ft.), which are expected to be completed over the span of next 3 - 4 years.

### **Segment Highlights, 2017-18**

- In the reported financial year, possession/fitout for 371 units covering developed area of 65,874 sq. mt. (0.71 million sq. ft.) was offered.
- Sale realization of ₹ 1,949 lakhs from residential project sales translating into 6,216 sq. mt. (0.07 million sq. ft.) of area.

### **Integrated Townships**

Parsvnath's integrated township portfolio includes 13 projects spread over 13 cities and an area of 35,67,670 sq. mt. (38.40 million sq. ft.). The townships include various types of projects such as residential plots, houses, villas, apartments, school, hospital and commercial units in different configurations. The Company has developed 15,97,846 sq. mt. (17.19 mn. sq. ft.) of projects in these townships.

### **Segment Highlights, 2017-18**

- In the reported financial year, possession was handed over for 1,010 units covering developed area of 2,52,718 sq. mt. (2.72 million sq. ft.)
- Sale realization of ₹3,978 Lakhs from integrated township project sales translating into 45,352 sq. mt. (0.49 million sq. ft.) of area

### **Commercial Segment**

The commercial segment is an important area for the Company. As on 30/06/18, commercial projects across 10 cities covering 86,846 sq. mt. (0.93 million sq. ft.) of leasable/ saleable area were developed by Parsvanaths. Similarly, 10 projects of 1,99,438 sq. mt. (2.15 million

sq. ft.) of commercial leasable/ saleable area are under construction and expected completion is over a period of 3-4 years. Commercial projects form an important revenue stream for a company from stability and liquidity point of view.

### **Segment Highlights, 2017-18**

- Developed 192 units covering 9,809 sq. mt. ( 0.10 million sq. ft.) area for commercial use during the reported year
- Project sales covering 5,748 sq. mt. ( 0.06 million sq. ft.) of commercial projects spread across 6 cities were accomplished, generating ₹ 2,007 lakhs.

### **DMRC Malls**

Delhi Metro Rail Corporation Limited (DMRC) selected Parsvanaths through competitive bidding for award of 'Concession' for up to 30 years for commercial development of incremental land pockets available with DMRC or integrated property development at MRTS stations for many of the projects. The agreement is on a Build-operate-transfer (BOT) basis. As on 30<sup>th</sup> June, 2018, the Company has completed construction of 11 Projects aggregating 90,749 sq. mt. (0.98 million sq. ft.) of developable area.

### **Hospitality segment**

A hotel property at Shirdi through a 100% subsidiary, Parsvnath Hotels Limited (PHL), is the major play that the Company has in the Hospitality segment. This hotel, which has got three certification, will cater to the affordable quality hospitality segment and will be managed by a leading national hotel chain on completion. Shirdi hotel is expected to be completed in next 12 months.

## **c. Awards & Recognitions**

During FY 2017-18, Parsvnaths won following prestigious recognitions:

1. PDL has been listed amongst The BW Real 500 by Business World Magazine in its 23<sup>rd</sup> December, 2018 edition, "The BW Real 500 (The Definitive Ranking of India's Largest Companies)".
2. Projects of our Company alongwith the profiling of Chairman has been covered by the Construction & Architecture Magazine in their latest edition Jan-Feb 2018 issue – TOP BUILDERS.
3. BAM AWARDS BY CONSTRUCTION TIMES for:
  - a. The Parsvnath 27 KG Marg under the category of BEST UPCOMING COMMERCIAL PROJECT OF THE YEAR 2018.

- b. Parsvnath Aakanksha Floor, Jodhpur under the category of BEST UPCOMING AFFORDABLE HOUSING PROJECT OF THE YEAR 2018.

**d. SWOT**

<b>Strengths</b> <ul style="list-style-type: none"> <li>* Recognized real estate brand name across the country with a time-honoured track record of execution over nearly three decades.</li> <li>* Diverse revenue streams from most segments in real estate sector and presence in many Indian states.</li> <li>* Sizeable land bank in prime market of Delhi- NCR for future growth.</li> <li>* Focused on project execution.</li> <li>* Exceptional human talent lead ably by experienced and committed leadership.</li> <li>* Consumer trust and goodwill.</li> </ul>	<b>Weakness</b> <ul style="list-style-type: none"> <li>* High debt levels weighing on the financials.</li> <li>* Lengthy gestation of projects resulting in delayed payback.</li> </ul>
<b>Opportunities</b> <ul style="list-style-type: none"> <li>* Affordable housing segment with a large potential, on account of taxation benefits and dedicated fund under National Housing Bank for project lending to this segment.</li> <li>* Expected boost in access to capital from REIT and PE sources.</li> <li>* Continued increase in uptake for quality commercial spaces.</li> <li>* Rising demand for integrated township projects and improving urban infrastructure through Government schemes/initiatives.</li> <li>* Mounting scarcity of hotel rooms linked to growth in business and leisure travel.</li> <li>* Implementation of RERA and attack on black money through Benami Property Bill, demonetisation leading to greater formalization benefiting established players.</li> </ul>	<b>Threats</b> <ul style="list-style-type: none"> <li>* Increasing interest rates and inflation may affect affordability factor and impact sales, apart from affecting profitability due to increase in interest outgo on existing debt.</li> <li>* Short to medium term disruption due to regulatory changes may delay recovery of the sector.</li> <li>* Denial of industry status to the sector affecting availability of capital at a cheaper rate and rationalisation of approvals.</li> <li>* Availability of labour at a reasonable cost is becoming a greater challenge.</li> </ul>

**e. Business Strategy & Outlook**

The Company's performance in the recent past has been weighed down by the major upheavals faced by the sector as a whole and impact of high interest pay-out from a large amount of debt on its balance sheet. Company has formulated a strategy to emerge safely out of this situation and return to profitability and growth.

1. In the residential segment the Company has decided to focus only on completion of existing projects and to deliver on all the commitments.
2. New projects will be launched in the Commercial and related segments to tap into the growing demand for Grade A property.
3. Company will also put in its best efforts to reduce the debt burden by selling its non-core assets including the land bank. It will also switch to lower cost, long term capital wherever possible.
4. Increase in efforts to augment contribution of regular income yielding assets and fee-based income from third party contracts and government projects to diversify revenue stream.
5. It will continue to scout and work with investor partners on a project-to-project basis by forming SPVs to ensure focused allocation of resources and insulating individual projects from impact of any issues related to other segments of Company's business.
6. The Company will pursue aggressive cost reduction initiatives and in doing so work with outsourcing partners or 3rd party developers for speeding up projects only where the costs are comparable or lower.

The Company's performance is expected to improve on the back of these initiatives and also improving industry scenario as seen in the first quarter of 2018. With the housing sales showing a growth for the first time in many quarters and continued good performance of commercial sector, there is likely to be enhanced uptake of Company's offerings in the market. With growing revenue and cash flow, the Company should be able to improve its operating profitability and also reduce interest outgo by paring the debt level.

**f. Subsidiaries & Associate Companies**

**Parsvnath Infra Limited (PIL)**

Parsvnath Developers Limited holds 94.87% equity in

PIL. PIL was allotted land by Andhra Pradesh Industrial Infrastructure Corporation Ltd for setting up a Biotechnology SEZ at village Karkapatla, District Medak, Andhra Pradesh.

PIL is in process of setting up a Private Integrated IT/ Hitech Park at Kochi, Kerala, for which declaration of the land area as Industrial Area by the Government is awaited.

#### **Parsvnath MIDC Pharma SEZ Private Limited (PMPSP)**

PMPSP, a subsidiary of PIL, was incorporated to implement a pharmaceutical SEZ project in Maharashtra. However, consequent upon surrender of the project during 2014-15 as a result of unviability, options are being explored for taking up suitable business activity in PMPSP.

#### **Parsvnath Landmark Developers Private Limited (PLDPL)**

Construction of the premium residential project "La Tropicana" at Civil Lines, Delhi, is in progress. The project is being constructed in three phases and phase 1 of the project is nearing completion. The project has been delayed due to delay in certain approvals from the government authorities.

#### **Parsvnath Hotels Limited (PHL)**

The hotel project at Shirdi is under construction.

#### **Primetime Realtors Private Limited (Primetime)**

The construction of a commercial building on a plot of land measuring 0.49 hectares (1.185 acres) situated at 27, Kasturba Gandhi Marg, New Delhi- 110001, owned by Primetime is in progress and is expected to be completed shortly.

#### **Parsvnath Estate Developers Private Limited (PEDPL)**

PEDPL, a wholly owned subsidiary of the Company, has constructed the "Parsvnath Capital Towers", a modern state of-the-art office-cum-commercial complex of international standards, located adjacent to Connaught Place on Bhai Veer Singh Marg, New Delhi on land taken on lease from DMRC. The building (Phase-I) has been leased out to leading corporates. The construction of Phase-II is in progress and is expected to be completed shortly.

#### **Parsvnath Promoters and Developers Private Limited (PPDPL)**

The proposed residential project near Rani Jhansi Road, Delhi was transferred to Parsvnath Rail Land Project Pvt. Ltd. at the instance of Rail Land Development Authority.

#### **Parsvnath Hessa Developers Private Limited (PHDPL)**

PHDPL, a wholly owned subsidiary of the Company, is developing a part of the premium luxury residential project

"Parsvnath Exotica" at Gurgaon, Haryana. Possession of the flats to the customers has been given in the completed towers for fit out purposes and the Occupancy Certificate is awaited from the authorities.

#### **Parsvnath Buildwell Private Limited (PBPL)**

PBPL is a SPV implementing a premium residential project "Parsvnath Exotica - Ghaziabad" in Ghaziabad District, Uttar Pradesh, spread over an area of approx. 12.55 hectares. The progress of construction is at a slow pace pending receipt of approval of revised building plans submitted with the Ghaziabad Development Authority. Your Company has acquired all the equity shares and convertible debentures held by the Private Equity Investors in June 2018, making PBPL a 99 % subsidiary of the Company.

#### **Parsvnath Realcon Private Limited (PRPL)**

PRPL, a subsidiary of PBPL, is a SPV developing a residential project at Subhash Nagar in West Delhi on land acquired from DMRC. The progress of construction has been hampered due to non-receipt of approval for revised building plans by South Delhi Municipal Corporation and the matter is pending before the Tribunal for adjudication. PRPL has also approached the Delhi High Court by way of filing a Writ Petition seeking appropriate remedies from the Delhi Development Authority and other government authorities.

#### **Parsvnath HB Projects Private Limited (PHBPL)**

PHBPL, a subsidiary of your Company and a joint venture with HB Estate Developers Ltd., is a SPV developing a Hotel-cum- Multiplex-cum Shopping Mall Project viz., Parsvnath Mall Matrix at Mohali in Punjab. Pursuant to certain disputes with the Punjab Small Industries Export Corporation (PSIEC) from whom the plot of land was acquired, the matter is under arbitration. PSIEC has initiated legal action for recovery of the plot land which is being defended.

#### **Parsvnath Film City Limited (PFCL)**

PFCL was set up to implement a Multi-media-cum-Film City Project near Chandigarh on the land to be provided by Chandigarh Administration (CA).

The Company had given an advance of ₹ 4,847.90 lakhs to PFCL for execution of the said Project. PFCL had deposited ₹ 4,775.00 lakhs with CA for acquiring development rights in respect of a plot of land admeasuring 30 acres from CA, under Development Agreement dated March 2, 2007. Since CA could not handover the possession of the said land to PFCL in terms of the said Development Agreement,

PFCL invoked the arbitration clause for seeking refund of the allotment money paid along with compensation, cost incurred and interest thereon.

The Arbitral Tribunal vide its order dated March 10, 2012, had decided the matter in favour of PFCL and awarded refund of ₹ 4,919.00 lakhs towards the earnest money paid and other expenses incurred by PFCL along with interest @ 12 % per annum. Subsequently, the CA filed a petition before the Additional District Judge at Chandigarh challenging the award under Section 34 of The Arbitration and Conciliation Act, 1996. The said petition was dismissed by the Hon'ble District Judge vide his order dated May 7, 2015.

The Execution Petition was filed by PFCL before Additional District Judge (ADJ), Chandigarh for the execution of the Arbitral Award. In the meantime, CA filed an appeal under Section 37 of the Arbitration and Conciliation Act, 1996 before the Hon'ble Punjab and Haryana High Court at Chandigarh against the orders of the ADJ, Chandigarh pertaining to the Award of Arbitral Tribunal. The Hon'ble High Court allowed the appeal filed by CA and set aside the arbitral award vide its orders dated March 17, 2016. The Company had filed a Special Leave Petition (SLP) before the Hon'ble Supreme Court of India which has since been admitted and notice has been issued to the opposing party i.e. CA. The matter is yet to be listed for hearing.

#### **Parsvnath Telecom Private Limited (PTPL)**

The Company has still not ventured into telecommunication related business and is still in the process of exploring the possibilities, if any, to undertake this business. The Company shall venture into this arena as and when suitable opportunities are identified.

#### **PDL Assets Limited (PAL)**

PAL is a SPV for developing the Azadpur Project in terms of the concession agreement executed with Delhi Metro Rail Corporation Limited ("DMRC").

#### **Parsvnath Realty Ventures Limited (PRVL)**

PRVL is a SPV for developing the Akshardham Project in terms of the concession agreement executed with DMRC.

#### **Parsvnath Rail Land Project Private Limited (PRLPPL)**

PRLPPL was incorporated for implementing the residential project near Rani Jhansi Road, Delhi, on land leased by Rail Land Development Authority (RLDA). Your Company had tied up with Red Fort Capital Group, international private

equity investors, for investment in the project. However, as a result of various factors including inability to achieve financial closure due to delay in approval of building plans, PRLPPL has surrendered the project and is awaiting refund of the amounts deposited towards land premium. Since the RLDA disputed PRLPPL and the Company's claim for refund, the matter was referred to arbitration and the Hon'ble Arbitral Tribunal passed an Award dated November 24, 2017, directing RLDA to refund the amount of ₹1034,53,77,913/- (Rupees One Thousand Thirty-Four Crores Fifty-Three Lakhs Seventy-Seven Thousand Nine Hundred Thirteen only) along with interest @ 4% per annum from July 15, 2015 till the date of payment. RLDA's subsequent appeal before the Hon'ble Delhi High Court challenging the said Arbitral Award, was rejected by the Court vide its judgment delivered on April 3, 2018. RLDA has filed another appeal before the Hon'ble Delhi High Court, and the matter is in the process of being heard by the Hon'ble High Court.

#### **Vasavi PDL Ventures Private Limited (VPVPL)**

VPVPL was incorporated, pursuant to the joint venture agreement with Vasavi Nirmaan Pvt. Ltd., to develop the multi-complex on the land situated at Kukatpally, Hyderabad.

#### **Farhad Realtors Private Limited (FRPL)**

FRPL is proposed to be used as SPV for developing the Netaji Subhash Place Project in terms of the concession agreement executed with DMRC.

#### **Amazon India Limited (AIL)**

AIL in collaboration with the Company has successfully developed a group housing project at Sohna whereat possession of all flats have been handed over. The Company is on the look out for implementing any suitable projects.

#### **Homelife Real Estate Private Limited (Homelife)**

Homelife has developed part of a residential colony in Rajpura (Punjab) and balance part is currently under development.

#### **Vardaan Buildtech Private Limited (Vardaan)**

Vardaan owns a plot of land at Sonepat for building a commercial complex and construction of which will commence in due course upon receipt of requisite approvals.

## **4. HUMAN RESOURCES**

Our people are the biggest differentiator for Parsvnaths because

they set us apart from competition through their capabilities and dedication. On the basis of this confidence the Company has been able to give promises and then meet its promises to the customers of delivering quality within allotted time. Hence, to maintain this as a competitive edge in the marketplace, the Company follows sound human resource practices to offer our employees enough opportunities to grow professionally and personally.

As of 31<sup>st</sup> March, 2018, the number of full-time employees on company rolls stood at 407.

## 5. MANAGING BUSINESS UNCERTAINTIES

An integrated risk management framework with supporting systems and structure has been instituted by the Company to manage business risks. Risks are an integral challenge of running a business and this framework helps the Company prevent and manage the impact from such risks. This section outlines the major risks that the Company manages and the mitigation approach for each, while operating in the real estate sector.

### a. Demand risk

Demand for the Company's projects and services may be affected due to economic slowdown, slump in consumer sentiments, misalignment with consumer expectations, higher competition/ oversupply or due to regulatory actions.

#### Risk mitigation

- Diversification of business portfolio through presence across all major real estate segments viz. Integrated Townships, Group Housing, Commercial Complexes, Hotels, IT Parks, B.O.T. Projects, SEZs and third party contracts.
- In residential segment, address mid-income and affordable housing market where the demand is less volatile.
- Geographical diversification by expanding presence across the country.
- Anticipate and align with regulatory changes proactively. Lobby for favourable policies through industry associations to prevent adverse changes in regulations.

### b. Cost risk

Cost inflation for raw materials may lead to decline in revenues and profits.

#### Risk mitigation

- Control costs through in-house execution of projects,

and use outsourcing only to manage peak workload situations to expedite execution.

- Ensure economy of scale benefits through large project executions and long term supplier relationships for quality raw materials.
- Effective supply chain and inventory management practices to minimize waste and storage costs.

### c. Project execution risk

Delays in project execution lead to higher operational costs, capital costs and cause a dent in Company's reputation.

#### Risk mitigation

- Orient organization towards faster execution and on-time delivery of projects. Deploy project based organization structures and assign resources to ensure no delays due to diverse priorities.
- Outsource execution and engage external expertise wherever necessary to expedite execution.
- Develop strong, in-house project management capability to keep execution on track.

### d. Funding risk

Real estate projects require timely availability of funds in large amounts to execute projects faster. Delay in availability of funds, higher cost of borrowings or unplanned increases in capital requirements can negatively impact a project's viability and also limit Company's ability to finance other projects, thus affecting financial performance.

#### Risk mitigation

- Balance the project portfolio to manage liquidity with a significant proportion of business from projects generating a regular revenue stream e.g. commercial leasing, BOT projects and from projects with lower capital requirements and fee-based income e.g. third-party contracts.
- Tight capital allocation process and monetization of non-core assets.
- Raise long-term debt / capital to reduce cost of capital.

### e. Compliance Risks

Construction sector is heavily regulated that requires multiple approvals and compliances with complex regulations that may vary based on project location. Any deviations in securing such approvals or failure in compliance may result in financial penalties, embargo on sale of units in a project or loss of reputation for the Company.

#### **Risk mitigation**

- Dedicated project compliance team to manage local approvals and compliances to handle local complexities and needs related to a project to avoid any delays and lapses.
- Develop a company-wide culture of no compromise on compliance with regulations and total rejection of unscrupulous behaviour.

#### **f. Human resources risk**

Construction projects require a large group of talented people with diverse skills to successfully complete execution and sale of units. Any difficulties in sourcing the right talent and retaining them would directly affect Company's execution capabilities and in turn affect financial performance.

#### **Risk mitigation**

- Invest in a capable human resource department and formulate appropriate policies to attract and retain the best talent, including offer of competitive remuneration and incentives.
- Develop strong leadership capabilities in senior managers to create a positive work environment that would encourage retention.
- Invest in personal growth by offering professional challenges with responsibilities and accountability. Supplement the same with specific training & development plan and appropriate reward & recognitions programs.

### **6. INTERNAL CONTROLS AND SYSTEMS**

The in-house Internal Audit Department conducts regular audits to ensure compliance with set policies and procedures, and management instructions so as to achieve Company's

financial and growth objectives. The department also regularly checks adequacy of the internal control systems to prevent any misappropriations or wrong actions. The scope of activities of this department includes safeguarding and protecting the Company's assets against unauthorized use or disposition, maintenance of proper accounting records and verification of authentication of all transactions. An independent firm of Chartered Accountants has also been engaged to maintain an external check through internal audits of various project sites, commercial and other functions of the Company. The Audit Committee and/or the Board of Directors periodically review audit plans, observations and recommendations of internal and external auditors with reference to significant risk areas and adequacy of internal controls. A strong Management Information Systems is in place to support management in monitoring key parameters and alert them on any deviations.

#### **Forward Looking Statement**

*Statements made in the Management Discussion and Analysis Report describing the Company's objective, projections, estimates, expectations may be forward looking statements within the meaning of applicable laws and regulations, based on beliefs of the management of your Company. Such statements reflect the Company's current views with respect to the future events and are subject to risks and uncertainties. Many factors could cause the actual result to be materially different from those projected in this report, including among others, changes in the general economic and business conditions affecting demand/supply and price conditions in the segment in which the Company operates, changes in business strategy, changes in interest rates, inflation, deflation, foreign exchange rates, competition in the industry, changes in Governmental regulations, tax laws and other Statutes & other incidental factors. The Company does not undertake any obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.*

## CORPORATE GOVERNANCE REPORT

### 1. Company's Philosophy on Corporate Governance

The Corporate Governance is about commitment to values and ethical business conduct. It is about how an organisation is managed. Further, the welfare of the stakeholders of the Company forms the cornerstone of the Company's Corporate Governance Policy. The Company's philosophy strives to ensure that its business strategies and plans prioritise the welfare of all stakeholders, while at the same time, maximising shareholders' value on a sustained basis.

The Board of Directors, Management and Employees of the Company consistently envisage attainment of the highest level of transparency, integrity and equity in all facets of the operations of the Company and also in its interactions with the stakeholders. The Company is committed to benchmark itself with the best standards of Corporate Governance, not only in form but also in spirit. Our Company is in compliance with the Corporate Governance guidelines as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). A report on the matters mentioned in the said Regulations and the practices followed by the Company is detailed below.

### 2. Board of Directors

#### A. Composition & Category

As on March 31, 2018, there were 7 (Seven) Directors on the Board including 4(Four) Non-Executive Directors in compliance with the prescribed combination of Executive and Non-Executive Directors on the Board. As regards the presence of Independent Directors, the Company requires atleast half of the Board to be represented by Independent Directors, since the Board of Directors of the Company is headed by an Executive Chairman. All the 4 (Four) Non-Executive Directors of the Company are Independent and thereby, the composition of the Board of Directors is in compliance with the parameters prescribed under Regulation 17(1) of Listing Regulations. The detailed composition of the Board is represented in Table 1 below.

**Table 1: Composition of the Board of Directors as on March 31, 2018**

S. No.	Name & Category of the Director	DIN	Designation	Number of Directorship (s) in other Public Limited Companies#	Number of Membership(s)/ Chairmanship(s) held in Committees of Public Limited Companies*	
					Membership(s)	Chairmanship(s)
Executive Directors – Promoter and Promoter Group						
1	Shri Pradeep Kumar Jain	00333486	Chairman	3	0	0
2	Shri Sanjeev Kumar Jain	00333881	Managing Director & CEO	1	2	0
3	Dr. Rajeev Jain	00433463	Director (Marketing)	4	1	0
Non-Executive Independent Directors						
4	Shri Ashok Kumar	00138677	Director	1	1	1
5	Dr. Pritam Singh	00057377	Director	2	3	1
6	Ms. Deepa Gupta	02411637	Director	0	1	0
7	Shri Mahendra Nath Verma	02931269	Director	0	0	1

# Excludes Private Companies, Foreign Companies and Companies registered under Section 8 of the Companies Act, 2013 for the purpose of considering the limit prescribed under Regulation 26(1) (a) of the Listing Regulations.

\* For the purpose of reckoning the limit of the Committees on which a Director can serve, the Chairmanship/Membership of the Audit Committee and the Stakeholders Relationship Committee of all listed and/or unlisted Public Limited Companies only have been considered as prescribed under Regulation 26(1) (b) of the Listing Regulations.

The maximum tenure of the Independent Directors is in compliance with the provisions of Companies Act, 2013 ("the Act") and

Rules made thereunder, from time to time. All the Independent Directors have confirmed that they meet the criteria as mentioned in Regulation 16(1)(b) of the Listing Regulations and Section 149 of the Act. The terms and conditions of appointment of the independent directors are disclosed on the website of the Company and can be accessed at <http://www.parsvnath.com/terms-conditions-of-appointment-of-independent-directors/>.

As per the declarations received by the Company, none of the Directors is disqualified under Section 164 of the Act. None of the Directors of the Company is a member of more than ten Committees or acts as a Chairman of more than five Committees across all Public Limited Companies in which he holds the directorship. The Company is notified by the Directors, from time to time, regarding the status of Committee positions they occupy in other companies. The Independent Directors of the Company are not serving as Independent Director in more than 7 Listed Companies.

#### **B. Board Meetings & Last Annual General Meeting – Attendance of Directors**

The Board met 7 (Seven) times on May 29, 2017; August 12, 2017; September 14, 2017; September 27, 2017; November 8, 2017; January 13, 2018 and February 12, 2018 during the financial year ended March 31, 2018. The attendance of each Director at the Board Meetings and at the last Annual General Meeting (AGM) held on September 27, 2017 is set out in Table 2 below:

**Table 2: Attendance of the Directors at the Board Meetings and at the last AGM**

S. No.	Name of the Directors	Number of Board Meetings attended	Attendance at AGM held on September 27, 2017
1	Shri Pradeep Kumar Jain	7	Y
2	Shri Sanjeev Kumar Jain	7	Y
3	Dr. Rajeev Jain	7	Y
4	Shri Ashok Kumar	7	Y
5	Dr. Pritam Singh	7	Y
6	Ms. Deepa Gupta	7	N
7	Shri Mahendra Nath Verma	7	Y

#### **C. Relationship Between Directors**

Shri Pradeep Kumar Jain, Shri Sanjeev Kumar Jain and Dr. Rajeev Jain are related to each other as brothers. Apart from this, none of the other Directors is inter-se related to each other.

#### **D. Separate Meeting of Independent Directors**

During the relevant financial year, 2 separate meetings of the Independent Directors were held on May 18, 2017 and February 12, 2018, *inter-alia*, to review the performance of Non-Independent Directors and the Board as a whole, to review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors and to assess the quality, quantity and timeliness of flow of information between the Company's management and the Board, that is necessary for the Board to effectively and reasonably perform its duties.

#### **E. Details of Equity Shares held by the Non- Executive Directors**

The details of the Equity Shares held by the Non-Executive Directors as on March 31, 2018 is given in Table 3 below:

**Table 3: Details of Equity Shares held by Non-Executive Directors as on March 31, 2018**

S.No.	Name of the Director	No. of Shares held
1	Shri Ashok Kumar	2,000

**F. Familiarisation Programmes for Board Members**

The Board Members are provided with necessary documents and policies to enable them to familiarize themselves with the Company's procedures and practices. Periodic presentations are made to the Board on business and performance of the Company. The details of such familiarization programmes for Independent Directors of the Company are posted on the website of the Company and can be accessed at <http://www.parsvnath.com/investors/iulr/familiarization-programs-for-independent-directors/>.

**G. Information supplied to the Board & Statutory Compliance**

The Board of Directors has complete access to accurate, relevant and timely information. The agenda notes prepared for the meetings of the Board of Directors cover all items specified in Secretarial Standard on Board Meetings (SS-1) and Regulation 17(7) read with Part A of Schedule II to the Listing Regulations to the extent applicable to the Company. In addition, the following items are also provided and reviewed by the Board of Directors on a regular basis:

- a) Report on statutory compliance with all applicable laws by the Company, as well as steps taken by the Company to rectify instances of non-compliance, if any;
- b) Minutes of the meetings of the Board of Directors of all the subsidiary companies of the Company; and
- c) Statement of all significant transactions and arrangements entered into by/with the subsidiary companies.

**3. Audit Committee**

- (i) The Audit Committee of the Board of Directors of the Company is constituted in line with the provisions of Regulation 18 of the Listing Regulations read with Section 177 of the Act.
- (ii) The terms of reference of the Committee, *inter -alia*, include the following:
  1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
  2. Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;
  3. Approval of payment to Statutory Auditors for any other services rendered by the statutory auditors;
  4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
    - a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of the Act;
    - b. Changes, if any, in accounting policies and practices and reasons for the same;
    - c. Major accounting entries involving estimates based on the exercise of judgment by management;
    - d. Significant adjustments made in the financial statements arising out of audit findings;
    - e. Compliance with listing and other legal requirements relating to financial statements;
    - f. Disclosure of any related party transactions;
    - g. Modified opinion(s), if any in the draft audit report;
  5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
  6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;

7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing with the management, performance of statutory and internal auditors and adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. Establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed;
19. To review the functioning of the Whistle Blower mechanism/vigil mechanism;
20. Approval of appointment of CFO after assessing the qualifications, experience and background etc. of the candidate;
21. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statements before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the Company;
22. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
23. To mandatorily review the following information:
  - Management discussion and analysis of financial condition and results of operations;
  - Statement of significant related party transactions (as defined by the audit committee), submitted by management;
  - Management letters / letters of internal control weaknesses issued by the statutory auditors;
  - Internal audit reports relating to internal control weaknesses;
  - The appointment, removal and terms of remuneration of the chief internal auditor; and
  - Statement of deviations, in terms of Regulation 32 of the Listing Regulation:
    - (i) Quarterly Statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s);
    - (ii) Annual Statement of funds utilized for purposes other than those stated in the offer document/prospectus/notices.

**(iii) Composition and Meeting Details of the Audit Committee:**

As on March 31, 2018, the Audit Committee comprised of Shri Mahendra Nath Verma (Chairman), Shri Sanjeev Kumar Jain, Shri Ashok Kumar, Dr. Pritam Singh and Ms. Deepa Gupta. All members except Shri Sanjeev Kumar Jain are Non-Executive Independent Directors of the Company. All the members of the Audit Committee possess sound knowledge of accounts, audit, taxation etc.

The Committee invites Group Chief Financial Officer, head of the Internal Audit Department and representative(s) of the Statutory Auditors and External Internal Auditors to attend the meetings of the Audit Committee on a regular basis. Shri V. Mohan, Sr. Vice President (Legal) & Company Secretary acts as the Secretary to the Audit Committee.

- (iv) The Committee met 5 (Five) times with adequate quorum on May 29, 2017; August 12, 2017; September 27, 2017; November 8, 2017 and February 12, 2018 during the financial year ended March 31, 2018. The gap between two meetings did not exceed one hundred and twenty days. The attendance of each member thereat is set out in Table 4 below:

**Table 4: Attendance of the Members at the Audit Committee Meetings**

S. No.	Name of the Member	Category	Number of Audit Committee Meetings attended
1	Shri Mahendra Nath Verma	Non- Executive, Independent	5
2	Shri Sanjeev Kumar Jain	Managing Director & CEO	5
3	Shri Ashok Kumar	Non- Executive, Independent	5
4	Dr. Pritam Singh	Non- Executive, Independent	5
5	Ms. Deepa Gupta	Non- Executive, Independent	4

#### 4. Nomination and Remuneration Committee

- (i) The Board of Directors has constituted Nomination and Remuneration Committee(NRC), pursuant to the requirements of Section 178 of the Act read with rules made thereunder and Regulation 19 of the Listing Regulations. The Committee's composition and terms of reference meet with the requirements of the above mentioned provisions.
- (ii) In accordance with Section 178 of the Act and Regulation 19 read with Part D of Schedule II of the Listing Regulations, the terms of reference of the Committee, *inter-alia*, include the following:
- To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
  - To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria to be formulated by the Committee, recommend to the Board their appointment and removal and carry out evaluation of every director's performance including Independent Directors.
  - To ensure the following, while formulating the policy:
    - the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
    - relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
    - 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:
  - To devise a policy on Board diversity;
  - To identify whether to extend or continue the term of appointment of independent directors, on the basis of the report of performance evaluation of independent directors;
  - To disclose remuneration policy and the evaluation criteria in the Annual Report of the Company.

Pursuant to amendments in the Act and Listing Regulations, the Board of Directors at its meeting held on May 29, 2018 has enlarged the scope of NRC by including the following:

- To specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out

either by the Board, NRC or an independent external agency and NRC will review its implementation and compliance.

b) To recommend to the Board, all remuneration, in whatever form, payable to senior management.

(iii) **Nomination and Remuneration Policy:**

Your Company has formulated a policy on Nomination and Remuneration of Directors and Senior Managerial Personnel and the major points relating to Remuneration policy are as follows:

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

- i. The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Act and Rules made thereunder or any other enactment for the time being in force and the approvals obtained from the shareholders of the Company.
- ii. The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to 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 recommended by the Nomination and Remuneration Committee and approved by the Board of Directors. Provided that the amount of such fees shall not exceed ₹ 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 thereunder or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors 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 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 Committee, 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 etc., if any, as decided from time 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.

The Policy has been revised during the year to align the same with various amendments in the relevant provisions under the Act and Listing Regulations.

**(iv) Composition and Meeting Details of the Committee:**

As on March 31, 2018, the Committee comprised of Dr. Pritam Singh (Chairman), Shri Ashok Kumar, Shri Mahendra Nath Verma and Ms. Deepa Gupta, all being Non-Executive Independent Directors.

The Committee was re-constituted by induction of Ms. Deepa Gupta as a member of the Committee at the Board Meeting held on May 29, 2017.

Shri V. Mohan, Sr. Vice President (Legal) & Company Secretary acts as the Secretary to the Nomination and Remuneration Committee.

Two meetings of the Committee were held on May 18, 2017 and November 8, 2017 and the attendance of each Member thereat is set out in Table 5 below:

**Table 5: Attendance of the Members at the Nomination and Remuneration Committee Meetings**

S. No.	Name of the Member	Category	Number of Meetings attended
1	Dr. Pritam Singh	Non- Executive, Independent	2
2	Shri Ashok Kumar	Non- Executive, Independent	2
3	Shri Mahendra Nath Verma	Non- Executive, Independent	2
4	Ms. Deepa Gupta*	Non- Executive, Independent	2*

\*Inducted with effect from May 29, 2017

**(v) Performance Evaluation**

In terms of provisions of Section 178 (2) of the Companies Act, 2013 read with Part D of Schedule II of Listing Regulations, Role of Nomination and Remuneration Committee shall, *inter-alia*, include the formulation of criteria for evaluation of performance of independent directors and the board of directors. During the year, the Board of Directors has carried out an annual evaluation of its own performance and that of its committees and individual Directors, pursuant to the provisions of the Act, based on the criteria recommended by the Nomination and Remuneration Committee.

**5. Remuneration of Directors**

- (i) The remuneration of Executive Directors is decided after taking into consideration a number of factors including industry trend, remuneration package in other comparable corporates, job responsibilities and key performance areas, Company's performance etc. The remuneration policy is directed towards rewarding performance, based on review of achievements on a periodical basis.

The remuneration paid to the Executive Directors is subject to the limits laid down under Sections 197, 198 and all other applicable provisions, if any, of the Act read with Rules made thereunder and Schedule V to the Act and in accordance with the terms of appointment approved by the Members of the Company.

During the financial year 2017-18, the Company paid sitting fees of ₹ 50,000 (Rupees Fifty Thousand only) per meeting to each Non – Executive Director for attending the Board Meetings and ₹ 30,000 (Rupees Thirty Thousand only) per meeting to each Non – Executive Director for attending meetings of Committees of the Board, except for Corporate Social Responsibility Committee.

The Executive Directors are not being paid any sitting fees for attending the meetings of the Board of Directors and/or Committees thereof.

- (ii) Remuneration to Executive/ Non-Executive Directors

The below mentioned Table 6 gives the details of remuneration paid to Directors for the year ended March 31, 2018.

**Table 6: Remuneration paid to the Directors of the Company during Financial Year 2017-18**

S.No.	Name of the Director	No. of Shares held	Salary & Perquisites (₹/Lakhs)	Sitting Fees (₹/Lakhs)	Total Amount (₹/Lakhs)
1	Shri Pradeep Kumar Jain	11,71,56,162	NIL	-	NIL
2	Shri Sanjeev Kumar Jain	21,600	NIL	-	NIL
3	Dr. Rajeev Jain	16,000	NIL	-	NIL
4	Shri Ashok Kumar	2,000	-	6.00	6.00
5	Dr. Pritam Singh	-	-	6.00	6.00
6	Ms. Deepa Gupta	-	-	5.70	5.70
7	Shri Mahendra Nath Verma	-	-	6.00	6.00

Notes:

- Shareholding figures are as on March 31, 2018. The Company has not issued any instruments that can be converted into equity shares. No Stock option has been granted to any of the Directors of the Company.
- Shri Pradeep Kumar Jain, Shri Sanjeev Kumar Jain and Dr. Rajeev Jain were re-appointed as Whole-time Directors of the Company for a period with effect from March 1, 2016 to March 31, 2019. The term of office of the Whole-time Directors shall remain valid for the said period, which may be terminated by giving prior notice of six months in writing by either side. No severance fee is payable.
- The remuneration, by way of salary & perquisites, does not include leave encashment, gratuity and other retirement benefits.
- The Company pays rentals to Shri Pradeep Kumar Jain and Smt. Nutan Jain, wife of Shri Pradeep Kumar Jain, for the Car Parking Spaces/office flats taken on rent.
- During the year, the Non-Executive directors of the Company had no pecuniary relationship or transactions with the Company, apart from receiving directors' remuneration.

## 6. Stakeholders Relationship Committee

- The Board of Directors has constituted Stakeholders Relationship Committee, pursuant to the requirements of Section 178 of the Act read with rules made thereunder and Regulation 20 of the Listing Regulations.
- The Committee addresses issues relating to the redressal of grievances of shareholders including complaints related to transfer of shares, non-receipt of annual report, non- receipt of declared dividends and other related issues etc. Besides, the Committee also approves transfer of shares, issuance of Duplicate share certificates and re-materialization/split/consolidation of share certificates. In order to provide timely and efficient service to the shareholders, the Board of Directors has delegated the power to approve share transfers to Shri V. Mohan, Sr. Vice President (Legal) & Company Secretary and to the Shares Committee of the Board of Directors.
- Composition and Meeting Details of the Committee:

As on March 31, 2018, the Committee comprised of three Members including two Executive Directors viz. Shri Sanjeev Kumar Jain and Dr. Rajeev Jain and one Non-Executive Independent Director viz. Shri Ashok Kumar, who is the Chairman of the Committee and Shri V. Mohan, Sr. Vice President (Legal) & Company Secretary acts as the Secretary to the Committee and is the Compliance Officer.

During the year under review, the Company has received 3 (three) Investor Complaints and the same were properly resolved and/or replied by the Company.

## 7. Other Committees

### A. Corporate Social Responsibility Committee

In accordance with Section 135 of the Act read with rules made thereunder, the Board of Directors of the Company has constituted the

Corporate Social Responsibility Committee which comprises five directors including two Executive Directors viz. Shri Pradeep Kumar Jain and Shri Sanjeev Kumar Jain and three Non-Executive Independent Directors viz. Shri Ashok Kumar (Chairman), Ms. Deepa Gupta and Shri Mahendra Nath Verma. Shri V. Mohan, Sr. Vice President (Legal) & Company Secretary acts as the Secretary to the Committee.

Terms of Reference of the Committee, *inter alia*, include the following:

1. Formulation of Corporate Social Responsibility (CSR) policy which shall indicate the activities to be undertaken by the Company.
2. Recommendation of the amount of expenditure to be incurred on the aforesaid activities.
3. Monitor the CSR Policy of the Company, from time to time.
4. Approval of annual report on Corporate Social Responsibility initiatives for inclusion in the Board's Report.
5. Perform such functions as may be detailed in the Companies Act, 2013 and the relevant Rules made thereunder and any other applicable legislation and as directed by Board, from time to time.

During the year under review, a meeting of CSR Committee was held on August 12, 2017 which was attended by all the members.

## B. Shares Committee

The Shares Committee of the Board of Directors of the Company comprises three members viz. Shri Pradeep Kumar Jain, Shri Sanjeev Kumar Jain and Dr. Rajeev Jain. Shri Pradeep Kumar Jain is the Chairman of the Committee and Shri V. Mohan, Sr. Vice President (Legal) & Company Secretary acts as the Secretary to the Committee and is the Compliance Officer. It exercises the powers relating to approval of re-materialisation/split/consolidation of share certificates, delegated to it by the Board for the sake of operational convenience. The Committee would perform such other functions as may be delegated by the Board, from time to time. During the year, the powers of the Committee have been enlarged to include granting approval for transfer of shares.

During the financial year ended March 31, 2018, Shares Committee met 2 (Two) times with adequate quorum on May 15, 2017 and June 20, 2017. The attendance of each member thereat is set out in Table 8 below:

**Table 8: Attendance of the Members at the Shares Committee Meetings**

S. No.	Name of the Member	Number of Meetings attended
1	Shri Pradeep Kumar Jain	2
2	Shri Sanjeev Kumar Jain	2
3	Dr. Rajeev Jain	2

## 8. General Body Meetings

### A. Annual General Meetings (AGMs) & Special Resolutions passed therein in the last three years

The date, time and location of the last three AGMs of the Company and the Special Resolutions passed by the Shareholders in these AGMs are set out in Table 9 and Table 10 respectively:

**Table 9: Particulars of last three AGMs of the Company**

Year	Location	Date	Time
2016-17	Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi 110003	27.09.2017	3:30 P.M.
2015-16	Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi 110003	29.09.2016	3:30 P.M.
2014-15	Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi 110003	30.09.2015	3:30 P.M.

**Table 10: Special Resolutions passed in the last three AGMs of the Company**

Date of Meeting	Nature of Resolutions
27.09.2017	Approval for Private Placement of Non-Convertible Debentures
29.09.2016	Approval for re-appointment and Remuneration of Shri Pradeep Kumar Jain, as a Whole-time Director designated as Chairman of the Company
29.09.2016	Approval for re-appointment and Remuneration of Shri Sanjeev Kumar Jain, as a Whole-time Director designated as Managing Director and Chief Executive Officer (CEO) of the Company
29.09.2016	Approval for re-appointment and Remuneration of Dr. Rajeev Jain, as a Whole-time Director designated as Director (Marketing) of the Company
29.09.2016	Approval for Private Placement of Non-Convertible Debentures
29.09.2016	Approval for Material Transactions with Related Parties
30.09.2015	Approval for payment of remuneration to Shri Pradeep Kumar Jain, Whole-time Director designated as Chairman of the Company
30.09.2015	Approval for payment of remuneration to Shri Sanjeev Kumar Jain, Managing Director & CEO of the Company
30.09.2015	Approval for payment of remuneration to Dr. Rajeev Jain, Whole-time Director designated as Director (Marketing) of the Company
30.09.2015	Approval for Private Placement of Non-Convertible Debentures
30.09.2015	Approval for material transactions with Related Parties

#### **B. Postal Ballot Exercise**

No Postal Ballot was held during the Financial Year ended on March 31, 2018. No special resolution is proposed to be conducted through postal ballot.

#### **9. Means of Communication**

In accordance with Regulation 46 of the Listing Regulations, the Company is maintaining a functional website i.e. [www.parsvnath.com](http://www.parsvnath.com) containing information about the Company viz., details of its business, terms and conditions of appointment of independent directors, composition of various committees of board of directors, code of conduct of board of directors and senior management personnel, details of establishment of vigil mechanism/ Whistle Blower policy, policy on dealing with related party transactions, policy for determining 'material' subsidiaries, details of familiarization programmes imparted to independent directors, email address for grievance redressal and other relevant details, contact information of the designated officials of the company who are responsible for assisting and handling investor grievances, annual reports, shareholding patterns, etc. The contents of the said website are updated from time to time.

The notice of Board Meetings, quarterly/ annual financial results of the Company are normally published in The Financial Express (English/ Daily) and Jansatta (Hindi/Daily). The same are also posted on the website of the Company ([www.parsvnath.com](http://www.parsvnath.com)). The official news releases are also posted on the website of the Company.

Further, in support of the "Green Initiative in the Corporate Governance" announced by The Ministry of Corporate Affairs (MCA), the Company sends all documents such as Notices for General Meetings, Annual Reports containing, *inter-alia*, Board's Report, Auditors' Report etc. in electronic form to all the Members whose e-mail addresses are registered with RTA/ Depository Participant(s) unless any such member opts to receive the physical copy of the same.

#### **10. General Shareholder Information**

##### **A. Annual General Meeting**

<b>Day</b>	:	Friday
<b>Date</b>	:	September 28, 2018
<b>Time</b>	:	3:30 p.m.
<b>Venue</b>	:	Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi – 110003

**B. Financial Calendar**

The tentative financial calendar for the ongoing financial year i.e. April 01, 2018 to March 31, 2019 is set out in Table 11 below:

**Table 11: Tentative schedule for the Financial Year 2018-19**

Activity	Schedule
Financial Reporting for the Quarter ended June 30, 2018	August 13, 2018
Financial Reporting for the Quarter/ Half Year ending September 30, 2018	On or before November 14, 2018
Financial Reporting for the Quarter / Nine Months ending December 31, 2018	On or before February 14, 2019
Financial Reporting for the Quarter/Year ending March 31, 2019	On or before May 30, 2019

**C. Date of Book Closure**

The period of book closure is from Saturday, September 22, 2018 to Friday, September 28, 2018 (both days inclusive).

**D. Dividend Payment Date**

For the Financial year 2017-18, no dividend was recommended by the Board of Directors of the Company.

**E. Listing on Stock Exchanges**

The equity shares of the Company are listed on following Stock Exchanges:

National Stock Exchange of India Limited (NSE) "Exchange Plaza" Bandra-Kurla Complex, Bandra (E), Mumbai – 400051	BSE Limited (BSE) Phiroze Jeejeebhoy Tower Dalal Street, Mumbai – 400001
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The Company has paid the annual listing fee for the financial year 2018-19 to both NSE and BSE.

**F. Stock Code**

The codes assigned to the equity shares of the Company by NSDL/CDSL, NSE and BSE are set out in Table 12 below:

**Table 12: Codes assigned to the equity shares of the Company**

NSDL/CDSL (ISIN)	NSE Stock Code	BSE Stock Code
INE561H01026	PARSVNATH – EQ	532780

**G. Market Price Data**

The monthly high and low prices of the Company's equity shares traded at BSE and NSE, as also the high and low of S&P BSE Sensex and Nifty 50 for the financial year 2017-18 are set out in Table 13 & 14 below:

**Table 13: High/Low Price of the equity shares of the Company at BSE vis-à-vis S&P BSE Sensex**

Month/Year	HIGH		LOW	
	Price (₹)	S&P BSE Sensex	Price (₹)	S&P BSE Sensex
April, 2017	17.44	30,184.22	12.00	29,241.48
May, 2017	16.95	31,255.28	12.80	29,804.12
June, 2017	14.30	31,522.87	12.66	30,680.66
July, 2017	25.94	32,672.66	13.90	31,017.11
August, 2017	23.95	32,686.48	18.55	31,128.02
September, 2017	24.50	32,524.11	18.90	31,081.83

Month/Year	HIGH		LOW	
	Price (₹)	S&P BSE Sensex	Price (₹)	S&P BSE Sensex
October, 2017	23.70	33,340.17	20.10	31,440.48
November, 2017	33.10	33,865.95	22.00	32,683.59
December, 2017	33.90	34,137.97	27.00	32,565.16
January, 2018	31.50	36,443.98	23.30	33,703.37
February, 2018	24.70	36,256.83	19.85	33,482.81
March, 2018	21.25	34,278.63	13.60	32,483.84

**Table 14: High/Low Price of the equity shares of the Company at NSE vis-à-vis Nifty 50**

Month/Year	HIGH		LOW	
	Price (₹)	Nifty 50	Price (₹)	Nifty 50
April, 2017	17.45	9,367.15	12.35	9,075.15
May, 2017	17.00	9,649.60	12.75	9,269.90
June, 2017	14.75	9,709.30	12.65	9,448.75
July, 2017	25.95	10,085.90	13.80	9,543.55
August, 2017	24.00	10,088.10	18.75	9,685.55
September, 2017	24.60	10,178.95	18.90	9,687.55
October, 2017	23.85	10,384.50	20.15	9,831.05
November, 2017	32.85	10,490.45	22.05	10,094.00
December, 2017	33.85	10,552.40	26.75	10,033.35
January, 2018	31.75	11,171.55	23.35	10,404.65
February, 2018	24.65	11,117.35	20.15	10,276.30
March, 2018	21.30	10,525.50	13.65	9,951.90

#### **H. Registrar & Share Transfer Agent (RTA)**

Link Intime India Private Limited (Unit: Parsvnath Developers Limited)  
44, Community Centre, 2<sup>nd</sup> Floor,  
Naraina Industrial Area, Phase- I, Near PVR Naraina  
New Delhi - 110028  
Phone No. : 011-41410592/93/94, Fax No. : 011-41410591  
e-mail: delhi@linkintime.co.in

#### **I. Share Transfer System**

For registration of transfer of shares held in physical form, the share certificate(s) in original alongwith the share transfer deed(s) and other relevant documents should be submitted at the registered office of the Company or with its RTA. In case the documents are in order, the requests for registration of transfer of shares are placed either before the delegated authority or before the Stakeholders Relationship/ Shares Committee, as the case may be, for approval.

Pursuant to Regulation 40(9) of the Listing Regulations, certificates issued by the Practising Company Secretary for due compliance of share transfer formalities have been furnished by the Company to the Stock Exchanges on half yearly basis.

#### **J. Distribution of Shareholding**

Table 15 and 16 list the shareholding pattern and distribution of the shareholding of the equity shares of the Company, in terms of categories of shareholders and size of holding respectively:

**Table 15: Shareholding Pattern as on March 31, 2018**

Category of Shareholders	Mode of Holding Shares		Total Shareholding	
	Physical	Demat	Number	%
Promoters	0	306,670,811	306,670,811	70.47
Bodies Corporate	0	58,965,995	58,965,995	13.55
Financial Institutions/Banks	0	383,812	383,812	0.09
Mutual Funds	0	0	0	0
Foreign Institutional Investors	0	26,110,220	26,110,220	6.00
NRIs	0	3,577,524	3,577,524	0.82
Individuals	43,869	37,406,329	37,450,198	8.61
Others	2	2,022,608	2,022,610	0.46
<b>Total</b>	<b>43,871</b>	<b>435,137,299</b>	<b>435,181,170</b>	<b>100.00</b>

**Table 16: Distribution of Shareholding as on March 31, 2018**

Range of Shareholding	Shareholders		Shareholding	
	Number	%	Number	%
Upto 500	172,990	94.26	13,419,818	3.08
From 501 to 1000	5,798	3.16	4,492,634	1.03
From 1001 to 2000	2,549	1.39	3,857,945	0.89
From 2001 to 3000	736	0.40	1,867,259	0.43
From 3001 to 4000	344	0.19	1,256,368	0.29
From 4001 to 5000	279	0.15	1,323,477	0.30
From 5001 to 10,000	398	0.22	2,914,928	0.67
From 10,001 and above	435	0.24	406,048,741	93.31
<b>Total</b>	<b>183,529</b>	<b>100</b>	<b>435,181,170</b>	<b>100</b>

**K. Dematerialization of shares**

Table 17 lists the number of equity shares of the Company held in dematerialised mode through National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on March 31, 2018:

**Table 17: Shares in Dematerialised mode as on March 31, 2018**

NSDL		CDSL		Total	
No. of Shares	% of Capital	No. of Shares	% of Capital	No. of Shares	% of Capital
362,574,823	83.32	72,562,476	16.67	43,871	0.01

**L. Outstanding GDRs/ADRs/Warrants or any Convertible instruments**

The Company has not issued any GDRs/ADRs/Warrants or any other instruments, which are convertible into equity shares of the Company.

**M. Plant Location**

As the Company is engaged in the business of real estate activities, there is no plant location.

**N. Address for correspondence**

Company	Registrar & Share Transfer Agent (RTA)
<p>Shri V. Mohan Sr. Vice President (Legal) &amp; Company Secretary Parsvnath Developers Limited Parsvnath Tower, Near Shahdara Metro Station, Shahdara, Delhi -110032. CIN: L45201DL1990PLC040945 Phone No. : 011-43050100/43010500 Fax No. : 011- 43050468/43050473 e-mail: investors@parsvnath.com Website: www.parsvnath.com</p>	<p>Link Intime India Private Limited (Unit: Parsvnath Developers Limited) 44, Community Centre, 2<sup>nd</sup> Floor, Naraina Industrial Area, Phase- I, Near PVR Naraina, New Delhi -110 028. Phone No. : 011- 41410592/93/94 Fax No. : 011- 41410591 e-mail: delhi@linkintime.co.in Website: www.linkintime.co.in</p>

**11. Other Disclosures**

**A. Materially Significant Related Party Transactions, i.e. the Company's transactions that are of material nature, with its Promoters, Directors and the management, their relatives or subsidiaries, among others that may have potential conflict with the Company's interests at large:**

During the year under review, there were no Materially Significant Related Party Transactions, i.e. the Company's transactions that are of material nature, with its Promoters, Directors and the management, their relatives or subsidiaries, among others that may have potential conflict with the Company's interests at large.

As per Section 188 of the Companies Act, 2013 read with applicable Accounting Standards, the transactions entered into by the Company with its 'Related Parties' during the financial year 2017-18 are detailed in the Notes to Accounts of the financial statements. All Related Party Transactions were on an arm's length basis and in the ordinary course of business. The Related Party Transactions Policy as approved by the Board of Directors may be accessed on the Company's website at the link: <http://www.parsvnath.com/investors/iulr/related-party-transaction-policy/>

**B. Non-compliance/strictures/penalties:**

There were no instances of non-compliance by the Company on any matter related to capital markets and therefore, no penalties and/or strictures have been imposed on the Company or the Board of Directors by any Stock Exchange or SEBI or any statutory authority during the last three years.

**C. Vigil Mechanism/Whistle Blower Policy:**

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil Mechanism / Whistle Blower Policy under which the Directors and employees are free to report violations of applicable laws and regulations. During the year under review, no Director and employee was denied access to the Chairperson of the Audit Committee. However, the Company has not received any complaint under the aforesaid mechanism.

**D. Subsidiary Companies**

The Company had 18 subsidiary companies as on March 31, 2018, including one overseas subsidiary viz. Parsvnath Developers Pte. Ltd., incorporated in Singapore.

During the year under review, Farhad Realtors Pvt. Ltd. has become a wholly owned Subsidiary of the Company with effect from July 29, 2017.

Subsequent to the year end:

- A) Parsvnath Rail Land Project Pvt. Ltd. (PRLPPL) has become subsidiary of the Company in terms of Section 2(87) of the Companies Act, 2013, pursuant to MCA notification dated May 07, 2018.

- B) The Company has, pursuant to the Securities Purchase Agreement dated June 21, 2018, acquired 4,90,000 Class A Shares and 1,00,000 Class B Shares from Anuradha SA Investments LLC, Mauritius (Investor 1) and 87,51,000 Series A Fully Convertible Debentures from Anuradha Ventures Limited, Cyprus (Investor 2), of Parsvnath Buildwell Private Limited (PBPL), a subsidiary company.

As at March 31, 2018, Parsvnath Estate Developers Pvt. Ltd. (PEDPL) was a “material subsidiary” as defined under Regulation 16(1)(c) of the Listing Regulations. Further pursuant to Regulation 24(1) of Listing Regulations with respect to appointment of one Independent Director of the Company on the board of Parsvnath Estate Developers Private Limited (PEDPL), the material subsidiary company, Ms. Deepa Gupta, Non- Executive Independent Director of the Company was appointed as an Additional Director on the Board of PEDPL with effect from June 20, 2018.

The Audit Committee reviews the financial statements, in particular, the investments, if any, made by its subsidiary companies. The minutes of the board meetings alongwith details of significant transactions and arrangements, if any, entered into by the subsidiary companies are periodically placed before the Board of Directors of the Company.

The Policy for determining material subsidiaries as approved by the Board of Directors may be accessed on the Company’s website at the link: <http://www.parsvnath.com/investors/iulr/policy-for-determining-material-subsidiaries/>.

#### **E. Compliance with mandatory & non-mandatory requirements**

The Company complies with all the mandatory requirements as prescribed under Regulation 24(1) read with Part E of Schedule II to the Listing Regulations. The Company has adopted following non-mandatory requirements of the aforesaid Regulation:

- The statutory financial statements of the Company, on standalone basis, are unqualified.
- Shri Pradeep Kumar Jain is the Chairman of the Company and Shri Sanjeev Kumar Jain is the Managing Director & CEO of the Company. The Company has complied with the requirement of having separate persons for the post of Chairman and Managing Director & CEO.
- The Internal Auditors of the Company directly report to the Audit Committee.

#### **F. Risk Management:**

Risk evaluation and management is an ongoing process. The Company has in place a risk management framework under which risks are identified across all business processes, on a continuous basis. Once identified, these risks are systematically categorized as strategic risks, business risks or reporting risks and thereafter, adequate steps are taken to mitigate the risks. The Company has in place a Risk Management Policy.

#### **G. Reconciliation of share capital audit:**

Pursuant to Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996, a qualified practicing Company Secretary carries out a share capital audit quarterly to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report(s) confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL and that the requests for dematerialisation of shares are processed by the RTA within the prescribed time and uploaded with the concerned depositories.

#### **H. “Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information” and “Code of Conduct to regulate, monitor and report trading by insiders under SEBI (Prohibition of Insider Trading) Regulations, 2015:**

In compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015 and SEBI Circular No. CIR/ISD/01/2015 dated May 11, 2015, the Company has formulated and published on its official website i.e. [www.parsvnath.com](http://www.parsvnath.com) “Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information” and “Code of Conduct to regulate, monitor and report trading by insiders”. Further, the Board of Directors has appointed Shri V. Mohan, Sr. Vice President (Legal) & Company Secretary as Compliance Officer who is responsible for setting forth policies and procedures for monitoring adherence to the aforesaid Codes under the overall supervision of the Board of Directors.

**I. Status of Unclaimed Shares:**

Pursuant to Regulation 39(4) read with Schedule VI to the Listing Regulations, the Company has opened a separate demat suspense account named as "Parsvnath Developers Limited – Unclaimed Securities Suspense Account" and credited the shares of the Company which are remaining unclaimed by the Shareholders under the Initial Public Offer (IPO).

Further, since the Company has not declared any dividend during the last 7 years, the Company was not required to transfer its unclaimed shares to Investor Education and Protection Fund (IEPF), as per the provisions of Section 124(6) and other applicable provisions, if any of the Companies Act, 2013 read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), as amended from time to time and Circulars / Notifications, if any, issued by the Ministry of Corporate Affairs, in this regard.

The details of such unclaimed shares as on March 31, 2018 are set out in Table 18 below:

**Table 18: Unclaimed Shares\***

S. No.	Particulars	Number	
		Shareholders	Shares
1	Aggregate Number of Shareholders and the outstanding shares in the aforesaid suspense account lying at the beginning of the year i.e. as at April 1, 2017	364	18,118
2	Number of Shareholders who approached for transfer of shares from the said account during the year 2017-18	0	0
3	Number of Shareholders to whom shares were transferred from the said account during the year 2017-18	0	0
4	Aggregate Number of Shareholders and the outstanding shares in the said account lying at the end of the year i.e. as at March 31, 2018	364	18,118

\*The voting rights on the above-mentioned Shares shall remain frozen till the rightful owners of such shares claim the Shares.

- J.** The compliance with respect to corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Listing Regulations have been made, except that with respect to the provision of regulation 24(1) with respect to appointment of one Independent director of the company on the board of Parsvnath Estate Developers Private Limited (PEDPL), the material subsidiary company for the Financial Year 2017-18. Subsequently, Ms Deepa Gupta, Non- Executive Independent Director of the Company was appointed as an Additional Director, on the Board of PEDPL with effect from June 20, 2018.

**K. CEO AND CFO CERTIFICATION**

The annual certificate, required under Regulation 17(8) read with Part B of Schedule II to the Listing Regulations, duly signed by the Managing Director & CEO and Group Chief Financial Officer on financial reporting and internal controls was placed before the Board of Directors, which has been duly taken on record.

The Managing Director & CEO and Group Chief Financial Officer also give quarterly certificate on financial results while placing the financial results before the Board in terms of Regulation 33(2) of the Listing Regulations.

**On behalf of the Board of Directors**

**Sd/-**

**PRADEEP KUMAR JAIN**  
**Chairman**  
**DIN 00333486**

Place: Delhi  
Date: August 13, 2018

The Board of Directors  
 Parsvnath Developers Limited  
 Parsvnath Tower,  
 Near Shahdara Metro Station,  
 Shahdara, Delhi-110032

## **DECLARATION REGARDING COMPLIANCE WITH THE CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL**

I, Sanjeev Kumar Jain, Managing Director and Chief Executive Officer of Parsvnath Developers Limited ("the Company"), hereby declare that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct for Board Members and Senior Management Personnel, for the Financial Year ended March 31, 2018, as required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Place: Delhi  
 Date: August 13, 2018

**Sd/-**  
**(SANJEEV KUMAR JAIN)**  
**Managing Director &**  
**Chief Executive Officer**  
**DIN 00333881**

## **CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER LISTING REGULATIONS, 2015**

### **Parsvnath Developers Limited**

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

We have examined all relevant records of Parsvnath Developers Limited (the Company) for the purpose of certifying all the conditions of the Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended 31<sup>st</sup> March 2018. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof. This certificate 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. On the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has complied with the conditions of the Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Except, that the Company has not complied with the provision of regulation 24(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to appointment of one Independent director of the company on the board of Parsvnath Estate Developers Private Limited (PEDPL), the material subsidiary company for the Financial Year 2017-18. Subsequently, Ms Deepa Gupta, Non- Executive Independent Director of the Company was appointed as an Additional Director on the Board of PEDPL with effect from 20.6.2018.

For Chandrasekaran Associates  
 Company Secretaries

**Sd/-**  
**Shashikant Tiwari**  
 Partner  
 Membership No. ACS 28994  
 Certificate of Practice No. 13050

Place: New Delhi  
 Date: August 13, 2018

## INDEPENDENT AUDITOR'S REPORT

### To The Members of Parsvnath Developers Limited

#### Report on the Ind AS Financial Statements

We have audited the accompanying Indian Accounting Standards (Ind AS) financial statements of Parsvnath Developers 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.

#### Emphasis of Matter

We draw attention to the following matter in the notes to the Ind AS financial statements:

Note 47, which indicates that the Company has incurred cash loss during the current and previous years and there have been delays/ defaults in payment of principal and interest on borrowings, statutory liabilities, salaries to employees and other dues by the Company. The management of the Company is of the opinion that no adverse impact is anticipated on future operations of the Company.

Our opinion is not modified in respect of this matter.

#### Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") 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 35 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 37 to the Ind AS financial statements;
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company- Refer Note 38 to the Ind AS financial statements.

For **S.N. Dhawan & Co LLP**

Chartered Accountants

Firm's Registration No.:000050N/N500045

Sd/-

**Vinesh Jain**

Partner

Membership No.: 087701

Place: New Delhi

Date: 29 May 2018

## **'Annexure A' to the Independent Auditor's Report**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of the Independent Auditor's Report of even date to the members of Parsvnath Developers Limited on the Ind AS financial statements as at and for the year ended 31 March 2018)

- 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. According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.
- 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. According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
- a. The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.
- b. The schedule of repayment of principal and payment of interest has not been stipulated and in the absence of such schedule, we are unable to comment on the regularity of the repayments or receipts of principal amounts and interest.
- c. There is no overdue amount remaining outstanding as at the balance sheet date.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public.
- vi. The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under Section 148 (1) of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. According to the information and explanations given to us in respect of statutory dues:
- a. There have been significant delays in deposit of undisputed statutory dues in respect of Tax deducted at Source and delays in deposit of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Value Added Tax, Goods and Service Tax (GST), Cess and other material statutory dues applicable to it to the appropriate authorities.
- We are informed that the Company's operations during the year, did not give rise to any liability for Customs Duty and Excise Duty.
- b. Undisputed amounts payable in respect of Tax Deducted at Source (TDS), Sales Tax, Goods and Service Tax (GST), Provident Fund and Employees State Insurance in arrears as at 31 March, 2018 for a period of more than six months from the date they became payable are as given below:

Nature of dues	Amount (₹ In lakhs)	Period of default
Tax deducted at source	5,140.74	Financial Years 2015-16, 2016-17 and 2017-18
Goods and Service Tax	25.16	July - September, 2017
Work Contract Tax (WCT)	83.00	April - June, 2017
Provident Fund and Employees State Insurance	21.58	July- September, 2017
Value Added Tax (VAT)	133.83	2006-07 to 2008-09

We are informed that the Company's operations during the year, did not give rise to any liability for Customs Duty and Excise Duty.

- c. Details of dues of Income-tax, Sales Tax and Value Added Tax which have not been deposited as on 31 March, 2018 on account of disputes are given below:

Name of statute	Nature of dues	Forum where the dispute is pending	Period to which the amount relates	Amount involved (₹ in lakhs)
Haryana Value Added Tax Act, 2003	Value Added Tax	Member Tribunal, Haryana	2006-2007 and 2008-09	173.26
UP Trade Tax	Trade Tax	Additional Commissioner (Appeal)	2000-01 to 2002-03, 2006-07 and 2007-08	568.11*
UP VAT	VAT	Additional Commissioner (Appeal)	2007-08 to 2013-14	316.97*
Mumbai VAT	VAT	Dy. Commissioner Sales Tax (Appeals)	2007-08 to 2010-11	332.81
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	2008-09 to 2009-10	708.33
Income Tax Act, 1961	Tax deducted at Source	Commissioner of Income Tax (Appeals)	2007-08 to 2016-17	198.15
Entertainment Tax	Tax	JT Commissioner (Appeals)	1999-2003	4.22

Note: \*Net of ₹ 352.93 lacs paid under protest.

There are no dues in respect of Service Tax and GST which have not been deposited as on 31 March, 2018 on account of any disputes. We are informed that the Company's operations during the year, did not give rise to any Customs Duty and Excise Duty.

- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders, except as below:

Particulars	Amount of default of repayment (₹ in lakhs)		Period of default
	Principal	Interest	
Dues to:			
Financial Institution: LIC of India	12,491.13	5,162.25	1 to 1551 days
Bank: Punjab National Bank	222.05	-	1 to 34 days

The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given

to us, the term loans have been applied by the Company during the year for the purpose for which they were raised, other than temporary deployment pending application.

- ix. 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.
- x. The Company has not paid any managerial remuneration during the year.
- xi. The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.
- xii. 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.
- xiii. 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 the CARO 2016 is not applicable to the Company.
- xiv. 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.
- xv. 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

**Sd/-**

**Vinesh Jain**

Partner

Membership No.: 087701

Place: New Delhi

Date: 29 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 Developers 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")**

1. We have audited the internal financial controls over financial reporting of Parsvnath Developers 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**

2. 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**

3. 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.
4. 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.

5. 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**

6. 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**

7. 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**

8. 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

**Sd/-**

**Vinesh Jain**

Partner

Membership No.: 087701

Place: New Delhi

Date: 29 May 2018

**BALANCE SHEET AS AT 31 MARCH, 2018**

(₹ in lakhs)

	Notes	As at 31-March-18	As at 31-March-17
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
a. Property, plant and equipment	5	521.16	624.31
b. Investment property	6	1,607.19	1,659.33
c. Other intangible assets	7	15,053.48	15,972.73
d. Intangible assets under development	7	59,788.56	52,758.69
e. Financial assets			
i. Investments	8	52,766.41	53,434.81
ii. Loans	9	11,376.71	10,194.08
iii. Other financial assets	10	2,097.16	3,689.24
f. Deferred tax assets (net)	11	10,026.45	7,652.73
g. Tax assets (Net)	17	2,124.09	1,770.34
h. Other non-current assets	12	27,171.38	33,250.81
<b>Total non-current assets</b>		<b>1,82,532.59</b>	<b>1,81,007.07</b>
<b>2 Current assets</b>			
a. Inventories	13	2,98,437.99	2,62,896.72
b. Financial assets			
i. Trade receivables	14	58,646.77	58,587.51
ii. Cash and cash equivalents	15	463.70	513.18
iii. Bank balances other than (ii) above	16	5,595.94	5,356.15
iv. Loans	9	1,351.95	532.67
v. Other financial assets	10	24,007.51	23,846.97
c. Other current assets	12	43,181.69	39,451.28
<b>Total current assets</b>		<b>4,31,685.55</b>	<b>3,91,184.48</b>
<b>Total assets</b>		<b>6,14,218.14</b>	<b>5,72,191.55</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
a. Equity share capital	18	21,759.06	21,759.06
b. Other equity	19	2,22,373.47	2,34,144.69
<b>Total Equity</b>		<b>2,44,132.53</b>	<b>2,55,903.75</b>
<b>Liabilities</b>			
<b>2 Non-current liabilities</b>			
a. Financial liabilities			
i. Borrowings	20	1,11,046.05	1,09,564.49
ii. Other financial liabilities	21	10,475.06	8,365.10
b. Provisions	22	513.74	416.17
c. Other non-current liabilities	23	611.09	649.44
<b>Total non-current liabilities</b>		<b>1,22,645.94</b>	<b>1,18,995.20</b>
<b>3 Current liabilities</b>			
a. Financial liabilities			
i. Borrowings	24	36,735.09	40,576.25
ii. Trade Payables	25	68,870.67	63,309.36
iii. Other financial liabilities	21	1,07,683.27	62,749.37
b. Provisions	22	33.70	39.74
c. Other current liabilities	23	34,116.94	30,617.88
<b>Total current liabilities</b>		<b>2,47,439.67</b>	<b>1,97,292.60</b>
<b>Total liabilities</b>		<b>3,70,085.61</b>	<b>3,16,287.80</b>
<b>Total equity and liabilities</b>		<b>6,14,218.14</b>	<b>5,72,191.55</b>

See accompanying notes to the financial statements

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

Sd/-  
**Vinesh Jain**  
Partner  
(Membership No. 087701)

Place: New Delhi  
Date: 29 May, 2018

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

Sd/-  
**Pradeep Kumar Jain**  
Chairman  
(DIN 00333486)

Sd/-  
**M. C. Jain**  
Group Chief Financial Officer  
Place: New Delhi  
Date: 29 May, 2018

Sd/-  
**Sanjeev Kumar Jain**  
Managing Director & CEO  
(DIN 00333881)

Sd/-  
**V. Mohan**  
Company Secretary

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2018

(₹ in lakhs)

	Notes	Year ended 31-March-18	Year ended 31-March-17
I Revenue from operations	26	10,844.34	24,942.30
II Other income	27	5,196.05	2,525.97
<b>III Total income (I + II)</b>		<b>16,040.39</b>	<b>27,468.27</b>
<b>IV Expenses</b>			
a. Cost of land / development rights		14,044.05	7,686.17
b. Cost of materials consumed	28	1,717.48	5,289.70
c. Purchases of stock-in-trade		758.00	-
d. Contract cost, labour and other charges		5,862.93	4,929.70
e. Changes in inventories of finished goods and work-in-progress	29	(14,927.68)	(7,445.70)
f. Employee benefits expense	30	3,124.57	2,939.06
g. Finance costs	31	12,750.29	10,918.74
h. Depreciation and amortisation expense	32	1,079.23	852.17
g. Other expenses	33	5,727.30	6,476.05
<b>Total expenses (IV)</b>		<b>30,136.17</b>	<b>31,645.89</b>
<b>V Profit/(loss) before tax (III-IV)</b>		<b>(14,095.78)</b>	<b>(4,177.62)</b>
<b>VI Tax expense/(benefit):</b>	34		
a. Current tax		-	-
b. Tax adjustment for earlier years		-	406.11
c. Deferred tax		(2,360.93)	(1,100.59)
		<b>(2,360.93)</b>	<b>(694.48)</b>
<b>VII Profit/(loss) for the year (V - VI)</b>		<b>(11,734.85)</b>	<b>(3,483.14)</b>
<b>VIII Other comprehensive income</b>			
A (i) Items that will not be reclassified to profit or loss			
a. Remeasurements of the defined benefit plans		(49.15)	(27.38)
		<b>(49.15)</b>	<b>(27.38)</b>
(ii) Income tax relating to items that will not be reclassified to profit or loss		(12.78)	(8.46)
<b>Total other comprehensive income [ A(i-ii) ]</b>		<b>(36.37)</b>	<b>(18.92)</b>
<b>IX Total comprehensive income for the year (VII + VIII)</b>		<b>(11,771.22)</b>	<b>(3,502.06)</b>
<b>X Earnings per equity share (face value ₹ 5 per share)</b>	58		
a. Basic (in ₹)		(2.70)	(0.80)
b. Diluted (in ₹)		(2.70)	(0.80)

See accompanying notes to the financial statements

1-67

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

Sd/-  
**Vinesh Jain**  
Partner  
(Membership No. 087701)

Place: New Delhi  
Date: 29 May, 2018

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

Sd/-  
**Pradeep Kumar Jain**  
Chairman  
(DIN 00333486)

Sd/-  
**M. C. Jain**  
Group Chief Financial Officer  
Place: New Delhi  
Date: 29 May, 2018

Sd/-  
**Sanjeev Kumar Jain**  
Managing Director & CEO  
(DIN 00333881)

Sd/-  
**V. Mohan**  
Company Secretary

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2018

(₹ in lakhs)

	Year ended 31-March-18	Year ended 31-March-17
<b>A. Cash flow from operating activities</b>		
Profit/(loss) before tax (including OCI)	(14,144.93)	(4,205.00)
Adjustments for:		
Depreciation and amortisation expense	1,079.23	852.17
Profit on sale of property, plant and equipment (net)	(41.66)	4.61
Profit on sale of non-current investments	(3,830.73)	(134.13)
Finance costs	12,750.29	10,918.74
Interest income	(1,312.69)	(2,268.96)
Share of loss from joint venture	0.23	0.22
Operating profit/(loss) before working capital changes	<b>(5,500.26)</b>	<b>5,167.65</b>
Movement in working capital:		
Adjustments for (increase)/decrease in operating assets:		
Inventories	(14,798.98)	(7,445.70)
Trade receivables	(59.26)	2,817.70
Loans - non current	(1,182.63)	2,647.06
Loans - current	(819.28)	(1,434.92)
Other financial assets - non current	1,592.08	(39.51)
Other financial assets - current	(28.01)	(456.96)
Other assets - non current	6,079.43	1,402.94
Other assets - current	(3,730.41)	(10,889.84)
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	5,561.31	99.88
Other financial liabilities - non current	2,109.96	(362.15)
Other financial liabilities - current	(6,531.97)	18,441.53
Other liabilities - non current	(38.35)	(38.69)
Other liabilities - current	3,499.06	(4,600.97)
Provisions - non current	97.57	28.90
Provisions - current	(6.04)	(15.42)
Cash generated from/(used in) operations	<b>(13,755.78)</b>	<b>5,321.50</b>
Income taxes paid (net)	(353.75)	(357.34)
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>(14,109.53)</b>	<b>4,964.16</b>
<b>B. Cash flow from investing activities</b>		
Payments for Property, Plant and Equipments , Investment Properties and intangible assets including under development	(7,071.25)	(3,137.97)
Proceeds from sale of Property, Plant and Equipments and intangible assets and investment property	78.35	44.96
(Increase)/decrease in bank balances not considered as cash and cash equivalents		
- Placed during the year	(4,964.09)	(2,187.86)
- Matured during the year	4,724.30	2,636.26
Purchase of non-current investments		
- Subsidiaries	(1.00)	(26,997.63)

## CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2018

(₹ in lakhs)

	Year ended 31-March-18	Year ended 31-March-17
- Joint Venture	0.00	0.01
- Others	(0.10)	-
Redemption/sale of non-current investments		
- Subsidiaries	4,500.00	25,091.26
Interest received	1,180.16	4,334.80
<b>Net cash flow from/(used in) investing activities</b>	<b>(1,553.63)</b>	<b>(216.17)</b>
<b>C. Cash flow from financing activities</b>		
Interest paid	(28,118.51)	(25,148.83)
Proceeds from / (repayment of) working capital borrowings	(771.93)	(1,001.22)
Proceeds from other short-term borrowings	867.94	22,358.00
Repayment of other short-term borrowings	(3,937.17)	(16,569.31)
Proceeds from long-term borrowings	64,357.93	97,034.00
Repayment of long-term borrowings	(16,784.58)	(83,007.12)
<b>Net cash flow from / (used in) financing activities</b>	<b>15,613.68</b>	<b>(6,334.48)</b>
<b>D. Net increase/(decrease) in Cash and cash equivalents</b>	<b>(49.48)</b>	<b>(1,586.49)</b>
<b>E. Cash and cash equivalents at the beginning of the year</b>	<b>513.18</b>	<b>2,099.67</b>
<b>F. Cash and cash equivalents at the end of the year</b>	<b>463.70</b>	<b>513.18</b>

See accompanying notes to the financial statements

1-67

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

Sd/-  
**Vinesh Jain**  
Partner  
(Membership No. 087701)

Place: New Delhi  
Date: 29 May, 2018

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

Sd/-  
**Pradeep Kumar Jain**  
Chairman  
(DIN 00333486)

Sd/-  
**M. C. Jain**  
Group Chief Financial Officer  
Place: New Delhi  
Date: 29 May, 2018

Sd/-  
**Sanjeev Kumar Jain**  
Managing Director & CEO  
(DIN 00333881)

Sd/-  
**V. Mohan**  
Company Secretary

## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2018

### a. Equity Share Capital

	Amount ₹ in lakhs
<b>Balance as at 31 March, 2016</b>	21,759.06
Changes in equity share capital during the year	-
<b>Balance as at 31 March, 2017</b>	21,759.06
Changes in equity share capital during the year	-
<b>Balance as at 31 March, 2018</b>	<b>21,759.06</b>

### b. Other Equity

(₹ in lakhs)

	Reserves and Surplus				Other Comprehensive Income	Total
	Securities premium reserve	General Reserve	Debenture redemption reserve	Retained earnings	Remeasurment of defined benefit plan	Total
<b>Balance as at 31 March, 2016</b>	1,40,711.41	7,960.00	1,500.00	87,386.69	88.65	2,37,646.75
Profit/(loss) for the year	-	-	-	(3,483.14)	-	(3,483.14)
Other comprehensive income for the year, net of income tax	-	-	-	-	(18.92)	(18.92)
<b>Total comprehensive income for the year</b>	-	-	-	(3,483.14)	(18.92)	(3,502.06)
Transferred from retained earnings	-	-	7,802.50	-	-	7,802.50
Transfer to Debenture redemption reserve	-	-	-	7,802.50	-	7,802.50
<b>Balance as at 31 March, 2017</b>	1,40,711.41	7,960.00	9,302.50	76,101.05	69.73	2,34,144.69
Profit/(loss) for the year	-	-	-	(11,734.85)	-	(11,734.85)
Other comprehensive income for the year, net of income tax	-	-	-	-	(36.37)	(36.37)
<b>Total comprehensive income for the year</b>	-	-	-	(11,734.85)	(36.37)	(11,771.22)
Transferred from retained earnings	-	-	225.00	-	-	225.00
Transfer to Debenture redemption reserve	-	-	-	225.00	-	225.00
<b>Balance as at 31 March, 2018</b>	1,40,711.41	7,960.00	9,527.50	64,141.20	33.36	2,22,373.47

See accompanying notes to the financial statements

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

Sd/-  
**Vinesh Jain**  
Partner  
(Membership No. 087701)

Place: New Delhi  
Date: 29 May, 2018

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

Sd/-  
**Pradeep Kumar Jain**  
Chairman  
(DIN 00333486)

Sd/-  
**M. C. Jain**  
Group Chief Financial Officer  
Place: New Delhi  
Date: 29 May, 2018

Sd/-  
**Sanjeev Kumar Jain**  
Managing Director & CEO  
(DIN 00333881)

Sd/-  
**V. Mohan**  
Company Secretary

## 1. CORPORATE INFORMATION

Parsvnath Developers Limited ("the Company") was set up as a Company registered under the Companies Act, 1956. It was incorporated on 24 July, 1990. The Company is primarily engaged in the business of promotion, construction and development of integrated townships, residential and commercial complexes, multi-storeyed buildings, flats, houses, apartments, shopping malls, IT parks, hotels, SEZ, etc.

The Company is a public limited company incorporated and domiciled in India. The address of its corporate office is 6th Floor, Arunachal Building, 19, Barakhamba Road, New Delhi - 110 001. The Company is listed on the National Stock Exchange of India Limited. (NSE) and BSE Limited (BSE).

## 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.
- v. Income from construction contracts is recognised by reference to the stage of completion of the contract activity at the reporting date of the financial statements. The related costs there against are charged to the Statement of Profit and Loss. The stage of completion of the contract is measured by reference to the proportion that contract cost incurred for work performed up to the reporting date bears to the estimated total contract cost for each contract. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.

- 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.
- vii. Income from licence fee is recognised on accrual basis in accordance with the terms of agreement with the sub-licensees.
- viii. Income from rent is recognised on accrual basis in accordance with the terms of agreement with the lessee.
- ix. Income from maintenance charges is recognised on accrual basis.
- 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 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

### a. As lessor

Receipts from operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the term of the relevant lease. Where the lease payments are structured to increase in line with expected general inflation to compensate for expected inflationary cost increases, lease income is recognised as per the contractual terms.

### b. As lessee

Payments for operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the term of the relevant lease. Where the lease payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, lease expense is recognised as per the contractual terms. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

## 2.5 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.

## 2.6 Employee benefits

### a. Defined contribution plan

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

### b. Defined benefit plan

For defined benefit plan in the form of gratuity, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is not reclassified to profit or loss in subsequent periods. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost comprising current service costs, past service costs, gains and losses on curtailments and settlements;
- net interest expense or income; and
- remeasurement

### c. Short-term and other long-term 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.

Accumulated leaves expected to be carried forward beyond twelve months, are treated as long-term employee benefits. Liability for such long term benefit is provided based on the actuarial valuation using the projected unit credit method at year-end.

## 2.7 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.

### Minimum Alternate Tax (MAT)

Minimum Alternate Tax (MAT) is payable when the taxable profit is lower than the book profit. Taxes paid under MAT are available as a set off against regular income tax payable in subsequent years. MAT paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period i.e the period for which MAT credit is allowed to be carried forward. MAT credit is recognised as an asset and is shown as 'MAT Credit Entitlement'. The Company reviews the 'MAT

Credit Entitlement' asset at each reporting date and write down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

## 2.8 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'

## 2.9 Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost includes purchase/construction cost, directly attributable cost and borrowing costs, if the recognition criteria are met. The fair value of investment property is disclosed in the notes.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal.

Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

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

Depreciation on property, plant and equipment and investment property is provided on straight line basis as per the useful life prescribed in Schedule II to the Companies Act, 2013, except

in respect of Shuttering and Scaffolding, in which case the life of the asset has been assessed on technical advice, taking into account the nature of asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technology changes and maintenance support etc. Accordingly the useful life of the assets taken is as under:

Asset	Useful life
Buildings	60 years
Plant and equipment	8 years
Shuttering and scaffolding	6 years
Furniture and fixture	8 years
Vehicles	8 years
Office equipment	5 years
Computer	3 years
Investment properties (Buildings)	60 years

Free hold land is not depreciated

## 2.11 Intangible assets

Intangible assets comprises buildings constructed on 'Build-operate-Transfer' (BOT) basis. The company has unconditional right to use/lease such assets during the specified period. After expiry of specified period, these assets will get transferred to licensor without any consideration. Since, the Company has no ownership rights over these assets and has limited right of use during the specified period, these assets are classified as intangible assets. These intangible assets are initially recognised at their cost of construction. 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 to initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Intangible assets which are not ready for intended use as on the date of Balance Sheet are disclosed as 'Intangible assets under development'

Intangible assets are amortised on a straight line basis over the licence period (right to use) which ranges from 12 to 30 years.

## 2.12 Impairment of tangible and intangible assets

At the end of each reporting period, the Company reviews the carrying amounts of its tangible and intangible 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.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

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.

## 2.13 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 reliable 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 reliable 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.

## 2.14 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.

### Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

## 2.15 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.

## 2.16 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.

## 2.17 Unbilled receivables

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

## 2.18 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.

## 2.19 Foreign currency translations

The financial statements are presented in Indian Rupee, the functional currency of the Company.

Transactions in foreign currencies entered into by the Company are recorded at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Foreign currency monetary items of the Company, outstanding at the reporting date are restated at the exchange rates prevailing at the reporting date. Non-monetary items denominated in foreign currency, are reported using the exchange rate at the date of the transaction.

Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

## 2.20 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.

## 2.21 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.

## 2.22 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.

### 2.23 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.

#### Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable

election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling 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 or a financial guarantee.

Dividends on these investments in equity instruments are recognised in profit or loss when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss are included in the 'Other income' line item.

#### Financial assets at fair value through profit or loss (FVTPL)

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading

Financial assets at FVTPL are measured at fair value at the end of each reporting period, 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 dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the Company's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

### Impairment of financial assets

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, lease receivables, 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.

### Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

## 2.24 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.

#### **Financial guarantee contracts**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the

cumulative amount of income recognised in accordance with the principles of Ind AS 18.

#### **Commitments to provide a loan at a below-market interest rate**

Commitments to provide a loan at a below-market interest rate are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

#### **Foreign exchange gains and losses**

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

#### **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. Classification of property as investment property or inventory
- b. Measurement of defined benefit obligations
- c. Useful life of property, plant and equipment
- d. Measurement of contingent liabilities and expected cash outflows
- e. Provision for diminution in value of long-term investments
- f. Provision for expected credit losses
- g. Impairment provision for intangible assets

## 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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### 5 Property, plant and equipment

(₹ in lakhs)

	As at 31-March-18	As at 31-March-17
Carrying amounts of :		
Land and building		
i. Own use	71.25	72.81
ii. Given under operating lease	43.12	47.12
Plant and equipment	1.67	9.04
Shuttering and scaffolding	-	-
Furniture and fixture	3.18	5.02
Vehicles	388.27	472.79
Office equipment	10.39	13.46
Computers	3.28	4.07
	<b>521.16</b>	<b>624.31</b>

(₹ in lakhs)

	Land and building		Plant and equipment	Shuttering and scaffolding	Furniture and fixture	Vehicles	Office equipment	Computers	Total
	Own use	Given under operating lease							
<b>Deemed cost</b>									
<b>Balance as at 31 March, 2016</b>	<b>75.94</b>	<b>55.09</b>	<b>115.05</b>	<b>0.97</b>	<b>83.14</b>	<b>787.65</b>	<b>40.48</b>	<b>7.26</b>	<b>1,165.58</b>
Additions	-	-	-	-	-	-	2.13	1.92	<b>4.05</b>
Disposals	-	-	-	-	-	54.50	0.38	-	<b>54.88</b>
<b>Balance as at 31 March, 2017</b>	<b>75.94</b>	<b>55.09</b>	<b>115.05</b>	<b>0.97</b>	<b>83.14</b>	<b>733.15</b>	<b>42.23</b>	<b>9.18</b>	<b>1,114.75</b>
Additions	-	-	-	-	-	37.44	1.40	2.54	<b>41.38</b>
Disposals	-	-	-	-	-	29.26	-	-	<b>29.26</b>
<b>Balance as at 31 March, 2018</b>	<b>75.94</b>	<b>55.09</b>	<b>115.05</b>	<b>0.97</b>	<b>83.14</b>	<b>741.33</b>	<b>43.63</b>	<b>11.72</b>	<b>1,126.87</b>
<b>Accumulated depreciation</b>									
<b>Balance as at 31 March, 2016</b>	<b>1.59</b>	<b>4.01</b>	<b>89.88</b>	<b>0.90</b>	<b>73.06</b>	<b>155.03</b>	<b>9.07</b>	<b>2.51</b>	<b>336.05</b>
Depreciation expense	1.54	3.96	16.13	0.07	5.06	119.66	19.90	2.60	<b>168.92</b>
Elimination on disposals of assets	-	-	-	-	-	14.33	0.20	-	<b>14.53</b>
<b>Balance as at 31 March, 2017</b>	<b>3.13</b>	<b>7.97</b>	<b>106.01</b>	<b>0.97</b>	<b>78.12</b>	<b>260.36</b>	<b>28.77</b>	<b>5.11</b>	<b>490.44</b>
Depreciation expense	1.56	4.00	7.37	-	1.84	106.96	4.47	3.33	<b>129.53</b>
Elimination on disposals of assets	-	-	-	-	-	14.26	-	-	<b>14.26</b>
<b>Balance as at 31 March, 2018</b>	<b>4.69</b>	<b>11.97</b>	<b>113.38</b>	<b>0.97</b>	<b>79.96</b>	<b>353.06</b>	<b>33.24</b>	<b>8.44</b>	<b>605.71</b>
<b>Carrying amount</b>									
<b>Balance as at 31 March, 2016</b>	<b>74.35</b>	<b>51.08</b>	<b>25.17</b>	<b>0.07</b>	<b>10.08</b>	<b>632.62</b>	<b>31.41</b>	<b>4.75</b>	<b>829.53</b>
Additions	-	-	-	-	-	-	2.13	1.92	<b>4.05</b>
Disposals	-	-	-	-	-	40.17	0.18	-	<b>40.35</b>
Depreciation expense	1.54	3.96	16.13	0.07	5.06	119.66	19.90	2.60	<b>168.92</b>
<b>Balance as at 31 March, 2017</b>	<b>72.81</b>	<b>47.12</b>	<b>9.04</b>	<b>-</b>	<b>5.02</b>	<b>472.79</b>	<b>13.46</b>	<b>4.07</b>	<b>624.31</b>
Additions	-	-	-	-	-	37.44	1.40	2.54	<b>41.38</b>
Disposals	-	-	-	-	-	15.00	-	-	<b>15.00</b>
Depreciation expense	1.56	4.00	7.37	-	1.84	106.96	4.47	3.33	<b>129.53</b>
<b>Balance as at 31 March, 2018</b>	<b>71.25</b>	<b>43.12</b>	<b>1.67</b>	<b>-</b>	<b>3.18</b>	<b>388.27</b>	<b>10.39</b>	<b>3.28</b>	<b>521.16</b>

Note:

- i. For details of assets charges as security, refer note 20 and 24

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### 6 Investment property

(₹ in lakhs)

	As at 31-March-18	As at 31-March-17
Freehold land	32.81	32.81
Buildings	1,574.38	1,626.52
<b>Completed investment properties</b>	<b>1,607.19</b>	<b>1,659.33</b>

(₹ in lakhs)

	Freehold land		Buildings		Total	
	As at 31-March-18	As at 31-March-17	As at 31-March-18	As at 31-March-17	As at 31-March-18	As at 31-March-17
<b>Cost or deemed Cost</b>						
Balance at the beginning of the year	32.81	32.81	1,688.32	1,688.32	1,721.13	1,721.13
Additions	-	-	-	-	-	-
Disposals	-	-	22.56	-	22.56	-
<b>Balance at the end of the year</b>	<b>32.81</b>	<b>32.81</b>	<b>1,665.76</b>	<b>1,688.32</b>	<b>1,698.57</b>	<b>1,721.13</b>
<b>Accumulated depreciation</b>						
Balance at the beginning of the year	-	-	61.80	30.94	61.80	30.94
Disposals	-	-	0.87	-	0.87	-
Additions	-	-	-	-	-	-
Depreciation expense	-	-	30.45	30.86	30.45	30.86
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>	<b>91.38</b>	<b>61.80</b>	<b>91.38</b>	<b>61.80</b>
<b>Carrying amount</b>						
Balance at the beginning of the year	32.81	32.81	1,626.52	1,657.38	1,659.33	1,690.19
Additions	-	-	-	-	-	-
Disposals	-	-	21.69	-	21.69	-
Depreciation expense	-	-	30.45	30.86	30.45	30.86
<b>Balance at the end of the year</b>	<b>32.81</b>	<b>32.81</b>	<b>1,574.38</b>	<b>1,626.52</b>	<b>1,607.19</b>	<b>1,659.33</b>

#### Fair Value of the Company's investment properties

The investment properties consist of 77 No's (previous year 83 No's) commercial properties in India.

As at 31 March 2018 and 31 March, 2017, the fair values of the properties are ₹ 2,579.02 lakhs and ₹ 2,621.13 lakhs respectively. These valuations are based on valuations performed by Chartered Engineers, specialist in valuing these types of investment properties.

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Details of the investment properties and information about the fair value hierarchy as at 31 March, 2018 and 31 March, 2017 are as follows:

(₹ in lakhs)

	Level 2	Level 3	As at 31-March-18
Commercial Properties located in India	-	2,579.02	2,579.02
<b>Total</b>	<b>-</b>	<b>2,579.02</b>	<b>2,579.02</b>
	Level 2	Level 3	As at 31-March-17
Commercial Properties located in India	-	2,621.13	2,621.13
<b>Total</b>	<b>-</b>	<b>2,621.13</b>	<b>2,621.13</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### 7 Other intangible assets

(₹ in lakhs)

Particulars	As at 31-March-18	As at 31-March-17
<b>Carrying amounts of :</b>		
Assets on Build-operate-transfer (BOT) basis	15,053.48	15,972.73
<b>Total</b>	<b>15,053.48</b>	<b>15,972.73</b>
Intangible assets under development	59,788.56	52,758.69
<b>Total</b>	<b>59,788.56</b>	<b>52,758.69</b>

(₹ in lakhs)

Particulars	Assets on BOT basis		Total
	Own use	Given under operating lease	
<b>Deemed cost</b>			
Balance as at 31 March, 2016	-	9,367.51	<b>9,367.51</b>
Additions from internal developments	-	7,849.86	<b>7,849.86</b>
Disposals	-	-	-
<b>Balance as at 31 March, 2017</b>	-	<b>17,217.37</b>	<b>17,217.37</b>
Additions from internal developments	-	-	-
Disposals	-	-	-
<b>Balance as at 31 March, 2018</b>	-	<b>17,217.37</b>	<b>17,217.37</b>
<b>Accumulated amortisation</b>			
Balance as at 31 March, 2016	-	592.25	<b>592.25</b>
Amortisation expense	-	652.39	<b>652.39</b>
Disposal	-	-	-
<b>Balance as at 31 March, 2017</b>	-	<b>1,244.64</b>	<b>1,244.64</b>
Amortisation expense	-	919.25	<b>919.25</b>
Disposal	-	-	-
Balance as at 31 March, 2018	-	2,163.89	<b>2,163.89</b>
<b>Carrying amount</b>			
Balance as at 31 March, 2016	-	<b>8,775.26</b>	<b>8,775.26</b>
Additions from internal developments	-	7,849.86	<b>7,849.86</b>
Amortisation expense	-	652.39	<b>652.39</b>
Disposals	-	-	-
<b>Balance as at 31 March, 2017</b>	-	<b>15,972.73</b>	<b>15,972.73</b>
Additions from internal developments	-	-	-
Amortisation expense	-	919.25	<b>919.25</b>
Disposals	-	-	-
<b>Balance as at 31 March, 2018</b>	-	<b>15,053.48</b>	<b>15,053.48</b>

#### Significant intangible assets

a. Assets on Build-operate-transfer (BOT) basis

Intangible assets comprises buildings constructed on 'Build-operate-Transfer' (BOT) basis. The company has unconditional right to use/lease such assets during the specified period. After expiry of specified period, these assets will get transferred to licensor without any consideration. Since, the Company has no ownership rights over these assets and has limited right of use during the specified period, these assets are classified as intangible assets.

b. Intangible assets under development

Intangible assets (BOT) which are not ready for intended use as on the date of Balance Sheet are disclosed as 'Intangible assets under development'

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### 8 Investments - Non current (Unquoted)

(₹ in lakhs)

Particulars	As at 31-March-18	As at 31-March-17
<b>A. Investments carried at cost</b>		
i. Subsidiaries		
a. Equity instruments	27,282.40	27,281.40
b. Preference shares	9,683.40	9,683.40
c. Debentures/bonds	13,646.79	14,316.06
Total - subsidiaries	50,612.59	51,280.86
ii. Joint venture	813.97	814.20
iii. Associates	291.60	291.60
<b>B. Investment at fair value through profit and loss</b>		
i. Other entities	1,048.25	1,048.15
	<b>52,766.41</b>	<b>53,434.81</b>

#### Details of investments:

Particulars	As at 31-March-18		As at 31-March-17	
	Qty.	₹ in lakhs	Qty.	₹ in lakhs
<b>I Investments at cost</b>				
<b>A. Investments carried at cost - Subsidiaries</b>				
<b>(I) Equity instruments</b>				
a. Parsvnath Landmark Developers Private Limited \$ Class 'A' Equity Shares of ₹ 10 each fully paid-up	27,20,101	6,165.05	27,20,101	6,165.05
b. Parsvnath Landmark Developers Private Limited \$ Class 'B' Equity Shares of ₹ 10 each fully paid-up	5,61,951	1,432.98	561,951	1,432.98
c. Parsvnath Infra Limited Equity Shares of ₹ 10 each fully paid-up	2,60,49,400	2,604.94	2,60,49,400	2,604.94
d. Parsvnath Film City Limited Equity Shares of ₹ 10 each fully paid-up	17,50,000	175.00	17,50,000	175.00
e. PDL Assets Limited Equity Shares of ₹ 10 each fully paid-up	60,000	6.00	60,000	6.00
f. Parsvnath Hotels Limited Equity Shares of ₹ 10 each fully paid-up	54,00,000	1,350.00	54,00,000	1,350.00
g. Parsvnath Telecom Private Limited Equity Shares of ₹ 10 each fully paid-up	10,30,000	103.00	10,30,000	103.00
h. Parsvnath Developers Pte. Limited Equity Shares of SGD 1 each fully paid-up	456,920	145.49	456,920	145.49
i. Primetime Realtors Private Limited \$ Equity Shares of ₹ 10 each fully paid-up	10,000	1.00	10,000	1.00
j. Parsvnath Hessa Developers Private Limited Equity Shares of ₹ 10 each fully paid-up	49,60,040	11,755.90	49,60,040	11,755.90

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

Particulars	As at 31-March-18		As at 31-March-17	
	Qty.	₹ in lakhs	Qty.	₹ in lakhs
k. Parsvnath Promoters and Developers Private Limited *	1,69,326	1,657.99	1,69,326	1,657.99
Equity Shares of ₹ 10 each fully paid-up				
l. Parsvnath Estate Developers Private Limited @	37,75,000	377.50	37,75,000	377.50
Class 'A' Equity Shares of ₹ 10 each fully paid-up				
m. Parsvnath Estate Developers Private Limited @	12,25,000	121.40	12,25,000	121.40
Class 'B' Equity Shares of ₹ 10 each fully paid-up				
n. Parsvnath Buildwell Private Limited*	5,01,000	50.10	5,01,000	50.10
Class 'A' Equity Shares of ₹ 10 each fully paid-up				
o. Parsvnath Buildwell Private Limited *	90,000	180.00	90,000	180.00
Class 'C' Equity Shares of ₹ 10 each fully paid-up				
p. Parsvnath Rail Land Project Private Limited # €	1,20,000	1,145.00	1,20,000	1,145.00
Equity Shares of ₹ 10 each fully paid-up				
q. Parsvnath HB Projects Private Limited	25,000	2.50	25,000	2.50
Equity Shares of ₹ 10 each fully paid-up				
r. Parsvnath Realty Ventures Limited	50,000	5.00	50,000	5.00
Equity Shares of ₹ 10 each fully paid-up				
s. Vasavi PDL Ventures Private Limited	25,500	2.55	25,500	2.55
Equity Shares of ₹ 10 each fully paid-up				
t. Farhad Realtors Private Limited	10,000	1.00	-	-
Equity Shares of ₹ 10 each fully paid-up				
		<b>27,282.40</b>		<b>27,281.40</b>
<b>B. Investments carried at cost - subsidiaries</b>				
<b>(I) Preference shares</b>				
a. Parsvnath Buildwell Private Limited	4,84,170	9,683.40	4,84,170	9,683.40
0.000001% Optionally Convertible Preference Shares of ₹ 100 each fully paid-up				
		9,683.40		9,683.40
<b>(II) Debentures</b>				
a. Parsvnath Promoters and Developers Private Limited	9,34,30,096	9,343.01	9,34,30,096	9,343.01
16.00% Optionally convertible Debentures of ₹ 10 each fully paid-up				
b. Parsvnath Buildwell Private Limited	10,83,593	1,083.59	10,83,593	1,083.59
15.50% Fully Convertible Debentures of ₹ 100 each fully paid-up				
c. Parsvnath Hessa Developers Private Limited		-	45,00,000	669.27
14.00% Fully Convertible Debentures of ₹ 100 each fully paid-up				
d. Parsvnath Rail Land Project Private Limited #	3,09,634	3,220.19	3,09,634	3,220.19

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

Particulars	As at 31-March-18		As at 31-March-17	
	Qty.	₹ in lakhs	Qty.	₹ in lakhs
17.50% Series 'B' Optionally convertible Debentures of ₹ 1040 each fully paid-up				
		13,646.79		14,316.06
<b>C. Investments carried at cost - Joint Venture</b>				
<b>(I) Association of Persons (AOP)</b>				
a. Ratan Parsvnath Developers (AOP)		813.97		814.20
		813.97		814.20
<b>D. Investments carried at cost - Associates</b>				
<b>(I) Equity instruments</b>				
a. Amazon India Limited	25,000	212.50	25,000	212.50
Equity Shares of ₹ 10 each fully paid-up				
b. Home Life Real Estate Private Limited	7,75,000	77.50	7,75,000	77.50
Equity Shares of ₹ 10 each fully paid-up				
c. Vardaan Buildtech Private Limited	16,000	1.60	16,000	1.60
Equity Shares of ₹ 10 each fully paid-up				
		291.60		291.60
<b>E. Investments at fair value through profit and loss</b>				
Other entities				
<b>(I) Equity instruments</b>				
a. Delhi Stock Exchange Limited	14,96,500	1,047.55	14,96,500	1,047.55
Equity Shares of Re. 1 each fully paid-up				
b. Nakshatra Residency Private Limited	5,000	0.50	5,000	0.50
Equity Shares of ₹ 10 each fully paid-up				
c. Aadi Best Consortium Private Limited	1,000	0.10	1,000	0.10
Equity Shares of ₹ 10 each fully paid-up				
d. Riya Garments Private Limited	1,000	0.10	-	-
Equity Shares of ₹ 10/- each fully paid-up				
		1,048.25		1,048.15
<b>TOTAL INVESTMENTS CARRYING VALUE (A+B+C+D+E)</b>		52,766.41		53,434.81
Aggregate book value of quoted investments		-		-
Aggregate market value of quoted investments		-		-
Aggregate carrying value of unquoted investments		52,766.41		53,434.81

\* Investment in these shares are subject to non disposal undertakings furnished in favour of Investors for investments made in the respective companies.

# Parsvnath Rail Land project Private limited is considered as a Subsidiary on the basis of voting Power in the said Company.

@ 49% of the Equity Shares are pledged with NBFCs towards security for Term Loan.

€ 71,916 shares out of 1,20,000 are pledged as a security for Term Loan from NBFC.

\$ The securities have been pledged with non-banking financial companies / debenture trustees towards securities against loans taken / debentures issued.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### Details of subsidiaries, joint venture and associates

Details of each of the Company's material subsidiary, joint venture and associates at the end of the year are as follows:

Sr. no.	Name of Company	Principal activity	Place of incorporation and principal place of business		Proportion of ownership interest / voting rights held by the Company	
					As at 31-March-18	As at 31-March-17
A. SUBSIDIARIES						
1	Parsvnath Landmark Developers Private Limited	Real estate	Delhi	Delhi	100%	100%
2	Parsvnath Infra Limited	Infrastructure	Delhi	Pan India	94.87%	94.87%
3	Parsvnath Hotels Limited	Hotel	Delhi	Shirdi	100%	100%
4	Parsvnath Hessa Developers Private Limited	Real estate	Delhi	Gurgaon	100%	100%
5	Parsvnath Estate Developers Private Limited	Real estate-Leasing	Delhi	Delhi	100%	100%
6	Parsvnath Promoters & Developers Private Limited	Real estate	Delhi	Delhi	51%	51%
7	Parsvnath Film City Limited	Non-operative	Delhi	N.A.	100%	100%
8	Parsvnath Telecom Private Limited	Non-operative	Delhi	N.A.	100%	100%
9	PDL Assets Limited	Non-operative	Delhi	N.A.	100%	100%
10	Primetime Realtors Private Limited	Real estate	Delhi	Delhi	100%	100%
11	Parsvnath Buildwell Private Limited	Real estate	Delhi	Ghaziabad	90.05% / 50.10%	90.05% / 50.10%
12	Parsvnath Rail Land Project Private Limited*	Real estate	Delhi	Delhi	28.30% / 85.10%	28.30% / 85.10%
13	Parsvnath HB Projects Private Limited	Real estate	Delhi	Mohali	51%	51%
14	Parsvnath Realty Ventures Limited	Real estate	Delhi	Delhi	100%	100%
15	Vasavi PDL Ventures Private Limited	Real estate	Hyderabad	Hyderabad	51%	51%
16	Parsvnath Developers Pte. Limited	Non-operative	Singapore	Singapore	53.32%	53.32%
17	Farhad Realtors Pvt Ltd	Real estate	Delhi	Delhi	100%	-
B. STEP DOWN SUBSIDIARIES (Ownership interest of holding company)						
1	Parsvnath MIDC Pharma SEZ Private Limited (Subsidiary of Parsvnath Infra Limited)	Real estate	Delhi	Kochi	94.87%	94.87%
2	Parsvnath Realcon Private Limited (Subsidiary of Parsvnath Buildwell private Limited)	Real estate	Delhi	Delhi	50.10%	50.10%
C. JOINT VENTURES						
1	Ratan Parsvnath Developers (AOP)	Real estate	Delhi	Kanpur	50%	50%
D. ASSOCIATES						
1	Amazon India Limited	Non-operative	Delhi	N.A.	48.30%	48.30%
2	Home Life Real Estate Private Limited	Non-operative	Chandigarh	N.A.	50.00%	50.00%
3	Vardaan Buildtech Private Limited	Non-operative	Delhi	N.A.	33.33%	33.33%

\* Parsvnath Rail Land Project Private Limited is considered as a subsidiary on the basis of voting power in the said company.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### 9 Loans (₹ in lakhs)

Particulars	As at 31-March-18	As at 31-March-17
<b>I Non-Current</b>		
(unsecured, considered good)		
a. Loans to related parties	11,376.71	10,194.08
	<b>11,376.71</b>	<b>10,194.08</b>
<b>II Current</b>		
(unsecured, considered good)		
a. Loans to related parties	1,347.36	513.59
b. Loans and advances to employees	4.59	19.08
	<b>1,351.95</b>	<b>532.67</b>

### 10 Other financial assets (₹ in lakhs)

Particulars	As at 31-March-18	As at 31-March-17
<b>I Non-Current</b>		
a. Security deposits	2,097.16	3,689.24
	<b>2,097.16</b>	<b>3,689.24</b>
<b>II Current</b>		
a. Security deposits	1,092.67	1,171.42
b. Interest receivables :-		
i. Interest accrued on deposits with banks	176.33	194.96
ii. Interest accrued on investments	6,416.51	6,265.35
c. Receivables on sale of Investments	1,450.00	1,450.00
d. Other receivables (refer note 42)	14,872.00	14,765.24
	<b>24,007.51</b>	<b>23,846.97</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### 11 Deferred tax assets (net)

(₹ in lakhs)

Particulars	As at 31-March-18	As at 31-March-17
Deferred tax assets	7,657.39	5,262.87
Deferred tax liabilities	232.02	211.22
Net deferred tax assets (a)	7,425.37	5,051.65
Mat credit entitlement (b)	2,601.08	2,601.08
<b>Total Deferred Tax Assets (a+b)</b>	<b>10,026.45</b>	<b>7,652.73</b>

(₹ in lakhs)

Year ended 31-March-18	Opening Balance	Recognised in Profit or loss	Recognised in other comprehensive Income	Closing balance
<b>Deferred tax assets/(liabilities) in relation to:</b>				
Property, plant and equipment	(211.22)	(20.80)	-	(232.02)
Defined benefit obligation	205.23	5.01	12.78	223.03
Disallowances under Income Tax Act	-	2,669.94	-	2,669.94
	(5.99)	2,654.15	12.78	2,660.95
Unabsorbed depreciation and tax losses	5,057.64	(293.22)	-	4,764.42
	<b>5,051.65</b>	<b>2,360.93</b>	<b>12.78</b>	<b>7,425.37</b>

(₹ in lakhs)

Year ended 31-March-17	Opening Balance	Recognised in Profit or loss	Recognised in other comprehensive Income	Closing balance
<b>Deferred tax assets/(liabilities) in relation to:</b>				
Property, Plant and equipment	(149.85)	(61.37)	-	(211.22)
Defined benefit obligation	217.01	(20.24)	8.46	205.23
	67.16	(81.61)	8.46	(5.99)
Unabsorbed depreciation and tax losses	3,875.44	1,182.20	-	5,057.64
	<b>3,942.60</b>	<b>1,100.59</b>	<b>8.46</b>	<b>5,051.65</b>

#### Notes:

- The Company has tax losses of ₹ 18,324.68 lakhs (31 March, 2017 - ₹ 16,367.76 lakhs) that are available for offsetting for eight years against future taxable income of the Company. The losses will expire as under:

	Amount ₹ in lakhs
Year ending 31 March, 2023	4,358.98
Year ending 31 March, 2024	1,002.37
Year ending 31 March, 2026	12,963.33
	18,324.68

- 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 23 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.
- The recognition of deferred tax assets on unabsorbed depreciation and tax losses is based on detailed budgets prepared by the Company and approved by the board of directors.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

12 Other assets		(₹ in lakhs)	
Particulars	As at 31-March-18	As at 31-March-17	
<b>I Non-Current</b>			
a. Advances for land purchase to related parties	13,803.17	14,473.25	
b. Advances for land purchase to others	1,213.41	5,948.15	
c. Upfront fee paid for projects (Unamortised)	11,968.26	12,636.97	
d. Prepaid expenses	186.54	192.44	
	<b>27,171.38</b>	<b>33,250.81</b>	
<b>II Current</b>			
a. Advances for land purchase to others	6,911.50	6,549.07	
b. Prepaid expenses	1,518.68	1,361.53	
c. Input Tax Credit receivables	2,406.92	1,920.00	
d. Advances to suppliers	7,009.32	4,062.29	
e. Unbilled receivables	25,335.27	25,558.39	
	<b>43,181.69</b>	<b>39,451.28</b>	

13 Inventories		(₹ in lakhs)	
Particulars	As at 31-March-18	As at 31-March-17	
Inventories (lower of cost and net realisable value)			
a. Work-in-progress	2,92,333.45	2,57,550.18	
b. Finished flats/properties	6,104.54	5,346.54	
	<b>2,98,437.99</b>	<b>2,62,896.72</b>	

**Note:**

The Company has classified its inventory of work-in-progress and finished properties as current. Details of inventories expected to be realised after more than 12 months from the reporting date is as under:

		(₹ in lakhs)	
Particulars	As at 31-March-18	As at 31-March-17	
Less than 12 months	50,000.00	25,000.00	
More than 12 months	2,48,437.99	2,37,896.72	
	<b>2,98,437.99</b>	<b>2,62,896.72</b>	

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

<b>14 Trade receivables</b>	(₹ in lakhs)	
Particulars	As at 31-March-18	As at 31-March-17
Unsecured, considered good		
Trade receivables (see note 48)	58,646.77	58,587.51
	<b>58,646.77</b>	<b>58,587.51</b>
<b>Notes:</b>		
1. The average credit period is 30 to 45 days. For payments, beyond credit period, interest is charged at an average rate of 12% to 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 expect any credit losses.		
<b>15 Cash and cash equivalents</b>	(₹ in lakhs)	
Particulars	As at 31-March-18	As at 31-March-17
A. Balances with banks:-		
i. In current accounts	441.84	484.60
B. Cash on hand	21.86	28.58
	<b>463.70</b>	<b>513.18</b>
<b>16 Bank balances, other than Cash and cash equivalents</b>	(₹ in lakhs)	
Particulars	As at 31-March-18	As at 31-March-17
A. Deposits with banks held as margin money or security against borrowings or guarantees	5,595.94	5,356.15
	<b>5,595.94</b>	<b>5,356.15</b>
<b>17 Tax assets and liabilities ( Net )</b>	(₹ in lakhs)	
Particulars	As at 31-March-18	As at 31-March-17
I. Tax assets		
Tax refund receivables	2,124.09	1,770.34
	<b>2,124.09</b>	<b>1,770.34</b>
II. Tax liabilities		
Tax payable/provision	-	-
	-	-

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### 18 Equity share capital

Particulars	As at 31-March-18		As at 31-March-17	
	Number of shares	₹ in lakhs	Number of shares	₹ in lakhs
<b>Authorised Share Capital</b>				
i. Equity shares of ₹ 5 each	60,00,00,000	30,000.00	60,00,00,000	30,000.00
ii. Preference shares of ₹ 10 each	5,00,00,000	5,000.00	5,00,00,000	5,000.00
	<b>65,00,00,000</b>	<b>35,000.00</b>	<b>65,00,00,000</b>	<b>35,000.00</b>
<b>Issued, subscribed and fully paid-up capital</b>				
i. Equity shares of ₹ 5 each	43,51,81,170	21,759.06	43,51,81,170	21,759.06
	<b>43,51,81,170</b>	<b>21,759.06</b>	<b>43,51,81,170</b>	<b>21,759.06</b>

Refer notes (i) to (iv) below:

#### (i) Rights, preferences and restrictions attached to equity shares:

The Company has issued only one class of equity shares having a par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share held. The dividend, if any, proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### (ii) Reconciliation of share capital:

Particulars	Number of Shares	Share Capital ₹ in lakhs
Balance as at 31 March, 2016	43,51,81,170	21,759.06
Movements during the year	-	-
Balance as at 31 March, 2017	<b>43,51,81,170</b>	<b>21,759.06</b>
Movements during the year	-	-
Balance as at 31 March, 2018	<b>43,51,81,170</b>	<b>21,759.06</b>

#### (iii) Details of shares held by each shareholder holding more than 5% of total share capital:

Name of shareholder	As at 31- March-18		As at 31-March-17	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
<b>Equity shares of ₹ 5 each, fully paid up:</b>				
i. Pradeep Kumar Jain	11,71,56,162	26.92	11,71,56,162	26.92
ii. Pradeep Kumar Jain & Sons (HUF)	9,73,32,571	22.37	10,01,57,571	23.02
iii. Parasnath And Associates Private Limited	4,71,86,992	10.84	4,71,86,992	10.84
iv. Nutan Jain	4,49,11,886	10.32	4,49,11,886	10.32

#### (iv) The Company has not issued any preference share capital.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

		₹ in lakhs
Particulars	As at 31-March-18	As at 31-March-17
<b>19 Other equity</b>		
General Reserve	7,960.00	7,960.00
Securities premium reserve	1,40,711.41	1,40,711.41
Debenture redemption reserve	9,527.50	9,302.50
Retained earnings	64,141.20	76,101.05
Other comprehensive income	33.36	69.73
	<b>2,22,373.47</b>	<b>2,34,144.69</b>
<b>General Reserve</b>		
Balance at the beginning of the year	7,960.00	7,960.00
<b>Balance at the end of the year</b>	<b>7,960.00</b>	<b>7,960.00</b>
<b>Securities premium Reserve</b>		
Balance at the beginning of the year	1,40,711.41	140,711.41
<b>Balance at the end of the year</b>	<b>1,40,711.41</b>	<b>140,711.41</b>
<b>Debenture Redemption Reserve</b>		
Balance at the beginning of the year	9,302.50	1,500.00
Add : Transferred from retained earnings	225.00	7,802.50
<b>Balance at the end of the year</b>	<b>9,527.50</b>	<b>9,302.50</b>
<b>Retained earnings</b>		
Balance at the beginning of the year	76,101.05	87,386.69
Add: Profit/(loss) for the year	(11,734.85)	(3,483.14)
Less: Transferred to Debenture Redemption Reserve	225.00	7,802.50
<b>Balance at the end of the year</b>	<b>64,141.20</b>	<b>76,101.05</b>
<b>Other comprehensive income</b>		
Balance at the beginning of the year	69.73	88.65
Add: Remeasurement of defined benefit obligation	(36.37)	(18.92)
(net of income tax)	<b>33.36</b>	<b>69.73</b>

### Nature and purpose of reserves:

- General reserve - The Company has transferred a part of the net profit of the Company to general reserve in earlier years.
- 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.
- 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.
- Retained earnings - Retained earnings are profits of the Company earned till date less transferred to general reserve and debenture redemption reserve.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### 20 Non-current borrowings

(₹ in lakhs)

Particulars	As at 31-March-18		As at 31-March-17	
	Non Current	Current	Non Current	Current
<b>Secured - at amortised cost</b>				
(i) Debentures				
13.00% Non-convertible redeemable debentures (Series XIV)	8,754.53	26,625.09	35,198.16	-
19.00% Non-convertible redeemable debentures (Series XV)	-	616.00	615.56	-
19.00% Non-convertible redeemable debentures (Series XVI)	1,269.00	725.00	1,093.22	-
	<b>10,023.53</b>	<b>27,966.09</b>	<b>36,906.94</b>	-
(ii) Term loans				
from financial institutions / other parties	1,01,022.52	37,309.64	72,657.55	19,183.94
<b>Total non-current borrowings</b>	<b>1,11,046.05</b>	<b>65,275.73</b>	<b>1,09,564.49</b>	<b>19,183.94</b>
Less: Amount disclosed under "other financial liabilities" (refer Note 21 (ii))	-	65,275.73	-	19,183.94
	<b>1,11,046.05</b>	<b>-</b>	<b>1,09,564.49</b>	<b>-</b>

#### Summary of Borrowings arrangements

(i) The terms of borrowings are stated below:

(₹ in lakhs)

Security details		As at 31-March-18	As at 31-March-17	Rate of Interest
<b>Debentures :</b>				
a.	13% NCDs of ₹ 35,500 lakhs were issued during the year ended 31 March 2015. NCDs are secured by (a) Pledge of certain equity shares of the Company held by promoters group (b) first charge by way of mortgage over a property situated in Parsvnath City Dharuhera, Rahukhedi Indore (c) first charge by way of mortgage over Rohini project and land at Jodhpur (d) second charge on receivables of DMRC projects (i) Azadpur metro station (ii) Games village metro station (iii) Seelampur metro station annexe (iv) Inderlok metro station annexe (v) Kashmere gate metro station box and (vi) Shahdara metro station, and (e) Personal guarantee of Chairman. These NCDs are redeemable in 4 quarterly instalments commencing from July, 2018.	35,500.00	35,500.00	13.00%
b.	19% NCDs of ₹ 616 lakhs were issued during the year ended 31 March 2017. The NCDs are secured by (a) 1st pari passu charge by way of Mortgage over development rights of Palacia Project situated in Greater Noida U.P. (b) Mortgage of Residential Plots at Gurgaon (c) charge on receivables of these projects and (d) personal guarantee of Chairman, Managing Director and a wholetime Director of the company. These NCDs are redeemable in 2 quarterly instalments commencing from April, 2018.	616.00	616.00	19.00%

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

(₹ in lakhs)

Security details		As at 31-March-18	As at 31-March-17	Rate of Interest
<b>Debentures :</b>				
c.	19% NCDs of ₹ 1,094 lakhs and ₹ 900 lakhs were issued during the years ended 31 March 2017 and 31 March, 2018 respectively. The NCDs are secured by (a) 1st pari passu charge by way of Mortgage over development rights of Palacia Project situated in Greater Noida U.P.(b) Mortgage of Residential Plots at Gurgaon (c) charge on receivables of these projects and (d) personal guarantee of Chairman, Managing Director and a wholetime Director of the company. These NCDs are redeemable in 11 quarterly instalments commencing from April, 2018.	1,994.00	1,094.00	19.00%
d.	IND AS Adjustments	(120.38)	(303.06)	
		<b>37,989.62</b>	<b>36,906.94</b>	
<b>Term Loans :</b>				
a.	Term Loan from a non-banking finance company is secured by (a) mortgage & escrow of receivables of (1) project land at Sonapat, (2) project land at Kurukshetra, (3) development rights of group housing project at Gurgaon, and mortgage of all unsold units of the project by the company, Parsvnath Hessa Developers Pvt. Ltd. and Parsvnath Sharmistha Realtors Pvt. Ltd, (b) corporate guarantee of land owning companies, and (c) personal guarantee of Chairman. The term loan is repayable in quarterly instalments commencing from November, 2018.	10,500.00	10,500.00	13.00%
b.	Term loan from a financial institution is secured by mortgage of a project land parcel at Indore, charge on receivables of project 'Pragati' Dharuhera and personal guarantee of Chairman. The term loan is repayable in 57 monthly instalments commencing from October, 2012.	12,491.13	12,491.13	13.50%
c.	Term loan from a financial institution is secured by pledge of certain equity shares of the company held by promoters group and mortgage of commercial land at Jodhpur and personal guarantee of Chairman, Managing Director and a wholetime Director of the company. The term loan has been fully repaid during the year.	-	276.52	17.50%
d.	Term loan from a non-banking finance company is secured by (1) mortgage of (a) commercial/other lands at New Delhi, (b) Commercial land at Derrabassi, (c) land in Rajpura (d) land of Royale Punchkula, (2) Charge on receivables of (a) commercial/other lands, New Delhi, (b) plots, floors and villas at Dharuhera, (c) Parsvnath Royale-Punchkula (d) commercial & plotted area at Derabassi (e) Rajpura, (3) Cross Collateralization of the securities with other loans from the lender, (4) personal guarantee of Chairman, Managing Director and a wholetime Director of the company and (5) Corporate guarantees of land owning companies. The term loan is repayable in monthly instalments commencing from May, 17.	26,200.00	31,755.00	13.93% to 16.70%
e.	Term loan from a non-banking finance company is secured by (1) extension of mortgage of (a) commercial/other lands at New Delhi, (b) Commercial land at Derrabassi, (c) land in Rajpura (d) land of Royale Punchkula and (2) Charge on receivables of (a) commercial/other lands, New Delhi, (b) plots, floors and villas at Dharuhera, (c) Parsvnath Royale-Punchkula (d) commercial & plotted area at Derabassi, (3) Cross Collateralization of the securities with other loans from the lender, (4) personal guarantee of Chairman, Managing Director and a wholetime Director of the company and (5) Corporate guarantees of land owning companies. The term loan is repayable in monthly instalments commencing from May 17.	9,642.36	10,242.00	11.54 % to 19.41%

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

(₹ in lakhs)

Security details		As at 31-March-18	As at 31-March-17	Rate of Interest
<b>Debentures :</b>				
f.	Term loan from a non-banking finance company is secured by (1) extension of mortgage of (a) commercial/other lands at New Delhi, (b) Commercial land at Derrabassi, (c) land in Rajpura(d)land of Royale Punchkula and (2) Charge on receivables of (a) commercial/other lands, New Delhi, (b) plots, floors and villas at Dharuhera, (c) Parsvnath Royale-Punchkula (d) commercial & plotted area at Derabassi, (3) Cross Collateralization of the securities with other loans from the lender, (4) personal guarantee of Chairman, Managing Director and a wholetime Director of the company and (5) Corporate guarantees of land owning companies. The term loan is repayable in monthly instalments commencing from January 18.	20,932.52	22,000.00	12.95%
g.	Term loan from a non-banking finance company is secured by mortgage of project land at Greater Noida, hypothecation of present and future receivables of the said project and personal guarantee of Chairman. The term loan is repayable in 4 quarterly instalments quarter commencing from September, 2019.	12,000.00	12,000.00	13.00%
h.	Term loan from a non-banking finance company is secured by (1) extension of mortgage of (a) commercial/other lands at New Delhi, (b) Commercial land at Derrabassi, (c) land in Rajpura, (d) land of Royale Punchkula, (2) Charge on receivables of (a) commercial/other lands, New Delhi, (b) Parsvnath Royale, Punchkula, (c) commercial & plotted area at Derabassi, (3) Cross Collateralization of the securities with other loans from the lender, (4) personal guarantee of Chairman, Managing Director and a wholetime Director of the company and (5) Corporate guarantees of land owing companies. The term loan is repayable in monthly instalments commencing from August, 2019.	2,800.00	-	12.00%
i.	Term loan from a non-banking finance company is secured by (1) extension of mortgage of (a) commercial/other lands at New Delhi, (b) Commercial land at Derrabassi, (c) land in Rajpura, (d) land of Royale Punchkula, (2) Charge on receivables of (a) commercial/other lands, New Delhi, (b) plots, floors and villas at Dharuhera, (c) Parsvnath Royale, Punchkula, (d) commercial & plotted area at Derabassi, (3) Cross Collateralization of the securities with other loans from the lender, (4) personal guarantee of Chairman, Managing Director and a wholetime Director of the company and (5) Corporate guarantees of land owing companies. The term loan is repayable in monthly instalments commencing from August, 2019.	2,700.00	-	12.00%
j.	Term loan from a non-banking finance company is secured by (1) extension of mortgage of (a) commercial/other lands at New Delhi, (b) Commercial land at Derrabassi, (c) land in Rajpura, (d) land of Royale Punchkula, (2) Charge on receivables of (a) commercial/other lands, New Delhi, (b) plots, floors and villas at Dharuhera, (c) Parsvnath Royale, Punchkula, (d) commercial & plotted area at Derabassi, (3) Second charge on receivables of DMRC project at Netaji Subhash Place, (4) Cross Collateralization of the securities with other loans from the lender, (5) personal guarantee of Chairman, Managing Director and a wholetime Director of the company, and (6) Corporate guarantees of land owing companies. The term loan is repayable in monthly instalments commencing from August, 2019.	6,504.50	-	10.32% to 12.00%

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

(₹ in lakhs)

Security details		As at 31-March-18	As at 31-March-17	Rate of Interest
<b>Debentures :</b>				
k.	Term loan from a non-banking finance company is secured by (1) extension of mortgage of (a) commercial/other lands at New Delhi, (b) Commercial land at Derrabassi, (c) land in Rajpura, (d) land of Royale Punchkula, (2) Charge on receivables of (a) commercial/other lands, New Delhi, (b) plots, floors and villas at Dharuhera, (c) Parsvnath Royale, Punchkula (d) commercial & plotted area at Derabassi, (3) Cross Collateralization of the securities with other loans from the lender, (4) personal guarantee of Chairman, Managing Director and a wholetime Director of the company, and (5) Corporate guarantees of land owing companies. The term loan is repayable in monthly instalments commencing from January, 2018.	16,735.38	-	12.73% to 12.95%
l.	Term loan from a non-banking finance company is secured by (1) extension of mortgage of (a) commercial/other lands at New Delhi, (b) Commercial land at Derrabassi, (c) land in Rajpura, (d) land of Royale Punchkula, (2) Charge on receivables of (a) commercial/other lands, New Delhi, (b) plots, floors and villas at Dharuhera, (c) Parsvnath Royale, Punchkula, (d) commercial & plotted area at Derabassi, (3) Cross Collateralization of the securities with other loans from the lender, (4) personal guarantee of Chairman, Managing Director and a wholetime Director of the company, and (5) Corporate guarantees of land owing companies. The term loan is repayable in monthly instalments commencing from February, 2019.	3,150.00	-	19.86%
m.	Term loan from a non-banking finance company is secured by (1) extension of mortgage of (a) commercial/other lands at New Delhi, (b) Commercial land at Derrabassi, (c) land in Rajpura, (d) land of Royale Punchkula, (2) Charge on receivables of (a) commercial/other lands, New Delhi, (b) plots, floors and villas at Dharuhera, (c) Parsvnath Royale, Punchkula, (d) commercial & plotted area at Derabassi, (3) Cross Collateralization of the securities with other loans from the lender, (4) personal guarantee of Chairman, Managing Director and a wholetime Director of the company, and (5) Corporate guarantees of land owing companies. The term loan is repayable in monthly instalments commencing from May, 2018.	7,060.00	-	15.90%
n.	Term loans from non-banking finance companies are secured by (1) extension of mortgage of (a) commercial/other lands at New Delhi, (b) Commercial land at Derrabassi, (c) land in Rajpura, (d) land of Royale Punchkula, (2) Charge on receivables of (a) commercial/other lands, New Delhi, (b) plots, floors and villas at Dharuhera, (c) Parsvnath Royale, Punchkula, (d) commercial & plotted area at Derabassi, (3) Cross Collateralization of the securities with other loans from the lender, (4) personal guarantee of Chairman, Managing Director and a wholetime Director of the company, and (5) Corporate guarantees of land owing companies. The term loan is repayable in monthly instalments commencing from October, 2018.	8,446.00	-	8.60%

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

(₹ in lakhs)

Security details		As at 31-March-18	As at 31-March-17	Rate of Interest
<b>Debentures :</b>				
o.	Term loan from a non-banking finance company is secured by (1) extension of mortgage of (a) commercial/other lands at New Delhi, (b) Commercial land at Derrabassi, (c) land in Rajpura, (d) land of Royale Punchkula, (2) Charge on receivables of (a) commercial/other lands, New Delhi, (b) plots, floors and villas at Dharuhera, (c) Parsvnath Royale, Punchkula, (d) commercial & plotted area at Derabassi, (3) Cross Collateralization of the securities with other loans from the lender, (4) personal guarantee of Chairman, Managing Director and a wholtime Director of the company, and (5) Corporate guarantees of land owing companies. The term loan is repayable in monthly instalments commencing from January 20.	7,210.00	-	8.60%
p.	Term loan from a non-banking finance company is secured by extension of (1) (a) Pledge of certain equity shares of the Company held by promoters group (b) first charge by way of mortgage over a property situated in Parsvnath City Dharuhera, Rahukhedi Indore (c) first charge by way of mortgage over Rohini project and land at Jodhpur (d) second charge on receivables of DMRC projects (i) Azadpur metro station (ii) games village metro station (iii) Seelampur metro station annexe (iv) Inderlok metro station annexe (v) Kashmere gate metro station box, and (vi) Shahdara metro station. (2) mortgage & escrow of receivables of (a) project land at Sonapat, (b) project land at Kurukshetra, (c) over development rights of group housing project at Gurgaon, and mortgage of all unsold units of the project by the company, Parsvnath Hessa Developers Pvt. Ltd. and Parsvnath Sharmistha Realtors Pvt. Ltd. (3) corporate guarantee of land owning companies, mortgage of project land at Greater Noida, hypothecation of present and future receivables of the said project and personal guarantee of Chairman. The term loan is repayable in 4 quarterly instalments quarter commencing from July, 2020.	10,000.00	-	13.00%
q.	IND AS Adjustments	(18,039.73)	(7,423.15)	
		<b>1,38,332.16</b>	<b>91,841.49</b>	

### (ii) Loans guaranteed by directors

(₹ in lakhs)

	As at 31-March-18	As at 31-March-17
a. Debentures (net of Ind AS adjustment)	37,989.62	36,906.94
b. Term loans from financial institutions / others (net of Ind AS adjustment)	1,38,332.16	91,841.49
	<b>1,76,321.78</b>	<b>1,28,748.43</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

- (iii) There were some delays in repayment of Principal and interest during the year which were regularised before the end of the year. The amount of defaults as at the year end are given below:

### As at 31 March, 2018

Sr. No.	Name	Type	Nature of dues	Amount ₹ in lakhs	Delayed Days
1	LIC of India, Mumbai	Financial Institution	Principal	1,042.57	upto 365
				11,448.56	above 365
2	LIC of India, Mumbai	Financial Institution	Interest	657.86	1 to 89
				647.06	90 to 179
				3,857.33	above 180
3	ECL Finance Limited	NBFC	Interest	607.47	1 to 59
4	Indiabulls Housing Finance Limited	NBFC	Interest	146.58	1 to 30
5	Indiabulls Commercial Credit Limited	NBFC	Interest	15.93	1 to 30

### As at 31 March, 2017

Sr. No.	Name	Type	Nature of dues	Amount ₹ in lakhs	Delayed Days
1	LIC of India, Mumbai	Financial Institution	Principal	4,200.00	Upto 365
				7,248.56	Above 365
2	LIC of India, Mumbai	Financial Institution	Interest	557.39	1 to 89
				550.62	90 to 179
				1,536.19	Above 180
3	ECL Finance Limited	NBFC	Interest	559.81	1 to 60
4	Indiabulls Housing Finance Limited	NBFC	Interest	146.58	1 to 30
5	Indiabulls Commercial Credit Limited	NBFC	Interest	15.93	1 to 30

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### 21 Other financial liabilities

(₹ in lakhs)

Particulars	As at 31-March-18	As at 31-March-17
<b>(i) Non-Current</b>		
a. Trade/security deposits received	10,475.06	8,365.10
	<b>10,475.06</b>	<b>8,365.10</b>
<b>(ii) Current</b>		
a. Current maturities of long term debt (Refer Note 20)	65,275.73	19,183.94
b. Interest accrued but not due on borrowings	9,974.07	7,021.60
c. Interest accrued and due on borrowings	6,677.46	3,689.61
d. Interest accrued but not due on others	2,915.10	3,481.34
e. Trade/security deposits received	22,797.65	29,170.71
f. Book overdraft - Banks	43.26	202.17
	<b>1,07,683.27</b>	<b>62,749.37</b>

### 22 Provisions

(₹ in lakhs)

Particulars	As at 31-March-18	As at 31-March-17
<b>Non-current</b>		
a. Employee benefits	513.74	416.17
	<b>513.74</b>	<b>416.17</b>
<b>Current</b>		
a. Employee benefits	33.70	39.74
	<b>33.70</b>	<b>39.74</b>

### 23 Other liabilities

(₹ in lakhs)

Particulars	As at 31-March-18	As at 31-March-17
<b>Non-current</b>		
a. Advances from customers	611.09	649.44
	<b>611.09</b>	<b>649.44</b>
<b>Current</b>		
a. Advances from customers	25,171.32	25,576.92
b. Statutory dues (Contributions to PF, Withholding Tax, GST, Sales Tax, VAT, Service Tax, etc.)	8,538.72	4,648.85
c. Advances received for sale of Fixed Assets	50.00	-
d. Rent received in advance	356.90	392.11
	<b>34,116.94</b>	<b>30,617.88</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### 24 Current borrowings

(₹ in lakhs)

Particulars	As at 31-March-18	As at 31-March-17
<b>I. Unsecured</b>		
a. Loans repayable on demand		
i. From others	3,190.75	2,315.75
<b>II. Secured</b>		
a. Loans repayable on demand		
i. From banks (Cash credit)	8,115.84	8,887.77
b. Short-term loans from banks	967.07	1,750.00
c. Loans from other parties	24,401.39	27,547.88
d. Other loans (against vehicles)		
i. From banks	60.04	74.85
	<b>36,735.09</b>	<b>40,576.25</b>

(₹ in lakhs)

Particulars	As at 31-March-18	As at 31-March-17	Effective interest rate
<b>24.1 Details of securities provided in respect of short term borrowings from banks - cash credit are as under:</b>			
a. Cash Credit is secured by first pari passu charge by way of hypothecation of stocks of construction & building materials, work-in-progress, finished goods (flats) and book debts / receivables of various projects/sites and mortgage of some specific units/land parcel/built up property at Moradabad, Greater Noida, Sonapat and Panipat and personal guarantee of Chairman, Managing Director and a wholetime Director of the company.	6,634.80	7,247.30	15.05%
b. Cash Credit is secured by first pari passu charge by way of hypothecation of stocks of construction & building materials, work-in-progress, finished goods (flats) and book debts / receivables of various projects/sites and mortgage of commercial land at Karnal, personal guarantee of Chairman, Managing Director and a wholetime Director of the company and corporate guarantee of Land owning companies.	468.06	645.27	17.30%
c. Cash Credit is secured by first pari passu charge by way of hypothecation of stocks of construction & building materials, work-in-progress, finished goods (flats) and book debts / receivables of various projects/sites and mortgage of commercial plot at Rajpura and commercial space at Saharanpur, pledge of term deposit of ₹ 232 lacs, personal guarantee of Chairman, Managing Director and a wholetime Director of the company and corporate guarantee of land owning company.	1,012.98	995.19	14.75%
	<b>8,115.84</b>	<b>8,887.77</b>	

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

Particulars		As at 31-March-18	As at 31-March-17	Effective interest rate
<b>24.2</b>	<b>Details of securities provided in respect of short term loans from banks are as under:</b>			
a.	Term loan from a bank is secured by mortgage of commercial units/ spaces at Faridabad and personal guarantee of Chairman, Managing Director and a wholetime Director of the company.	972.05	1,750.00	14.65%
b.	IND AS Adjustments	(4.98)	-	
		<b>967.07</b>	<b>1,750.00</b>	
<b>24.3</b>	<b>Details of securities provided in respect of loans from financial institutions and others are as under:</b>			
a.	Term loan from a non-banking finance company is secured by pledge of certain equity shares of the company held by promoters group and mortgage of commercial land at Noida and receivables of the said land, personal guarantee of Chairman, Managing Director and a wholetime Director of the company and corporate guarantee of land owning company.	1,023.49	1,967.94	17.50%
b.	Term loan from a non-banking finance company is secured by pledge of certain equity shares of the company held by promoters group, mortgage of land at Sonapat and personal guarantee of Chairman and cross collateral clause with another term loan from the lender.	2,969.36	2,969.36	17.25%
c.	Term loan from a financial institution is secured against keyman Insurance Policy taken by the company.	962.29	962.29	9.00%
d.	Term loan from a non-banking finance company is secured by (1) pledge of certain equity shares of the company held by promoters group, (2) mortgage & escrow of receivables of (a) project land at Rohtak (b) commercial project at Bhiwadi & Sonapat, (c) land in Indore, Ujjain & Kochi (d) institutional land at Sonipat, (3) pledge of equity shares of land owning companies (4) charge on receivables from Avlon Bhiwadi project and (5) personal guarantee of Chairman.	17,500.00	18,000.00	19.00%
e.	Term loan from a non-banking finance company is secured by mortgage of project at Pratibha plot No. 11, Moradabad, land at Sonapat and personal guarantee of Chairman and cross collateral clause with another term loan from the lender.	948.33	2,648.29	16.95%
f.	Term loan from a non-banking finance company is secured by pledge of certain equity shares of the company held by promoters group, mortgage of land at Sonapat and personal guarantee of Chairman.	1,000.00	1,000.00	21.00%
g.	IND AS Adjustments	(2.08)	-	
		<b>24,401.39</b>	<b>27,547.88</b>	

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

Particulars		As at 31-March-18	As at 31-March-17	Effective interest rate
<b>24.4</b>	<b>Details of securities provided in respect of vehicle loans from banks and others are as under:</b>			
a.	Loans taken from banks for vehicles are secured by way of hypothecation of specific vehicles financed and personal guarantee of Chairman.	60.04	74.85	9.65 to 10.00%
		<b>60.04</b>	<b>74.85</b>	

<b>24.5</b>	<b>Details of short term borrowings guaranteed by some of the directors:</b>	(₹ in lakhs)		
		As at 31-March-18	As at 31-March-17	
a.	Loans repayable on demand from banks	8,115.84	8,887.77	
b.	Term loans from banks & others (Net of Ind AS Adjustments)	24,406.17	28,335.59	
c.	Vehicle Loans from banks	60.04	74.85	
		<b>32,582.05</b>	<b>37,298.20</b>	

**24.6 Details of Period and amount of default in loan repayment as at year end:**

As at 31 March, 2018					
	Name	Type	Nature of dues	Amount ₹ in lakhs	Delayed Days
1	SREI Infrastructure Finance Limited	NBFC	Principal	456.82	1 to 121
2	Religare Finvest Limited	NBFC	Principal	451.47	1 to 89
3	Punjab National Bank	Bank	Principal	222.05	1 to 34
4	Religare Finvest Limited	NBFC	Interest	53.79	1 to 31
5	SREI Infrastructure Finance Limited	NBFC	Interest	287.48	1 to 90
6	IL & FS Financial Services Limited	NBFC	Interest	403.96	1 to 58
As at 31 March, 2017					
	Name	Type	Nature of dues	Amount ₹ in lakhs	Delayed Days
1	SREI Infrastructure Finance Limited	NBFC	Principal	267.94	1 to 60
2	Religare Finvest Limited	NBFC	Principal	282.10	1 to 60
3	Religare Finvest Limited	NBFC	Interest	181.64	1 to 60
4	SREI Infrastructure Finance Limited	NBFC	Interest	141.45	1 to 60

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### 25 Trade Payables

(₹ in lakhs)

Particulars	As at 31-March-18	As at 31-March-17
(i) Trade payables for goods and services	61,147.75	57,642.61
(ii) Trade payables for land	7,722.92	5,666.75
<b>Total</b>	<b>68,870.67</b>	<b>63,309.36</b>
Notes:		
1. The disclosure of the amount outstanding to micro enterprises and small enterprises are as follows:		
a. Amount of principal remaining unpaid to such suppliers	120.36	48.21
b. Interest due thereon remaining unpaid	45.31	34.60
c. Payments made to supplier beyond the appointed day along with Interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED), during the year	0.17	5.81
d. Amount of interest due and payable for delay in payment (which have been paid beyond the appointed day during the year) but without adding interest specified under MSMED	10.71	9.27
e. Amount of interest accrued and remaining unpaid	45.31	34.60
f. Interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to such suppliers	1.93	1.62

The above information is based on intimations received by the Company from its suppliers.

### 26 Revenue from operations

(₹ in lakhs)

Particulars	Year ended 31-March-18	Year ended 31-March-17
<b>a. Revenue from sale of properties</b>	8,073.31	22,476.21
	<b>8,073.31</b>	<b>22,476.21</b>
<b>b. Sale of services</b>		
i. Licence fee income	2,326.55	2,120.59
ii. Rent income	203.49	63.88
iii. Maintenance charges income	66.47	94.78
	<b>2,596.51</b>	<b>2,279.25</b>
<b>c. Other operating revenue</b>		
i. Sale of scrap	87.54	86.04
ii. Others	86.98	100.80
	174.52	186.84
	<b>10,844.34</b>	<b>24,942.30</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### 27 Other income (₹ in lakhs)

Particulars	Year ended 31-March-18	Year ended 31-March-17
a. Interest Income:		
i. From bank deposits	361.51	436.45
ii. From customers/others	783.22	1,126.70
iii. From long term investments	167.96	705.81
b. Net gain on disposal of property, plant and equipment	48.07	-
c. Net gain on disposal of investments	3,830.73	134.13
d. Miscellaneous income	4.56	122.88
	<b>5,196.05</b>	<b>2,525.97</b>

### 28 Cost of materials consumed (₹ in lakhs)

Particulars	Year ended 31-March-18	Year ended 31-March-17
Construction material	1,717.48	5,289.70
	<b>1,717.48</b>	<b>5,289.70</b>

### 29 Changes in inventories of finished goods and work-in-progress (₹ in lakhs)

Particulars	Year ended 31-March-18	Year ended 31-March-17
<b>a. Inventories at the beginning of the year:</b>		
i Work-in-progress (projects)	2,57,550.18	2,33,469.39
Less : Adjustments during the year	128.70	-
	<b>2,57,421.48</b>	<b>2,33,469.39</b>
ii Finished flats	5,346.54	3,832.02
	<b>2,62,768.02</b>	<b>2,37,301.41</b>
<b>b. Add : Finance costs allocated to inventory of work-in-progress</b> (Refer note (i) to note 31)	20,742.29	18,149.61
<b>c. Inventories at the end of the year:</b>		
i Work-in-progress (projects)	2,92,333.45	2,57,550.18
ii Finished flats	6,104.54	5,346.54
	<b>2,98,437.99</b>	<b>2,62,896.72</b>
<b>d. Net (increase) /decrease (a+b-c)</b>	<b>(14,927.68)</b>	<b>(7,445.70)</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

(₹ in lakhs)

Particulars	Year ended 31-March-18	Year ended 31-March-17
<b>30 Employee benefits expense</b>		
a. Salaries and Wages	2,984.34	2,816.80
b. Contribution to provident and other funds	68.76	51.10
c. Staff Welfare expenses	71.47	71.16
	<b>3,124.57</b>	<b>2,939.06</b>
<b>31 Finance costs</b>		
a. Interest costs:		
i. On borrowings	30,706.51	25,437.25
ii. To customers / others	831.81	2,329.70
iii. On delayed / deferred payment of statutory liabilities	959.56	526.94
	<b>32,497.88</b>	<b>28,293.89</b>
Less:		
i. Interest cost allocated to inventory of work-in-progress	20,742.29	18,149.61
(Refer note (i) below)		
	<b>11,755.59</b>	<b>10,144.28</b>
b. Other borrowing cost	994.70	774.46
	<b>994.70</b>	<b>774.46</b>
	<b>12,750.29</b>	<b>10,918.74</b>

Note:

- (i) Interest allocable to inventory of projects under progress (work-in-progress) has been segregated from finance cost and reflected under changes in inventories of work-in progress for better presentation (Also refer note 29).

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

(₹ in lakhs)

Particulars	Year ended 31-March-18	Year ended 31-March-17
<b>32 Depreciation and amortisation expense</b>		
a. Depreciation of Property, plant and equipment	129.53	168.92
b. Depreciation of investment property	30.45	30.86
c. Amortisation of intangible assets	919.25	652.39
	<b>1,079.23</b>	<b>852.17</b>
<b>33 Other expenses</b>		
a. Power and fuel	606.45	982.35
b. Rent including lease rentals	1,217.04	1,222.03
c. Repair and maintenance		
- Building	84.08	80.49
- Machinery	22.30	30.15
- Others	398.86	425.12
d. Insurance	37.29	43.47
e. Rates and taxes	476.63	484.91
f. Postage and telegram	63.27	86.45
g. Travelling and conveyance	176.25	155.51
h. Printing and stationery	64.79	69.33
i. Advertisement and business promotion	82.82	151.85
j. Sales commission	310.60	50.09
k. Vehicle running and maintenance	66.57	79.69
l. Rebate and discount	166.94	327.47
m. Legal and professional charges	821.78	837.73
n. Payment to auditors (see note below)	51.45	58.48
o. Project consultancy fee	164.48	163.60
p. Share of loss from joint venture	0.23	0.22
q. Loss on sale of fixed assets	6.41	4.61
r. Compensation paid to customers	725.04	1,095.56
s. Miscellaneous expenses	184.02	126.94
	<b>5,727.30</b>	<b>6,476.05</b>
<b>Note:</b>		
<b>Payment to auditors comprise:</b>		
<b>i. To statutory auditors</b>		
a. Statutory audit fee	15.00	15.00
b. Tax audit fee	2.00	2.00
c. Limited reviews fee	30.00	30.00
d. Reimbursement of out-of-pocket expenses	0.45	-
e. GST/Service tax on above	-	7.05
	<b>47.45</b>	<b>54.05</b>
<b>ii. To cost auditors</b>	4.00	4.43
	<b>51.45</b>	<b>58.48</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

(₹ in lakhs)

Particulars	Year ended 31-March-18	Year ended 31-March-17
<b>34 Income tax</b>		
i. Income tax expense/(benefit) recognised in Statement of Profit and Loss		
<b>Current tax</b>		
In respect of the current year	-	-
Tax adjustment for earlier years	-	406.11
	-	406.11
<b>Deferred tax</b>		
In respect of the current year	(2,360.93)	(1,100.59)
	(2,360.93)	(1,100.59)
<b>Total income tax expense/(benefit) recognised</b>	<b>(2,360.93)</b>	<b>(694.48)</b>
ii. Income tax expense/(benefit) reconciliation with effective tax rate on accounting profit:		
Profit/(loss) before tax	(14,095.78)	(4,177.62)
Income tax expense calculated at 26% (2016-17: 30.9%)	(3,664.90)	(1,290.88)
Effect of tax rate change during the year	801.07	-
Effect of expenses that are not deductible in determining taxable profit	246.82	209.17
Adjustments recognised in the current year in relation to the current tax of previous years	-	406.11
Others	256.08	(18.88)
<b>Income tax expense/(benefit) recognised in statement of profit and loss</b>	<b>(2,360.93)</b>	<b>(694.48)</b>
The tax rate used for the year 2017-18 reconciliation above is the corporate tax rate of 25% plus education and health cess of 4% on corporate tax and for the year 2016-17 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 laws.		
iii. Income tax recognised in other comprehensive income		
Remeasurements of defined benefit obligation	(12.78)	(8.46)
<b>Total income tax recognised in other comprehensive income</b>	<b>(12.78)</b>	<b>(8.46)</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

(₹ in lakhs)

### 35 Contingencies

	As at 31-March-18	As at 31-March-17
a. Claims against the Company not acknowledged as debts*:		
i. Demand for payment of stamp duty	433.00	855.00
ii. Customer complaints pending in courts	38,139.27	13,403.55
iii. Civil cases against the Company	2,671.36	651.00
iv. Income tax demand	906.48	941.42
v. Value Added Tax / Trade tax demand	1,744.08	2,015.17
vi. Licence fee to DMRC (see note 39)	2,188.20	1,717.90
vii. Others	4.22	9.07
b. Security/performance guarantees issued by the banks to Government authorities on behalf of group companies, for which the Company has provided counter guarantee	756.16	756.16
c. Corporate guarantees issued on behalf of subsidiary companies in respect of loans taken by them:		
i. Sanctioned amount	1,36,468.00	1,21,968.00
ii. Outstanding amount	1,22,338.93	1,17,846.50

\* 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.

### 36 Commitments

a. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	16,542.24	16,772.76
b. The Company has other commitments, for purchase orders which are issued after considering requirements as per the operating cycle for purchase of goods and services, in the normal course of business.		

37 The Company did not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.

38 There were no amounts which were required to be transferred to the Investor Education and Protection Fund, during the year.

39 The Company has entered into concession agreements with Delhi Metro Rail Corporation Limited (DMRC) for various projects on Build-Operate-Transfer (BOT) basis. In case of Tis Hazari project, the Company was unable to commercially utilise the properties due to lack of clarity between DMRC and Municipal Corporation of Delhi (MCD) with respect to authority for sanction of building plans. In view of the delay, the Company has sought concessions from DMRC and has invoked the Arbitration clause under the concession agreement in case of this project. The Arbitral Tribunal has announced its award in favour of DMRC. The Company has now filed an appeal in the Delhi High Court against this award and the proceedings are going on.

In case of another project, viz. Welcome Mall, construction activities had to be suspended as the property development area allotted to the Company was infringing the proposed line of Metro Station to be constructed by DMRC under phase III. Consequently, the construction activities could not be restarted due to DMRC's inability to provide necessary clarification regarding FAR availability on the property development area and final approved revised layout plan from MCD. The Company has invoked the Arbitration clause under the concession agreement and the proceedings are going on.

Pending arbitration award / necessary clarifications and documents, the Company has not provided for recurring licence fees amounting to ₹ 2,188.20 lakhs (previous year ₹ 1,717.90 lakhs) and has shown the same under contingent liabilities. However, the Company has continued to carry forward the advances / costs incurred on these projects after charging for amortisation / depreciation on periodical basis.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

In case of another project, viz. Netaji Subhash Place, after the earlier arbitration award in favour the Company, a settlement deed was signed between DMRC and the Company. However, there was a dispute on deciding the first date of escalation of recurring payment. The Company has invoked the arbitration clause under the concession agreement and the proceedings are going on.

In case of another project, viz. Seelampur Plot, the sanction of building plans by MCD got delayed for want of No Objection Certificate (NOC) from Government agencies. Accordingly, DMRC was approached to waive the recurring payment liability for the disputed period. Since an amicable resolution could not be reached out between the Company and DMRC, the Company invoked "Arbitration Clause" under the concession agreement for settlement of the matter.

**40** Pursuant to Investment Agreement dated 21 December, 2010 entered into between the Company, Parsvnath Buildwell Private Limited (PBPL), Parasnath And Associates Private Limited (Co-Promoter) and two overseas Investment entities (Investors) and 'Assignment of Development Rights Agreement' dated 28 December, 2010 entered into with PBPL and Collaborators, the Company had assigned Development Rights in respect of one of its projects, namely, 'Parsvnath Exotica, Ghaziabad' (on land admeasuring 31 acres) situated at Village Arthala, Ghaziabad (the Project) to PBPL on terms and conditions contained therein. Further the Company has given the following undertakings to PBPL:

- a. The project shall be completed within the agreed completion schedule. Construction cost for completion of project shall not exceed the amount set out in the agreement and the project revenue from sold area shall be at least the amount set out in the agreement.
- b. In case of delays in completion of the project, any penalties or compensation payable to customers shall be borne by the Company.
- c. The Company shall not, directly or indirectly, create any encumbrance over or transfer any Equity securities held by it in PBPL during the lock in period (till completion of project) except for securing construction loan.

The project has been delayed due to non-receipt of approval for the revised building plans.

The collaborators (land owners) are seeking cancellation of the Development Agreement and other related agreements and have taken legal steps in this regard. PBPL invoked the arbitration clause and as a consequence of the land owners not appointing their nominee Arbitrator, PBPL approached the Hogg Court at Allahabad for appointment of Arbitrator under section 11 of the Arbitration and Conciliation Act.

The Supreme Court vide its order dated 02.02.2018 has directed the land-owner to co-operate with PBPL for getting the building plan approved by the Ghaziabad Development Authority.

During the previous year the Company had entered into a Settlement Agreement with investors for which execution petition for enforcement is pending the before Delhi High Court.

**41** The Company had entered into a Memorandum of Understanding (MOU) dated 22 December, 2010 with Parsvnath Realcon Private Limited (PRPL), a wholly owned subsidiary of its subsidiary Parsvnath Buildwell Private Limited (PBPL) in terms of which the Company had assigned development rights of the project, namely, 'Parsvnath Paramount' on land admeasuring 6,445 square metres situated at Subhash Nagar, New Delhi to PRPL. The Company has also entered into 'Project Management Agreement' with PRPL and PBPL for overall management and coordination of project development. Further, the Company has given the following undertakings to PRPL:

- a. It shall complete the project within the completion schedule and construction cost as set out in the Agreement.
- b. The project revenues from the sold area shall be at least the amount set out in the Agreement.
- c. In the event of construction cost overrun or revenue shortfall, the Company shall contribute such excess/shortfall amount against allotment of equity shares or other instruments at such premium as may be mutually determined by the parties.

The progress of the project had been hampered due to non-receipt of approval for revised building plans by South Delhi Municipal Corporation (SDMC) and the matter is pending before the Appellate Tribunal, MCD (ATMCD) for adjudication.

Consequently, as a result of delay in completion of the project, Resident Welfare Association has filed complaints against the Company and its Directors which are pending before the Economic Offence Wing and Delhi High Court.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

The Company has also filed a Civil Writ Petition before the Hon'ble Delhi High Court against SDMC, DDA, MoUD and DMRC seeking directions from the Hon'ble Court for getting this issue resolved.

- 42** The Company had entered into a Development Agreement (DA) with Chandigarh Housing Board (CHB) for the development of an integrated project ('the project') at Chandigarh. Owing to various factors, disputes had arisen between the Company and CHB. Consequently, the Company had invoked the arbitration clause in the DA. Hon'ble Sole Arbitrator had pronounced the award in January, 2015 which was accepted by the Company and the CHB. Pursuant to the arbitration award, the project was discontinued and surrendered to CHB. The loss of ₹ 46,971.24 lakhs incurred on surrender of project was written off and was shown as 'Exceptional Item' in the statement of Profit and Loss during the financial year 2014-15.

Subsequent to the acceptance and implementation of the award, it was noticed that due to a computational error in the award, the awarded amount was deficient by approximately ₹ 14,602.00 lakhs. Consequently, the Company made an application to the Hon'ble Sole Arbitrator for correction of the computational error. However, the Sole Arbitrator in his findings, while admitting the error, stated that after acceptance and implementation of the award by both the parties he had become non-functionary and therefore rejected the claims made by the Company. The Company has since filed its objections under section 34 of the Arbitration and Conciliation Act, 1996 read with section 151 of Code of Civil Procedure (CPC) before the Additional District Judge cum MACT, Chandigarh and the Court has issued notice to CHB for filing its reply and has also called for the Arbitral Record from the Sole Arbitrator. Pending decision of the Additional District Judge, the amount of ₹ 14,045 lakhs (net of tax deducted at source) has been shown as recoverable and included under 'other financial assets' in Note 10.

- 43** The Company had given an advance of ₹ 4,847.90 lakhs to one of its subsidiaries viz., Parsvnath Film City Limited (PFCL) for execution of Multimedia-cum-Film-City Project at Chandigarh. PFCL had deposited ₹ 4,775.00 lakhs with 'Chandigarh Administration' (CA) for acquiring development rights in respect of a plot of land admeasuring 30 acres from CA, under Development Agreement dated 2 March, 2007 for development of a "Multimedia-cum-Film City" Complex. Since CA could not handover the possession of the said land to PFCL in terms of the said Development Agreement. PFCL invoked the arbitration clause for seeking refund of the allotment money paid along with compensation, cost incurred and interest thereon.

The Arbitral Panel vide its order dated 10 March, 2012, had decided the matter in favour of PFCL and awarded refund of ₹ 4,919.00 lakhs towards the earnest money paid and other expenses incurred by PFCL along with interest @ 12 % per annum. Subsequently, the CA filed a petition before the Additional District Judge at Chandigarh challenging the award under section 34 of The Arbitration and Conciliation Act, 1996. The said petition was dismissed by the Hon'ble District Judge vide his order dated 07 May, 2015.

The Execution Petition was filed before Additional District Judge (ADJ), Chandigarh for the execution of the Arbitral Award by PFCL. In the meantime, CA filed an appeal under section 37 of the Arbitration and Conciliation Act, 1996 before the Punjab and Haryana High Court at Chandigarh against the orders of the ADJ, Chandigarh pertaining to the Award of Arbitral Tribunal. The Hon'ble High Court allowed the appeal filed by CA and set aside the arbitral award vide its orders dated 17 March, 2016. The Company had filed a Special Leave Petition (SLP) before the Hon'ble Supreme Court of India which has since been admitted and notice has been issued to the Opposite Party.

- 44** The Company had executed an 'Amended and Restated Investment and Security Holders' Agreement' dated 14 September, 2010 with one of its subsidiaries, Parsvnath Estate Developers Private Limited (PEDPL), two Overseas Investment Entities (Investors) and others for development of an office complex on a plot of land admeasuring 15,583.83 square meters situated at Bhai Veer Singh Marg, New Delhi, on the terms and conditions contained in the Agreement and as amended from time to time. The Rights in the said plot have been allotted on 'Build Operate Transfer' (BOT) basis to the Company by Delhi Metro Rail Corporation Ltd. (DMRC). These Rights have been assigned by the Company in favour of PEDPL for implementation of the Project on obtaining approval of DMRC.

PEDPL had completed phase I of the project and commenced its commercial operations during the financial year 2014-15. Phase II of the project is under construction/development.

During the previous year, the Company has acquired all the securities held by the Investors, and consequently, PEDPL had become a wholly owned subsidiary of the Company during the said previous year.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

- 45** The Company had executed a 'PDL Support Agreement' in favour of Parsvnath Landmark Developers Private Limited (PLDPL) and J.P. Morgan Advisors India Private Limited (JP Morgan) being the Security Trustees for the Term Loan of ₹ 14,000.00 lakhs given by JP Morgan to PLDPL. In terms of the said Agreement, the Company has given an undertaking for completion of construction of 'La Tropicana' Project, New Delhi, within the amount set out in the Agreement and within the Completion Schedule, as stated therein. Any escalation in the construction cost is to be funded by the Company. Further, the Company has also undertaken that it shall maintain at all times not less than 78% of the ownership interest and voting rights in PLDPL.

During the previous year, PLDPL repaid the outstanding loan availed from JP Morgan out of a fresh issue of Non-convertible Debentures (NCDs) worth ₹ 20,000.00 lakhs issued on 13 October, 2016. Consequently, the PDL Support Agreement had become redundant. The Company also purchased the securities held by the overseas investors, and therefore, PLDPL became a wholly owned subsidiary of the Company with effect from 02 November, 2016.

- 46** The Company was declared as the "Selected Bidder" for grant of lease for development of project on a plot of land at Sarai Rohilla, Kishanganj, Delhi by 'Rail Land Development Authority' (RLDA) vide its 'Letter of Acceptance' (LOA) dated 26 November, 2010. In terms of the LOA, the project was being implemented through a Special Purpose Vehicle (SPV), Parsvnath Promoters and Developers Private Limited (PPDPL). Subsequently, in terms of the requirements of RLDA, another Company in the name of Parsvnath Rail Land Project Private Limited (PRLPPL) was incorporated as an SPV to implement the project. RLDA has accepted PRLPPL as the SPV vide its letter dated 3 August, 2012.

The Company has executed an 'Investment and Security Holders' Agreement dated 20 December 2012 with PRLPPL and two overseas Investment entities (Investors) in relation to the project. Subsequently, the Company has executed an 'Amended and Restated Investment and Security Holders Agreement' on 21 August, 2013 with PRLPPL and aforesaid Investors for financing of the project.

Due to multifarious reasons, including the lack of statutory approvals of lay out and building plans by NDMC, PRLPPL was not able to achieve 'Financial Closure' as per Article 7 of the Agreement which resulted in deemed termination of the agreement. The Company and PRLPPL had invoked the arbitration clause in the development agreement for recovery of amount paid to RLDA together with interest thereon on deemed termination of agreement by way of instituting two Arbitral proceedings namely Arbitration I & II. The Arbitral Tribunal has announced its award in respect of the Arbitration II dated 25th November, 2017 directing RLDA to refund the amount of ₹1,03,453.78 lacs along with 4% interest per annum payable with effect from the 15th July, 2015 till the date of recovery.

RLDA filed an appeal before the Hon'ble Delhi High Court challenging the said Arbitral award, which was rejected by the Court vide its order dated 3 April, 2018.

The Arbitration proceeding in respect of Arbitration I is pending adjudication before the Arbitral Tribunal. The proceedings in the arbitration is with respect to RLDA's liability for payment of interest to the Company on installments received in advance pending delay in passing the necessary legislation for the execution of the Development agreement. The amount claimed is ₹ 41,946.79 lacs.

- 47** The Company has incurred cash losses during the current and previous years. Due to continued recession in the real estate sector owing to slow down in demand, the Company is facing tight liquidity situation as a result of which there have been delays/defaults in payment of principal and interest on borrowings, statutory liabilities, salaries to employees and other dues. Also, the Company continues to face lack of adequate sources of finance to fund execution and completion of its ongoing projects resulting in delayed realisation from its customers and lower availability of funds to discharge its liabilities. The company is continuously exploring alternate sources of finance, including sale of non-core assets to generate adequate cash inflows for meeting these obligations and to overcome this liquidity crunch. In the opinion of the Management, no adverse impact is anticipated on future operations of the Company.

### **48 Trade receivables**

Trade receivables include ₹ 44,645.81 lakhs (Previous year ₹ 44,013.29 lakhs) outstanding for a period exceeding six months. Due to continued recession in the industry, there have been delays in collections from customers. In view of industry practice and terms of agreement with customers, all these debts are considered good for recovery and hence no provision is considered necessary.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

**49** In the opinion of the Board of directors, current and non-current assets do have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.

**50 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).

**51** The Company has no outstanding derivative or foreign currency exposure as at the end of the current year and previous year.

**52** The Company is engaged in the business of real estate development, which has been classified as infrastructural facilities as per Schedule VI to the Companies Act, 2013. Accordingly, provisions of section 186 of the Companies Act are not applicable to the company and hence no disclosure under that section is required.

**53** Disclosure of loans and advances in the nature of loans given to subsidiaries, associates and other companies in which directors are interested as required by Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as under:

(₹ in lakhs)

Name of the Company	Amount outstanding	
	As at 31-March-18	As at 31-March-17
a. Parsvnath Film City Limited	4,847.91	4,847.11
b. Parsvnath Hotels Limited	826.76	438.05
c. Parsvnath H B Projects Private Limited	5,702.04	4,908.92
d. Parsvnath Buildwell Private Limited	1,228.15	468.52
e. Parsvnath Landmark Developers Private Limited	-	7.11
f. Parsvnath Realcon Private Limited	118.21	36.96
g. PDL Assets Limited	1.00	1.00

(₹ in lakhs)

Name of the Company	Maximum amount outstanding during the year	
	Year ended 31-March-18	Year ended 31-March-17
a. Parsvnath Film City Limited	4,847.90	4,847.11
b. Parsvnath Hotels Limited	826.76	438.05
c. Parsvnath H B Projects Private Limited	5,702.04	4,908.92
d. Parsvnath Rail Land Project Private Limited	566.13	-
e. Parsvnath Buildwell Private Limited	1,228.15	491.04
f. Parsvnath Landmark Developers Private Limited	268.35	190.77
g. Parsvnath Realcon Private Limited	118.21	36.96
h. Parsvnath Estate Developers Private Limited	-	1,324.12
i. PDL Assets Limited	1.00	1.00

**Note:**

All the above loans and advances are repayable on demand and all these advances (except loan to Parsvnath HB Projects Private Limited) are non-interest bearing.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

- 54** The Company is setting up various projects on Build Operate Transfer (BOT) basis. Costs incurred on these Projects till completion of the project are reflected as 'Intangible assets under development'. Details of incidental expenditure incurred during construction in respect of these projects debited to 'Intangible assets under development' are as under:

(₹ in lakhs)

Particulars		Year ended 31-March-18	Year ended 31-March-17
a.	Salaries and wages	10.74	2.28
b.	Contribution to provident and other funds	3.85	0.77
c.	Legal and professional charges	14.89	-
d.	Licence fee	1,722.82	1,462.28
e.	Miscellaneous expenses	25.42	65.84
		<b>1,777.72</b>	<b>1,531.17</b>

- 55** Details of borrowing costs capitalised during the year:

(₹ in lakhs)

Particulars		Year ended 31-March-18	Year ended 31-March-17
a.	Intangible assets/assets under development	4,586.74	4,083.75
b.	Inventory	20,742.29	18,149.61
		<b>25,329.03</b>	<b>22,233.36</b>

- 56** Segment information

The chief operating decision maker ('CODM') for the purpose of resource allocation and assessment of segments performance focuses on Real Estate, thus operates in a single business segment. The Company is operating in India, which is considered as single geographical segment. Accordingly, the reporting requirements for segment disclosure as prescribed by Ind AS 108 are not applicable.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### 57 Employee benefit plans

#### a Defined contribution plan

The Company makes Provident Fund contributions to Regional Provident Fund Commissioner (RPFC) and ESI contributions to Employees State Insurance Corporation (ESIC), which are defined contribution plans, for qualifying employees. The Company contributes a specified percentage of salary to fund the benefits. The contributions payable to these plans by the Company are at the rates specified in the rules of the scheme. The amount of contribution is as under:

(₹ in lakhs)

Particulars	Year ended 31-March-18	Year ended 31-March-17
a. Contribution to Provident Fund	51.69	43.56
b. Contribution to ESI	17.07	7.54
	<b>68.76</b>	<b>51.10</b>

#### b Defined 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 present value of the defined benefit obligation and the related current service cost were measured using the Projected Unit Credit Method with actuarial valuations being carried out at each balance sheet date.

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

(₹ in lakhs)

Particulars	2017-18	2016-17
<b>i Components of employer's expenses:</b>		
Current service cost	41.24	38.79
Past service cost	15.28	-
Interest cost	26.04	27.15
Actuarial (gain)/loss	-	-
<b>Net charge/(credit)</b>	<b>82.56</b>	<b>65.94</b>
<b>ii Actual contribution and benefit payments for year</b>		
Actual benefit payments	48.48	81.93
Actual contributions	-	-
	<b>48.48</b>	<b>81.93</b>
<b>iii Net liabilities/ (assets) recognised</b>		
Present value of defined benefit obligation	434.93	354.34
Fair value of plan assets	-	-
<b>Net liabilities/ (assets) recognised in the balance sheet</b>	<b>434.93</b>	<b>354.34</b>
Note: The fair value of plan assets is Nil, since defined benefit plans are unfunded		
Short-term provisions	26.18	32.01
Long-term provisions	408.75	322.33
	<b>434.93</b>	<b>354.34</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

(₹ in lakhs)

Particulars	2017-18	2016-17
<b>iv Change in defined benefit obligation during the year</b>		
Present value of defined benefit obligation at beginning of the year	354.34	339.37
Current service cost	41.24	38.79
Past service Cost including curtailment Gains/Losses	15.28	-
Interest cost	26.04	27.15
Actuarial (gains)/losses on obligations	46.51	30.96
Benefits paid	(48.48)	(81.93)
<b>Present value of DBO at the end of the year</b>	<b>434.93</b>	<b>354.34</b>
<b>v Other comprehensive income (OCI)</b>		
<b>Remeasurement of defined benefit obligation</b>	<b>(46.51)</b>	<b>(30.96)</b>
<b>vi Balance sheet reconciliation</b>		
Net liability at the beginning of the year	354.34	339.37
Expenses recognised/(reversed) during the year	82.56	65.94
Actuarial (gains)/losses	46.51	30.96
Benefits paid	(48.48)	(81.93)
<b>Amount recognised in the balance sheet</b>	<b>434.93</b>	<b>354.34</b>

### vii Experience adjustments:

₹ in lakhs

Particulars	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
i. Present value of Defined Benefit Obligation	435.93	354.34	339.77	337.59	419.02
ii. Fair Value of plan assets	-	-	-	-	-
iii. Funded status [Surplus/ (Deficit)]	435.93	354.34	339.77	337.59	419.02
iv. Experience (gain)/loss adjustments on plan liabilities	46.51	30.96	(0.14)	(79.98)	5.27
v. Experience gain/loss adjustments on plan assets	-	-	-	-	-

### viii Actuarial assumptions

Particulars	31.03.2018	31.03.2017
<b>a. Financial assumptions</b>		
i. Discount rate (p.a.)	7.80%	7.35%
ii. Salary escalation rate (p.a.)	5.00%	4.00%
<b>b. Demographic assumptions</b>		
i. Retirement age	70 years	70 years
ii. Mortality rate	Indian Assured Lives Mortality (2006-08) ultimate table	
- Withdrawal rate		
Upto 30 years	3.00	3.00
From 31 to 44 years	2.00	2.00
Above 44 years	1.00	1.00

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### IX. Sensivity analysis

The sensitivity of the plan obligations to changes in key assumptions are:

(₹ in lakhs)

Particulars		Change in assumption	Change in plan obligation
Discount rate	Increase	0.50 %	(25.20)
	Decrease	0.50 %	27.80
Salary escalation rate	Increase	0.50 %	24.60
	Decrease	0.50 %	(23.30)

### c. Actuarial assumptions for long-term compensated absences

a. Financial assumptions	31.03.2018	31.03.2017
i. Discount rate (p.a.)	7.80%	7.35%
ii. Salary escalation rate (p.a.)	5.00%	4.00%
b. Demographic assumptions		
i. Retirement age	70 years	70 years
ii. Mortality rate	Indian Assured Lives Mortality (2006-08) ultimate table	
- Withdrawal rate		
Upto 30 years	3.00	3.00
From 31 to 44 years	2.00	2.00
Above 44 years	1.00	1.00

### 58 Earnings per Equity Share

Particulars		Year ended 31-March-18	Year ended 31-March-17
Profit/(loss) for the year	₹ in lakhs	(11,734.85)	(3,483.14)
Weighted average number of equity shares	No's	4,35,181,170	4,35,181,170
Earning per share - basic	₹	(2.70)	(0.80)
Weighted average number of potential equity shares	No's	-	-
Weighted average number of equity shares	No's	4,35,181,170	4,35,181,170
Earnings per share - diluted	₹	(2.70)	(0.80)
Face value per equity share	₹	5.00	5.00

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### 59 Operating lease arrangements - As lessee

The Company has entered into Concession Agreements with Delhi Metro Rail Corporation (DMRC) and has acquired the License Rights to develop properties and sub license it to the customers for a defined period of time. License fees recognised during the year are as follows:

(₹ in lakhs)

Particulars	Year ended 31-March-18	Year ended 31-March-17
Licence fee		
a. Charged to statement of profit and loss	662.02	591.09
b. Capitalised in Intangible assets	1,722.82	1,183.70
	<b>2,384.84</b>	<b>1,774.79</b>
Other lease charges		
a. Charged to statement of profit and loss	<b>362.03</b>	<b>488.39</b>

Note: Upfront fee paid by the Company has amortised over licence period and included in licence fee

The total of future minimum lease payments are as follows:

(₹ in lakhs)

Particulars	As at 31-March-18	As at 31-March-17
a. Not later than one year	2,493.35	3,159.35
b. Later than one year but not later than five years	11,668.58	11,996.59
c. Later than five years	92,531.30	94,020.24
	<b>1,06,693.23</b>	<b>1,09,176.18</b>

### 60 Operating lease arrangements - As lessor

The Company has given certain building and facilities under non-cancellable operating leases.

Lease income (licence fee) recognised in the Statement of Profit and Loss is as under:

(₹ in lakhs)

Particulars	Year ended 31-March-18	Year ended 31-March-17
Licence fee income		
a. Recognised in statement of profit and loss	2,326.55	2,120.59
	<b>2,326.55</b>	<b>2,120.59</b>

The total of future minimum lease receivables are as follows:

(₹ in lakhs)

Particulars	As at 31-March-18	As at 31-March-17
a. Not later than one year	1,105.06	1,074.52
b. Later than one year but not later than five years	1,616.66	2,260.72
c. Later than five years	667.51	795.94
	<b>3,389.23</b>	<b>4,131.18</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### 61 Jointly controlled entity

a. The Company has interests in following joint venture - jointly controlled entity

Name of jointly controlled entity	Nature of project	Ownership interest	Country of residence
Ratan Parsvnath Developers AOP	Real estate	50%	India
b. Financial interest of the Company in jointly controlled entity is as under			(₹ in lakhs)
Particulars		As at 31-March-18	As at 31-March-17
<b>Company's share of:</b>			
a. Assets		470.84	468.70
b. Liabilities		0.56	0.56
c. Income		-	-
d. Expenditure		0.23	0.22
e. Tax		-	-
f. Capital commitment		-	-
g. Contingent liabilities		-	-

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### Note 62: Related party transactions

#### a. List of related parties

##### i. Subsidiary Companies

- Parsvnath Infra Limited
  - Parsvnath Film City Limited
  - Parsvnath Landmark Developers Private Limited
  - Parsvnath Telecom Private Limited
  - Parsvnath Hotels Limited
  - PDL Assets Limited
  - Parsvnath Developers Pte. Ltd. (Overseas subsidiary -Singapore)
  - Primetime Realtors Private Limited
  - Parsvnath Estate Developers Private Limited
  - Parsvnath Promoters And Developers Private Limited
  - Parsvnath Hessa Developers Private Limited
  - Parsvnath MIDC Pharma SEZ Private Limited  
(Subsidiary of Parsvnath Infra Limited)
  - Parsvnath Buildwell Private Limited
  - Paravnath Realty Ventures Limited
  - Vasavi PDL Ventures Private Limited
  - Parsvnath Realcon Private Limited  
(Subsidiary of Parsvnath Buildwell Private Limited)
  - Parsvnath HB Projects Private Limited
  - Farhad Realtors Private Limited \*
- \* Became wholly-owned subsidiary w.e.f. 29 July, 2017.
- Subsidiary companies by virtue of Accounting Standard (Ind AS-110) on 'Consolidated Financial Statements':*
- Parsvnath Rail Land Project Private Limited
  - Aahna Realtors Private Limited
  - Afra Infrastructure Private Limited
  - Anubhav Buildwell Private Limited
  - Arctic Buildwell Private Limited
  - Arunachal Infrastructure Private Limited
  - Bae Buildwell Private Limited
  - Bakul Infrastructure Private Limited
  - Banita Buildcon Private Limited
  - Bliss Infrastructure Private Limited
  - Brinly Properties Private Limited
  - Coral Buildwell Private Limited
  - Dae Realtors Private Limited
  - Dai Real Estates Private Limited
  - Dhiren Real Estates Private Limited
  - Elixir Infrastructure Private Limited
  - Gem Buildwell Private Limited
  - Generous Buildwell Private Limited
  - Digant Realtors Private Limited
  - Himsagar Infrastructure Private Limited
  - Izna Realcon Private Limited
  - Emerald Buildwell Private Limited
  - Evergreen Realtors Private Limited
  - Jaguar Buildwell Private Limited
  - Label Real Estates Private Limited
  - Lakshya Realtors Private Limited
  - LSD Realcon Private Limited
  - Mirage Buildwell Private Limited
  - Navneet Realtors Private Limited
  - New Hind Enterprises Private Limited
  - Oni Projects Private Limited
  - Paavan Buildcon Private Limited
  - Perpetual Infrastructure Private Limited
  - Prosperity Infrastructures Private Limited
  - Rangoli Infrastructure Private Limited
  - Samiksha Realtors Private Limited
  - Neelgagan Realtors Private Limited
  - Sapphire Buildtech Private Limited
  - Silversteet Infrastructure Private Limited
  - Springdale Realtors Private Limited
  - Stupendous Buildtech Private Limited
  - Sumeru Developers Private Limited
  - Vital Buildwell Private Limited
  - Spearhead Realtors Private Limited
  - Trishla Realtors Private Limited
  - Yamuna Buildwell Private Limited

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

ii. *Entities over which the Company, subsidiary companies or key management personnel or their relatives, exercise significant influence*

- Adela Buildcon Private Limited
- Amazon India Limited \*
- Ashirwad Realtors Private Limited
- Baasima Buildcon Private Limited
- Baidehi Infrastructure Private Limited
- Balbina Real Estates Private Limited
- Charushila Buildwell Private Limited
- Congenial Real Estates Private Limited
- Cyanea Real Estate Private Limited
- Deborah Real Estate Private Limited
- Deleena Developers Private Limited
- Enormity Buildcon Private Limited
- Farhad Realtors Private Limited #
- Gauranga Realtors Private Limited
- Gauresh Buildwell Private Limited
- Homelife Real Estate Private Limited \*
- Janak Finance & Leasing Private Limited
- Jarul Promoters & Developers Private Limited
- Jodhpur Infrastructure Private Limited
- K.B. Realtors Private Limited
- Laban Real Estates Private Limited
- Landmark Malls and Towers Private Limited
- Landmark Township Planners Private Limited
- Madhukanta Real Estate Private Limited
- Magic Promoters Private Limited
- Mahanidhi Buildcon Private Limited
- Neha Infracon (India) Private Limited
- Nilanchal Realtors Private Limited
- Noida Marketing Private Limited
- P.S. Realtors Private Limited
- Parasnath And Associates Private Limited

- Parasnath Travels & Tours Private Limited
- Parsvnath Biotech Private Limited
- Parsvnath Cyber City Private Limited
- Parsvnath Dehradun Info Park Private Limited
- Parsvnath Developers (GMBT) Private Limited
- Parsvnath Developers (SBBT) Private Limited
- Parsvnath Gurgaon Info Park Private Limited
- Parsvnath Indore Info Park Private Limited
- Parsvnath Knowledge Park Private Limited
- Parsvnath Retail Limited
- Pearl Propmart Private Limited
- Pradeep Kumar Jain & Sons (HUF)
- Rangoli Buildcon Private Limited
- Sadgati Buildcon Private Limited
- Scorpio Realtors Private Limited
- Snigdha Buildwell Private Limited
- Suksma Buildtech Private Limited
- Timebound Contracts Private Limited
- Vardaan Buildtech Private Limited \*

\* Associates of the Company

# Became subsidiary w.e.f. 29 July, 2017.

iii. *Joint Ventures*

- Ratan Parsvnath Developers (AOP)

iv. *Key Management Personnel*

- Mr. Pradeep Kumar Jain, Chairman
- Mr. Sanjeev Kumar Jain, Managing Director and CEO
- Dr. Rajeev Jain, Whole-time Director

v. *Relatives of Key Management Personnel (with whom the Company had transactions)*

Mrs. Nutan Jain (Wife of Mr. Pradeep Kumar Jain, Chairman)

vi. *Non-Executive and Independent Directors*

- Mr. Ashok Kumar
- Dr. Pritam Singh
- Ms. Deepa Gupta
- Mr. Mahendra Nath Verma

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

(₹ in lakhs)

Transaction / Outstanding Balances	Subsidiary Companies	Entities under significant influence	Joint Venture Entities	Key Management Personnel and their relatives	Total
<b>b. Transactions / balances outstanding with related parties:</b>					
<b>(i) Transactions during the year</b>					
<b>Unsecured loan repaid</b>					
Lakshay Realtors Private Limited	-	-	-	-	-
	3,000.00	-	-	-	3,000.00
	-	-	-	-	-
	<b>3,000.00</b>	-	-	-	<b>3,000.00</b>
<b>Advances given</b>					
Parsvnath Film City Limited	0.80	-	-	-	0.80
	11.66	-	-	-	11.66
Parsvnath Estate Developers Private Limited	-	-	-	-	-
	822.66	-	-	-	822.66
Parsvnath Landmark Developers Private Limited	120.35	-	-	-	120.35
	116.79	-	-	-	116.79
Parsvnath Rail Land Project Private Limited	672.23	-	-	-	672.23
	1,198.94	-	-	-	1,198.94
Parsvnath Realcon Private Limited	81.25	-	-	-	81.25
	4.77	-	-	-	4.77
Parsvnath Hotels Limited	388.71	-	-	-	388.71
	256.77	-	-	-	256.77
Parsvnath HB Projects Private Limited	793.12	-	-	-	793.12
	1,168.69	-	-	-	1,168.69
PDL Assets Limited	0.00	-	-	-	-
	1.00	-	-	-	1.00
Bakul Infrastructure Private Limited	0.00	-	-	-	-
	0.60	-	-	-	0.60
DAI Real Estate Pvt Limited	10.67	-	-	-	10.67
	-	-	-	-	-
Parsvnath Buildwell Private Limited	759.63	-	-	-	759.63
	467.74	-	-	-	467.74
Lakshay Realtors Private Limited	40.94	-	-	-	40.94
	18.58	-	-	-	18.58
	<b>2,867.70</b>	-	-	-	<b>2,867.70</b>
	<b>4,068.20</b>	-	-	-	<b>4,068.20</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

(₹ in lakhs)

Transaction / Outstanding Balances	Subsidiary Companies	Entities under significant influence	Joint Venture Entities	Key Management Personnel and their relatives	Total
<b>Advance received back during the year</b>					
Parsvnath Landmark Developers Private Limited	127.46	-	-	-	127.46
	195.38	-	-	-	195.38
Parsvnath Estate Developers Private Limited	-	-	-	-	-
	1,739.04	-	-	-	1,739.04
Parsvnath Hotels Limited	-	-	-	-	-
	2.20	-	-	-	2.20
Parsvnath Buildwell Private Limited	-	-	-	-	-
	67.32	-	-	-	67.32
Parsvnath Rail Land Project Private Limited	672.23	-	-	-	672.23
	2,916.80	-	-	-	2,916.80
Others (each having less than 10% of transactions)	374.45	-	-	-	374.45
	327.72	-	-	-	327.72
	<b>1,174.14</b>	-	-	-	<b>1,174.14</b>
	<b>5,248.46</b>	-	-	-	<b>5,248.46</b>
<b>Advances repaid</b>					
Parsvnath Landmark Developers Private Limited	-	-	-	-	-
	3,961.17	-	-	-	3,961.17
	-	-	-	-	-
	<b>3,961.17</b>	-	-	-	<b>3,961.17</b>
<b>Purchase of development rights</b>					
LSD - Realcon Private Limited	114.78		-	-	114.78
	-	-	-	-	-
Vital Buildwell Private Limited	111.11	-	-	-	111.11
	-	-	-	-	-
Prosperity Infrastructures Private Limited	-	-	-	-	-
	4.01	-	-	-	4.01
Banita Buildcon Private Limited	-		-	-	-
	3.67	-	-	-	3.67
Time Bound Contractors Private Limited	-	-	-	-	-
	-	2.25	-	-	2.25
Evergreen Realtors Private Limited	23.76	-	-	-	23.76
	9.41	-	-	-	9.41
Neelgagan Realtors Private Limited	30.54	-	-	-	30.54
	16.24	-	-	-	16.24

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

(₹ in lakhs)

Transaction / Outstanding Balances	Subsidiary Companies	Entities under significant influence	Joint Venture Entities	Key Management Personnel and their relatives	Total
Anubhav Buildwell P Ltd	-	-	-	-	-
	16.47	-	-	-	16.47
Jaguar Buildwell Private Limited	8.69	-	-	-	8.69
	-	-	-	-	-
Yamuna Buildwell Private Limited	77.05	-	-	-	77.05
	-	-	-	-	-
Digant Realtors Private Limited	520.65	-	-	-	520.65
	-	-	-	-	-
	<b>886.58</b>	-	-	-	<b>886.58</b>
	<b>49.80</b>	<b>2.25</b>	-	-	<b>52.05</b>
<b>Sale of development rights</b>					
Evergreen Realtors Private Limited	65.70	-	-	-	65.70
	-	-	-	-	-
Neelgagan Realtors Private Limited	85.67	-	-	-	85.67
	-	-	-	-	-
Jaguar Buildwell Private Limited	25.34	-	-	-	25.34
	-	-	-	-	-
Yamuna Buildwell Private Limited	221.16	-	-	-	221.16
	-	-	-	-	-
LSD Realcon Private Limited	183.13	-	-	-	183.13
	-	-	-	-	-
Vital Buildwell Private Limited	44.69	-	-	-	44.69
	-	-	-	-	-
	<b>625.69</b>	-	-	-	<b>625.69</b>
	-	-	-	-	-
<b>Advance paid for purchase of land / Property</b>					
Digant Realtors Private Limited	-	-	-	-	-
	520.00	-	-	-	520.00
New Hind Enterprises Private Limited	-	-	-	-	-
	141.10	-	-	-	141.10
Scorpio Realtors Private Limited	-	-	-	-	-
	-	50.00	-	-	50.00
Arunachal Infrastructure Private Limited	50.00	-	-	-	50.00
	-	-	-	-	-

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

(₹ in lakhs)

Transaction / Outstanding Balances	Subsidiary Companies	Entities under significant influence	Joint Venture Entities	Key Management Personnel and their relatives	Total
Others (each having less than 10% of transactions)	302.20	-	-	-	302.20
	287.75	0.50	-	-	288.25
	<b>352.20</b>	-	-	-	<b>352.20</b>
	<b>948.85</b>	<b>50.50</b>	-	-	<b>999.35</b>
<b>Security deposit received</b>					
Parsvnath Rail Land Project Private Limited	1,100.00	-	-	-	1,100.00
	-	-	-	-	-
Parsvnath Estate Developers Private Limited	-	-	-	-	-
	18,051.60	-	-	-	18,051.60
Parsvnath Hessa Developers Private Limited	490.67	-	-	-	490.67
	453.23	-	-	-	453.23
	<b>1,590.67</b>	-	-	-	<b>1,590.67</b>
	<b>18,504.83</b>	-	-	-	<b>18,504.83</b>
<b>Advance / Refundable Security deposit received against property</b>					
Parsvnath Estate Developers Private Limited	2,097.75	-	-	-	2,097.75
	18,580.45	-	-	-	18,580.45
Parsvnath Landmark Developers Private Limited	959.50	-	-	-	959.50
	10,725.09	-	-	-	10,725.09
	<b>3,057.25</b>	-	-	-	<b>3,057.25</b>
	<b>29,305.54</b>	-	-	-	<b>29,305.54</b>
<b>Refund of security deposits</b>					
Parsvnath Hessa Developers Private Limited	5,550.38	-	-	-	5,550.38
	774.05	-	-	-	774.05
Parsvnath Landmark Developers Private Limited	-	-	-	-	-
	7,725.09	-	-	-	7,725.09
Parsvnath Rail Land Project Private Limited	-	-	-	-	-
	2,893.25	-	-	-	2,893.25
Parsvnath Estate Developers Private Limited	3,998.66	-	-	-	3,998.66
	18,504.10	-	-	-	18,504.10
	<b>9,549.04</b>	-	-	-	<b>9,549.04</b>
	<b>29,896.49</b>	-	-	-	<b>29,896.49</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

(₹ in lakhs)

Transaction / Outstanding Balances	Subsidiary Companies	Entities under significant influence	Joint Venture Entities	Key Management Personnel and their relatives	Total
<b>Transfer of advance upfront fees</b>					
Parsvnath Estate Developers Private Limited	-	-	-	-	-
	5,303.36	-	-	-	5,303.36
	-	-	-	-	-
	<b>5,303.36</b>	-	-	-	<b>5,303.36</b>
<b>Redemption of debentures / share warrants (Amount received)</b>					
Parsvnath Hessa Developers Private Limited (Debentures)	669.27	-	-	-	669.27
	-	-	-	-	-
Parsvnath Estate Developers Private Limited (Share Warrants)	-	-	-	-	-
	460.15	-	-	-	460.15
Parsvnath Estate Developers Private Limited (Debentures)	-	-	-	-	-
	17,052.85	-	-	-	17,052.85
Parsvnath Landmark Developers Private Limited (Debentures)	-	-	-	-	-
	7,578.26	-	-	-	7,578.26
	<b>669.27</b>	-	-	-	<b>669.27</b>
	<b>25,091.26</b>	-	-	-	<b>25,091.26</b>
<b>Sale of plots</b>					
Parsvnath Landmark Developers Private Limited	-	-	-	-	-
	5,774.43	-	-	-	5,774.43
	-	-	-	-	-
	<b>5,774.43</b>	-	-	-	<b>5,774.43</b>
<b>Cancellation of sale of plots</b>					
Parsvnath Landmark Developers Private Limited	841.02	-	-	-	841.02
	-	-	-	-	-
	<b>841.02</b>	-	-	-	<b>841.02</b>
	-	-	-	-	-
<b>Purchase of Investments / Shares</b>					
New Hind Enterprises Private Limited	0.50	-	-	-	0.50
	2.50	-	-	-	2.50
Vasavi PDL Ventures Private Limited	-	-	-	-	-
	2.55	-	-	-	2.55
Parasnath And Associates Private Limited	-	0.50	-	-	0.50
	-	2.50	-	-	2.50
	<b>0.50</b>	<b>0.50</b>	-	-	<b>1.00</b>
	<b>5.05</b>	<b>2.50</b>	-	-	<b>7.55</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

(₹ in lakhs)

Transaction / Outstanding Balances	Subsidiary Companies	Entities under significant influence	Joint Venture Entities	Key Management Personnel and their relatives	Total
<b>Interest income on debentures</b>					
Parsvnath Estate Developers Private Limited	-	-	-	-	-
	63.20	-	-	-	63.20
Parsvnath Buildwell Private Limited	167.96	-	-	-	167.96
	167.96	-	-	-	167.96
Parsvnath Hessa Developers Private Limited	-	-	-	-	-
	474.65	-	-	-	474.65
	<b>167.96</b>	-	-	-	<b>167.96</b>
	<b>705.81</b>	-	-	-	<b>705.81</b>
<b>Interest income on advances</b>					
Parsvnath Estate Developers Private Limited	-	-	-	-	-
	111.68	-	-	-	111.68
Parsvnath HB Projects Private Limited	511.79	-	-	-	511.79
	426.91	-	-	-	426.91
	<b>511.79</b>	-	-	-	<b>511.79</b>
	<b>538.59</b>	-	-	-	<b>538.59</b>
<b>Share of profit/(loss) from AOP</b>					
Ratan Parsvnath Developers AOP	-	-	(0.23)	-	(0.23)
	-	-	(0.22)	-	(0.22)
	-	-	<b>(0.23)</b>	-	<b>(0.23)</b>
	-	-	<b>(0.22)</b>	-	<b>(0.22)</b>
<b>Interest paid (Expense)</b>					
Lakshay Realtors Private Limited	-	-	-	-	-
	440.75	-	-	-	440.75
Parsvnath Estate Developers Private Limited	13.93	-	-	-	13.93
	25.98	-	-	-	25.98
Parsvnath Buildwell Private Limited	1.27	-	-	-	1.27
	1.27	-	-	-	1.27
Parsvnath Hessa Developers Private Limited	0.64	-	-	-	0.64
	0.64	-	-	-	0.64
	<b>15.84</b>	-	-	-	<b>15.84</b>
	<b>468.64</b>	-	-	-	<b>468.64</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

(₹ in lakhs)

Transaction / Outstanding Balances	Subsidiary Companies	Entities under significant influence	Joint Venture Entities	Key Management Personnel and their relatives	Total
<b>Rent paid (Expense)</b>					
Pradeep Kumar Jain	-	-	-	6.91	6.91
	-	-	-	6.91	6.91
Nutan Jain	-	-	-	46.90	46.90
	-	-	-	45.90	45.90
Pradeep Kumar Jain & Sons (HUF)	-	7.91	-	-	7.91
	-	7.78	-	-	7.78
	-	<b>7.91</b>	-	<b>53.81</b>	<b>61.72</b>
	-	<b>7.78</b>	-	<b>52.81</b>	<b>60.59</b>
<b>Reimbursement of expenses (paid)</b>					
Parsvnath Realcon Private Limited	-	-	-	-	-
	3.82	-	-	-	3.82
Parsvnath Buildwell Private Limited	31.21	-	-	-	31.21
	20.08	-	-	-	20.08
Springdale Realtors Private Limited	-	-	-	-	-
	5.40	-	-	-	5.40
Scorpio Realtors Private Limited	-	-	-	-	-
	-	49.27	-	-	49.27
Baidehi Infrastructure Private Limited	-	-	-	-	-
	-	54.65	-	-	54.65
Afra Infrastructure Private Limited	-	-	-	-	-
	34.89	-	-	-	34.89
Arctic Buildwell Private Limited	-	-	-	-	-
	70.94	-	-	-	70.94
Bakul Infrastructure Private Limited	-	-	-	-	-
	88.11	-	-	-	88.11
	<b>31.21</b>	-	-	-	<b>31.21</b>
	<b>223.24</b>	<b>103.92</b>	-	-	<b>327.16</b>
<b>Corporate guarantee given for</b>					
Parsvnath Rail Land Project Private Limited	2,000.00	-	-	-	2,000.00
	-	-	-	-	-
Parsvnath Estate Developers Private Limited	12,500.00	-	-	-	12,500.00
	74,200.00	-	-	-	74,200.00

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

(₹ in lakhs)

Transaction / Outstanding Balances	Subsidiary Companies	Entities under significant influence	Joint Venture Entities	Key Management Personnel and their relatives	Total
Parsvnath Landmark Developers Private Limited	-	-	-	-	-
	15,333.33	-	-	-	15,333.33
	14,500.00	-	-	-	14,500.00
	89,533.33	-	-	-	89,533.33
<b>Corporate guarantee given for - Ceased</b>					
Parsvnath Hotels Limited	2,000.00	-	-	-	2,000.00
	-	-	-	-	-
	2,000.00	-	-	-	2,000.00
	-	-	-	-	-
<b>Corporate guarantee received</b>					
Primetime Realtors Private Limited	83,710.00	-	-	-	83,710.00
	15,500.00	-	-	-	15,500.00
	83,710.00	-	-	-	83,710.00
	15,500.00	-	-	-	15,500.00
<b>Sitting fees paid to directors</b>					
Mr. Ashok Kumar	-	-	-	6.00	6.00
	-	-	-	5.10	5.10
Dr. Pritam Singh	-	-	-	6.00	6.00
	-	-	-	3.00	3.00
Ms. Deepa Gupta	-	-	-	5.70	5.70
	-	-	-	4.20	4.20
Mr. Mahendra Nath Verma	-	-	-	6.00	6.00
	-	-	-	4.80	4.80
	-	-	-	23.70	23.70
	-	-	-	17.10	17.10
<b>(ii) Balances at the year end</b>					
<b>Trade receivables</b>					
Parsvnath Landmark Developers Private Limited	8.06	-	-	-	8.06
	-	-	-	-	-
Parsvnath Realcon Private Limited	300.00	-	-	-	300.00
	300.00	-	-	-	300.00
	308.06	-	-	-	308.06
	300.00	-	-	-	300.00

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

(₹ in lakhs)

Transaction / Outstanding Balances	Subsidiary Companies	Entities under significant influence	Joint Venture Entities	Key Management Personnel and their relatives	Total
<b>Interest accrued on investments</b>					
Parsvnath Buildwell Private Limited	650.10	-	-	-	650.10
	498.94	-	-	-	498.94
Parsvnath Promoters And Developers Private Limited	5,053.52	-	-	-	5053.52
	5,053.52	-	-	-	5,053.52
Parsvnath Rail Land Project Private Limited	712.89	-	-	-	712.89
	712.89	-	-	-	712.89
	<b>6,416.51</b>	-	-	-	<b>6,416.51</b>
	<b>6,265.35</b>	-	-	-	<b>6,265.35</b>
<b>Advances for land purchase / Property</b>					
Brinly Properties Private Limited	1,729.13	-	-	-	1,729.13
	1,730.63	-	-	-	1,730.63
Generous Buildwell Private Limited	1,937.65	-	-	-	1,937.65
	1,938.45	-	-	-	1,938.45
LSD Realcon Private Limited	1,418.99	-	-	-	1,418.99
	1,533.41	-	-	-	1,533.41
Baidehi Infrastructure Private Limited	-	-	-	-	0.00
	-	0.35	-	-	0.35
Scorpio Realtors Private Limited	-	-	-	-	-
	-	0.73	-	-	0.73
Others (each having less than 10% of balance outstanding)	8,717.39	-	-	-	8,717.39
	9,269.67	-	-	-	9,269.67
	<b>13,803.16</b>	-	-	-	<b>13,803.16</b>
	<b>14,472.16</b>	<b>1.08</b>	-	-	<b>14,473.24</b>
<b>Short-term / long-term loans and advances</b>					
Parsvnath Landmark Developers Private Limited	-	-	-	-	-
	7.11	-	-	-	7.11
Parsvnath Film City Limited	4,847.90	-	-	-	4,847.90
	4,847.11	-	-	-	4,847.11
Parsvnath Realcon Private Limited	118.21	-	-	-	118.21
	36.96	-	-	-	36.96
Parsvnath Hotels Limited	826.76	-	-	-	826.76
	438.05	-	-	-	438.05
Parsvnath HB Projects Private Limited	5,702.04	-	-	-	5,702.04
	4,908.92	-	-	-	4,908.92

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

(₹ in lakhs)

Transaction / Outstanding Balances	Subsidiary Companies	Entities under significant influence	Joint Venture Entities	Key Management Personnel and their relatives	Total
PDL Assets Limited	1.00	-	-	-	1.00
	1.00	-	-	-	1.00
Parsvnath Buildwell Private Limited	1,228.15	-	-	-	1,228.15
	468.52	-	-	-	468.52
	<b>12,724.06</b>	-	-	-	<b>12,724.06</b>
	<b>10,707.67</b>	-	-	-	<b>10,707.67</b>
<b>Security deposit (assets)</b>					
Nutan Jain	-	-	-	11.36	11.36
	-	-	-	11.36	11.36
	-	-	-	<b>11.36</b>	<b>11.36</b>
	-	-	-	<b>11.36</b>	<b>11.36</b>
<b>Trade / Other payables</b>					
Parsvnath Infra Limited	1,168.31	-	-	-	1,168.31
	1,189.01	-	-	-	1,189.01
Primetime Realtors Private Limited	-	-	-	-	-
	0.69	-	-	-	0.69
Parsvnath Buildwell Private Limited	3.20	-	-	-	3.20
	-	-	-	-	-
Pradeep Kumar Jain (HUF)	-	1.17	-	-	1.17
	-	1.17	-	-	1.17
Nutan Jain	-	-	-	7.80	7.80
	-	-	-	6.94	6.94
Pradeep Kumar Jain	-	-	-	1.72	1.72
	-	-	-	0.52	0.52
Parsvnath Hessa Developers Private Limited	-	-	-	-	-
	5.72	-	-	-	5.72
Timebound Contracts Private Limited	-	2.25	-	-	2.25
	-	2.25	-	-	2.25
Jodhpur Infrastructure Private Limited	-	12.17	-	-	12.17
	-	12.17	-	-	12.17
	<b>1,171.51</b>	<b>15.59</b>	-	<b>9.52</b>	<b>1,196.62</b>
	<b>1,195.42</b>	<b>15.59</b>	-	<b>7.46</b>	<b>1,218.47</b>
<b>Advances from customers</b>					
Parsvnath Landmark Developers Private Limited	613.35	-	-	-	613.35
	225.52	-	-	-	225.52

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

(₹ in lakhs)

Transaction / Outstanding Balances	Subsidiary Companies	Entities under significant influence	Joint Venture Entities	Key Management Personnel and their relatives	Total
Parsvnath Hotels Limited	490.11	-	-	-	490.11
	490.11	-	-	-	490.11
Parsvnath Buildwell Private Limited	650.00	-	-	-	650.00
	650.00	-	-	-	650.00
Parsvnath Infra Limited	85.00	-	-	-	85.00
	85.00	-	-	-	85.00
Parsvnath MIDC Pharma SEZ Private Limited	206.00	-	-	-	206.00
	206.00	-	-	-	206.00
	<b>2,044.46</b>	-	-	-	<b>2,044.46</b>
	<b>1,656.63</b>	-	-	-	<b>1,656.63</b>
<b>Interest payable</b>					
Parsvnath Estate Developers Private Limited	19.79	-	-	-	19.79
	7.25	-	-	-	7.25
	<b>19.79</b>	-	-	-	<b>19.79</b>
	<b>7.25</b>	-	-	-	<b>7.25</b>
<b>Security deposits (liability)</b>					
Parsvnath Estate Developers Private Limited	20,387.04	-	-	-	20,387.04
	22,287.95	-	-	-	22,287.95
Parsvnath Buildwell Private Limited	13.74	-	-	-	13.74
	13.74	-	-	-	13.74
Parsvnath Landmark Developers Private Limited	3,959.50	-	-	-	3,959.50
	3,000.00	-	-	-	3,000.00
Parsvnath Hessa Developers Private Limited	2,114.25	-	-	-	2,114.25
	7,173.96	-	-	-	7,173.96
Parsvnath Rail Land Project Private Limited	1,100.00	-	-	-	1,100.00
	-	-	-	-	-
	<b>27,574.53</b>	-	-	-	<b>27,574.53</b>
	<b>32,475.65</b>	-	-	-	<b>32,475.65</b>
<b>Interest accrued on margin money deposit</b>					
Parsvnath Buildwell Private Limited	1.14	-	-	-	1.14
	-	-	-	-	-
Parsvnath Hessa Developers Private Limited	3.49	-	-	-	3.49
	2.91	-	-	-	2.91

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

(₹ in lakhs)

Transaction / Outstanding Balances	Subsidiary Companies	Entities under significant influence	Joint Venture Entities	Key Management Personnel and their relatives	Total
	<b>4.63</b>	-	-	-	<b>4.63</b>
	<b>2.91</b>	-	-	-	<b>2.91</b>
<b>Corporate guarantee given for loans</b>					
Parsvnath Hotels Limited	1,268.00	-	-	-	1,268.00
	1,268.00	-	-	-	1,268.00
Parsvnath Landmark Developers Private Limited	20,000.00	-	-	-	20,000.00
	20,000.00	-	-	-	20,000.00
Parsvnath Estate Developers Private Limited	1,07,700.00	-	-	-	1,07,700.00
	95,200.00	-	-	-	95,200.00
Parsvnath Rail Land Project Private Limited	7,500.00	-	-	-	7,500.00
	5,500.00	-	-	-	5,500.00
	<b>1,36,468.00</b>	-	-	-	<b>1,36,468.00</b>
	<b>1,21,968.00</b>	-	-	-	<b>1,21,968.00</b>
<b>Corporate guarantee given for</b>					
Parsvnath Buildwell Private Limited	84.16	-	-	-	84.16
	84.16	-	-	-	84.16
Parsvnath Estate Developers Private Limited	672.00	-	-	-	672.00
	672.00	-	-	-	672.00
	<b>756.16</b>	-	-	-	<b>756.16</b>
	<b>756.16</b>	-	-	-	<b>756.16</b>
<b>Corporate guarantee given by</b>					
Parsvnath Infra Limited	22,500.00	-	-	-	22,500.00
	22,500.00	-	-	-	22,500.00
Parsvnath Hotels Limited	-	-	-	-	-
	2,000.00	-	-	-	2,000.00
Primetime Realtors Private Limited	1,47,810.00	-	-	-	1,47,810.00
	64,100.00	-	-	-	64,100.00
	<b>1,70,310.00</b>	-	-	-	<b>1,70,310.00</b>
	<b>88,600.00</b>	-	-	-	<b>88,600.00</b>
<b>Guarantee for loans</b>					
Chairman and whole-time Directors	-	-	-	<b>208,903.83</b>	<b>208,903.83</b>
	-	-	-	<b>166,046.64</b>	<b>166,046.64</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

(₹ in lakhs)

Transaction / Outstanding Balances	Subsidiary Companies	Entities under significant influence	Joint Venture Entities	Key Management Personnel and their relatives	Total
<b>Investments held</b>					
Parsvnath Landmark Developers Private Limited (Equity shares)	7,598.03	-	-	-	7,598.03
	7,598.03	-	-	-	7,598.03
Parsvnath Infra Limited (Equity shares)	2,604.94	-	-	-	2,604.94
	2,604.94	-	-	-	2,604.94
Parsvnath Film City Limited (Equity shares)	175.00	-	-	-	175.00
	175.00	-	-	-	175.00
Parsvnath Realty Ventures Limited (Equity shares)	5.00	-	-	-	5.00
	5.00	-	-	-	5.00
Vasavi PDL Ventures Private Limited (Equity shares)	2.55	-	-	-	2.55
	2.55	-	-	-	2.55
Parsvnath Telecom Private Limited (Equity shares)	103.00	-	-	-	103.00
	103.00	-	-	-	103.00
Parsvnath Hotels Limited (Equity shares)	1,350.00	-	-	-	1,350.00
	1,350.00	-	-	-	1,350.00
PDL Assets Limited (Equity shares)	6.00	-	-	-	6.00
	6.00	-	-	-	6.00
Parsvnath Developers Pte. Limited (Equity shares)	145.49	-	-	-	145.49
	145.49	-	-	-	145.49
Primetime Realtors Private Limited (Equity shares)	1.00	-	-	-	1.00
	1.00	-	-	-	1.00
Parsvnath Promoters And Developers Private Limited (Equity shares)	1,657.99	-	-	-	1,657.99
	1,657.99	-	-	-	1,657.99
Parsvnath Estate Developers Private Limited (Equity shares)	498.90	-	-	-	498.90
	498.90	-	-	-	498.90
Parsvnath Hessa Developers Private Limited (Equity shares)	11,755.90	-	-	-	11,755.90
	11,755.90	-	-	-	11,755.90
Amazon India Limited (Equity shares)	-	212.50	-	-	212.50
	-	212.50	-	-	212.50
Home Life Real Estate Private Limited (Equity shares)	-	77.50	-	-	77.50
	-	77.50	-	-	77.50
Vardaan Buildtech Private Limited (Equity shares)	-	1.60	-	-	1.60
	-	1.60	-	-	1.60

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

(₹ in lakhs)

Transaction / Outstanding Balances	Subsidiary Companies	Entities under significant influence	Joint Venture Entities	Key Management Personnel and their relatives	Total
Ratan Parsvnath Developers (AOP)	-	-	813.97	-	813.97
(Equity shares)	-	-	814.20	-	814.20
Parsvnath Buildwell Private Limited	9,913.50	-	-	-	9,913.50
(Equity shares and Preference shares)	9,913.50	-	-	-	9,913.50
Parsvnath Buildwell Private Limited (Debentures)	1,083.59	-	-	-	1,083.59
	1,083.59	-	-	-	1,083.59
Parsvnath Promoters And Developers Private Limited	9,343.01	-	-	-	9,343.01
(Debentures)	9,343.01	-	-	-	9,343.01
Farhad Realtors Private Limited	1.00	-	-	-	1.00
(Equity Shares)	-	-	-	-	-
Parsvnath Rail Land Project Private Limited	1,145.00	-	-	-	1,145.00
(Equity shares)	1,145.00	-	-	-	1,145.00
Parsvnath HB Projects Private Limited	2.50	-	-	-	2.50
(Equity shares)	2.50	-	-	-	2.50
Parsvnath Rail Land Project Private Limited (Debentures)	3,220.19	-	-	-	3,220.19
	3,220.19	-	-	-	3,220.19
Parsvnath Hessa Developers Private Limited	0.00	-	-	-	0.00
(Debentures)	669.27	-	-	-	669.27
	<b>50,612.59</b>	<b>291.60</b>	<b>813.97</b>	-	<b>51,718.16</b>
	<b>51,280.86</b>	<b>291.60</b>	<b>814.20</b>	-	<b>52,386.66</b>

**Note:**

- Figures in italics represents figures as at and for the year ended 31 March, 2017.

**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. Loans given to wholly owned subsidiaries are unsecured and interest free. 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.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### 63 Financial Instruments

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

(₹ in lakhs)

		As at 31-March-18				As at 31-March-17			
		Total	Amortised Cost	At cost	FVTPL	Total	Amortised Cost	At cost	FVTPL
	<b>Financial assets</b>								
i.	Investments	52,766.41	-	51,718.16	1,048.25	53,434.81	0.00	52,386.66	1,048.15
ii.	Trade receivables	58,646.77	58,646.77	-	-	58,587.51	58,587.51	-	-
iii.	Cash and cash equivalents	463.70	463.70	-	-	513.18	513.18	-	-
iv.	Bank balances other than (iii) above	5,595.94	5,595.94	-	-	5,356.15	5,356.15	-	-
v.	Loans	12,728.66	12,728.66	-	-	10,726.75	10,726.75	-	-
vi.	Other financial assets	26,104.67	26,104.67	-	-	27,536.21	27,536.21	-	-
	<b>Total financial assets</b>	<b>1,56,306.15</b>	<b>1,03,539.74</b>	<b>51,718.16</b>	<b>1,048.25</b>	<b>1,56,154.61</b>	<b>1,02,719.80</b>	<b>52,386.66</b>	<b>1,048.15</b>
	<b>Financial liabilities</b>								
i.	Borrowings	1,47,781.14	1,47,781.14	-	-	1,50,140.74	1,50,140.74	-	-
ii.	Trade Payables	68,870.67	68,870.67	-	-	63,309.36	63,309.36	-	-
iii.	Other financial liabilities	1,18,158.33	1,18,158.33	-	-	71,114.47	71,114.47	-	-
	<b>Total financial liabilities</b>	<b>3,34,810.14</b>	<b>3,34,810.14</b>	<b>-</b>	<b>-</b>	<b>2,84,564.57</b>	<b>2,84,564.57</b>	<b>-</b>	<b>-</b>

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

#### Fair value hierarchy

The fair value of financial instruments have been classified into three categories depending on the inputs used in the valuation technique

The categories used are as follows:

Level 1: Quoted prices for identical instruments in an active market

Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs

Level 3: Inputs which are not based on observable market date

(₹ in lakhs)

	As at 31-March-18		As at 31-March-17	
	Carrying amount	Category	Carrying amount	Category
Investment carried at fair value through profit and loss	1,048.25	Level 3	1,048.15	Level 3

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### 64 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, investment in subsidiaries/joint venture/associates and loans to its subsidiaries.

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

#### 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:

₹ in lakhs

	Carrying amount	Payable within 1 year	Payable in 1-3 years	Payable in 3-5 years	Payable more than 5 years
<b>As at 31 March, 2018</b>					
Borrowings	2,13,056.87	92,543.69	82,340.12	38,100.49	72.57
Trade payables	68,870.67	65,716.58	2,934.09	220.00	-
Other financial liabilities	52,882.60	21,288.84	304.79	21,197.76	10,091.21
	<b>3,34,810.14</b>	<b>1,79,549.11</b>	<b>85,579.00</b>	<b>59,518.25</b>	<b>10,163.78</b>
<b>As at 31 March, 2017</b>					
Borrowings	1,69,324.68	37,246.73	95,856.48	28,956.86	7,264.61
Trade payables	63,309.36	58,383.74	4,705.62	220.00	-
Other financial liabilities	51,930.53	15,554.15	211.43	28,232.58	7,932.37
	<b>2,84,564.57</b>	<b>1,11,184.62</b>	<b>1,00,773.53</b>	<b>57,409.44</b>	<b>15,196.98</b>

Note: Current maturities of long term debt have been excluded from Other financial liabilities and included under Borrowings.

#### Financing facilities

(₹ in lakhs)

Particulars	As at 31-March-18	As at 31-March-17
<b>Secured bank overdraft facility :</b>		
-amount used	8,115.84	8,887.77
-amount unused	-	8.23

#### 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 balanced portfolio of fixed and variable rate borrowings. The Company does not enter into any interest rate swaps.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### 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 :

(₹ in lakhs)

Particulars	As at 31-March-18	As at 31-March-17
<b>Variable rate borrowings</b>		
Long term	1,76,321.78	1,28,748.43
Short term	36,735.09	40,576.25
<b>Total variable rate borrowing</b>	<b>2,13,056.87</b>	<b>1,69,324.68</b>
<b>Fixed rate borrowings</b>		
Long term	-	-
Short term	-	-
<b>Total fixed rate borrowings</b>	<b>-</b>	<b>-</b>
<b>Total borrowings</b>	<b>2,13,056.87</b>	<b>1,69,324.68</b>

### Sensitivity

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

(₹ in lakhs)

Particulars	Year ended 31-March-18	Year ended 31-March-18
Actual interest cost	30,706.51	25,437.25
if ROI is increased by 1% on outstanding loans	2,312.24	1,770.51
Total interest cost	33,018.75	27,207.76
if ROI is decreased by 1% on outstanding loans	2,312.24	1,770.51
Total interest cost	28,394.27	23,666.74

### 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:

(₹ in lakhs)

	As at 31-March-18	As at 31-March-17
Outstanding for more than 6 months	44,645.81	44,013.29
Outstanding for 6 months or less	2,138.66	2,591.29
Not due for payment	11,862.30	11,982.93
	<b>58,646.77</b>	<b>58,587.51</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### 65 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:

	(₹ in lakhs)	
	As at 31-March-18	As at 31-March-17
<b>Borrowings:</b>		
- Long term	1,11,046.05	1,09,564.49
- Short term	36,735.09	40,576.25
- Current maturities of long term borrowings	65,275.73	19,183.94
<b>Total borrowings - A</b>	<b>2,13,056.87</b>	<b>1,69,324.68</b>
<b>Equity</b>		
- Share capital	21,759.06	21,759.06
- Other equity	2,22,373.47	2,34,144.69
<b>Total Equity - B</b>	<b>2,44,132.53</b>	<b>2,55,903.75</b>
Debt to equity ratio (A/B)	0.87	0.66

### 66 Events after the reporting period

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

### 67 Approval of the financial statements

The financial statements were approved for issue by Board of Directors on 29 May, 2018

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

Sd/-  
**Pradeep Kumar Jain**  
Chairman  
(DIN 00333486)

Sd/-  
**M. C. Jain**  
Group Chief Financial Officer

Place: New Delhi  
Date: 29 May, 2018

Sd/-  
**Sanjeev Kumar Jain**  
Managing Director & CEO  
(DIN 00333881)

Sd/-  
**V. Mohan**  
Company Secretary

## Independent Auditor's Report

### To the Members of Parsvnath Developers Limited

#### Report on the Consolidated Ind AS Financial Statements

We have audited the accompanying consolidated Indian Accounting Standard (Ind AS) financial statements of Parsvnath Developers Limited, ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and joint venture, comprising of the Consolidated Balance Sheet as at 31 March 2018, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity, for the year then ended, and a summary of the significant accounting policies and other explanatory information ("the consolidated Ind AS financial statements").

#### Management's Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 ("the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates and joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the group and of its associates and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding the assets of the group and its associates and its joint ventures 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 the 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 financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the directors of the Holding Company, as aforesaid.

#### Auditor's Responsibility

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

While conducting the 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 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 consolidated 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 consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the consolidated 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the other auditors in terms of their reports referred to in sub-paragraph (a) and (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the consolidated Ind AS financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors on the separate financial statements and on the other financial information of the subsidiaries, associates and joint venture as noted below, the aforesaid consolidated 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, of the consolidated state of affairs of the Group, its associates and joint ventures as at 31 March 2018, and their consolidated loss (including other comprehensive income), their consolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

### Emphasis of Matter

We draw attention to the following matter in the notes to the consolidated Ind AS financial statements:

Note 48, which indicates that the group has incurred cash loss during the current and previous years and there have been delays/defaults in payment of principal and interest on borrowings, statutory liabilities, salaries to employees and other dues by the group. The management of the Company is of the opinion that no adverse impact is anticipated on future operations of the Group.

Our opinion is not modified in respect of this matter.

### Other Matter

We did not audit the financial statements fifty three subsidiaries whose financial statements reflect total assets (after eliminating intra-group transactions) of Rs. 33,542.68 lakhs as at 31 March, 2018, total revenues (after eliminating intra-group transactions) of Rs. 399.20 lakhs, total loss after tax (including other comprehensive income) of Rs. 181.97 lakhs and net cash flows amounting to Rs. 290.25 lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net profit of Rs. 1.98 lakhs for the year ended 31 March 2018, as considered in the consolidated Ind AS financial statements, in respect of three associates and one joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint venture and associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint venture and associates, is based solely on the reports of the other auditors.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matter with respect to our reliance on the work done by and the reports of the other auditors.

### Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, and based on our audit and on the consideration of the report of the other auditors on separate financial statements and other financial information of the subsidiaries, associates and joint venture, as noted in the 'Other Matter' paragraph, 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 purpose of our audit of the aforesaid consolidated Ind AS financial statements;

- b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.
- c) Reports on the accounts of the subsidiaries, associates and joint venture audited have been sent to us, and have been properly dealt with in preparing this report.
- d) The consolidated Ind AS financial statements dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.
- e) In our opinion, the consolidated Ind AS financial statements comply with Indian Accounting Standards specified under Section 133 of the Act;
- f) The audit report on the financial statements of Parsvnath Rail Land Project Private Limited and Parsvnath Film City Limited, subsidiaries of the Holding Company, issued by us contains the following remark, which is reproduced by us as below:

There is material uncertainty related to outcome of legal disputes.

- g) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2018 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiaries and associates incorporated in India, none of the directors of the Group companies and its associates, incorporated in India is disqualified as on 31 March 2018 from being appointed as a director in terms of Section 164 (2) of the Act.
- h) With respect to the adequacy of the internal financial controls over financial reporting of the Holding Company, its subsidiaries and associates incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A",
- i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on

the auditor's reports and other financial information of the Holding Company, subsidiaries, associates and joint venture, as noted in the 'Other Matter' paragraph:

- (i) The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint venture - Refer Note 36 to the consolidated Ind AS financial statements;
- (ii) The Group, its associates and joint venture did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - Refer Note 38 to the consolidated Ind AS financial statements;

- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiaries and associates incorporated in India – Refer Note 39 to the consolidated Ind AS financial statements.

For **S.N. Dhawan & Co LLP**

Chartered Accountants

Firm's Registration No.:000050N/N500045

**Sd/-**

**Vinesh Jain**

Partner

Membership No.: 087701

Place: New Delhi

Date: 29 May, 2018

## Annexure A

### 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")

1. In conjunction with our audit of the consolidated financial statements of the company as of and for the year ended 31 March 2018, we have audited the internal financial controls over financial reporting of Parsvnath Developers Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies and its associate companies, which are companies incorporated in India, as of that date.

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

2. The respective Board of Directors of the Holding Company, its subsidiary companies, its associate companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria. 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 the respective company's policies, the safeguarding of the company's 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

3. Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company, its subsidiary companies and its associate companies as aforesaid, 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") issued by the Institute of Chartered Accountants of India (ICAI) and the Standards on Auditing, issued by 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 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.
4. 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 financial statements, whether due to fraud or error.

5. We believe that the audit evidence we have obtained (and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter(s) paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting of the Holding Company, its subsidiary companies and its associate companies as aforesaid.

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

6. 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 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 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 financial statements.

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

7. Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods

are subject to the risk that the internal financial 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**

8. In our opinion, the Holding Company, its subsidiary companies and its associate companies, which are companies incorporated in India, have, 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 internal control over financial reporting criteria.

**Other Matter**

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial

controls over financial reporting insofar as it relates to fifty two subsidiaries and three associates, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

For **S.N. Dhawan & Co LLP**

Chartered Accountants

Firm's Registration No.:000050N/N500045

**Sd/-**

**Vinesh Jain**

Membership No.: 087701

Place: New Delhi

Date: 29 May, 2018

## CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2018

(₹ in lakhs)

	Notes	As at 31-March-18	As at 31-March-17
<b>ASSETS</b>			
<b>1 Non-current assets</b>			
a. Property, plant and equipment	5	544.43	647.69
b. Capital work-in-progress	5	6,374.86	6,222.03
c. Investment property	6	2,444.13	2,150.93
d. Goodwill on consolidation		6,878.85	6,878.85
e. Other intangible assets	7	44,951.02	47,795.82
f. Intangible assets under development	7	68,300.76	58,488.93
g. Financial assets			
i. Investments	8	1,461.55	1,460.12
ii. Other financial assets	10	140,658.22	142,390.59
h. Deferred tax assets (net)	11	13,424.26	9,837.11
i. Tax assets (net)	17	4,028.85	3,101.18
j. Other non-current assets	12	25,370.64	32,919.89
<b>Total non-current assets</b>		<b>314,437.57</b>	<b>311,893.14</b>
<b>2 Current assets</b>			
a. Inventories	13	368,868.83	332,673.43
b. Financial assets			
i. Trade receivables	14	63,533.59	63,039.61
ii. Cash and cash equivalents	15	843.85	1,402.23
iii. Bank balances other than (ii) above	16	5,624.63	5,388.27
iv. Loans	9	2,082.07	2,322.95
v. Other financial assets	10	18,638.56	18,676.53
c. Other current assets	12	65,001.96	60,246.64
<b>Total current assets</b>		<b>524,593.49</b>	<b>483,749.66</b>
<b>Total assets</b>		<b>839,031.06</b>	<b>795,642.80</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1 Equity</b>			
a. Equity share capital	18	21,759.06	21,759.06
b. Other equity	19	194,736.85	226,459.98
<b>Total Equity (For shareholders of parent)</b>		<b>216,495.91</b>	<b>248,219.04</b>
Non-controlling interest		16,272.92	16,960.16
<b>Total Equity</b>		<b>232,768.83</b>	<b>265,179.20</b>
<b>Liabilities</b>			
<b>2 Non-current liabilities</b>			
a. Financial liabilities			
i. Borrowings	20	319,230.76	325,648.58
ii. Other financial liabilities	21	3,899.36	2,452.80
b. Provisions	22	513.75	416.17
c. Other non-current liabilities	23	4,111.08	4,149.44
<b>Total non-current liabilities</b>		<b>327,754.95</b>	<b>332,666.99</b>
<b>3 Current liabilities</b>			
a. Financial liabilities			
i. Borrowings	24	46,266.16	46,076.25
ii. Trade Payables	25	76,416.63	69,549.69
iii. Other financial liabilities	21	108,943.21	44,310.67
b. Provisions	22	55.73	55.50
c. Current tax liabilities (Net)	17	3.21	-
d. Other current liabilities	23	46,822.34	37,804.50
<b>Total current liabilities</b>		<b>278,507.28</b>	<b>197,796.61</b>
<b>Total liabilities</b>		<b>606,262.23</b>	<b>530,463.60</b>
<b>Total equity and liabilities</b>		<b>839,031.06</b>	<b>795,642.80</b>

See accompanying notes to the consolidated financial statements

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

Sd/-  
**Vinesh Jain**  
Partner  
(Membership No. 087701)

Place: New Delhi  
Date: 29 May, 2018

For and on behalf of the Board of Directors

Sd/-  
**Pradeep Kumar Jain**  
Chairman  
(DIN 00333486)

Sd/-  
**M. C. Jain**  
Group Chief Financial Officer  
Place: New Delhi  
Date: 29 May, 2018

Sd/-  
**Sanjeev Kumar Jain**  
Managing Director & CEO  
(DIN 00333881)

Sd/-  
**V. Mohan**  
Company Secretary

## CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2018

	Notes	Year ended 31-March-18	Year ended 31-March-17
			(₹ in lakhs)
<b>I. Revenue from operations</b>	26	19,366.62	27,889.55
<b>II. Other income</b>	27	1,641.50	2,763.53
<b>III. Total income (I + II)</b>		<b>21,008.12</b>	<b>30,653.08</b>
<b>IV. Expenses</b>			
a. Cost of land / development rights		13,680.22	12,073.60
b. Cost of materials consumed	28	2,168.02	5,813.24
c. Purchase of Stock in Trade	29	(83.02)	-
d. Contract cost, labour and other charges		6,318.43	5,747.54
e. Changes in inventories of finished goods and work-in-progress	30	(12,077.59)	(14,374.55)
f. Employee benefits expense	31	3,259.05	3,060.15
g. Finance costs	32	32,414.35	23,357.72
h. Depreciation and amortisation expense	33	3,023.64	2,794.09
i. Other expenses	34	8,257.75	8,294.75
<b>Total expenses (IV)</b>		<b>56,960.85</b>	<b>46,766.54</b>
<b>V. Profit/(loss) before tax (III-IV)</b>		<b>(35,952.73)</b>	<b>(16,113.46)</b>
<b>VI. Tax expense/(benefit):</b>	35		
a. Current tax		1.13	15.85
b. Tax adjustment for earlier years		16.20	406.53
c. Deferred tax		(3,574.38)	(1,646.59)
		<b>(3,557.05)</b>	<b>(1,224.21)</b>
<b>VII. Profit/(loss) for the year (V - VI)</b>		<b>(32,395.68)</b>	<b>(14,889.25)</b>
<b>VIII. Share of profit/(loss) in Associates (Net)</b>		1.93	2.21
<b>IX. Profit/(loss) for the year (VII+VIII)</b>		<b>(32,393.75)</b>	<b>(14,887.04)</b>
<b>X. Other comprehensive income</b>			
(i) Items that will not be reclassified to profit or loss			
a. Remeasurements of the defined benefit plans		(49.15)	(27.38)
		<b>(49.15)</b>	<b>(27.38)</b>
(ii) Income tax relating to items that will not be reclassified to profit or loss		<b>(12.78)</b>	<b>(8.46)</b>
<b>Total other comprehensive income (i-ii)</b>		<b>(36.37)</b>	<b>(18.92)</b>
<b>XI. Total comprehensive income for the year (IX + X)</b>		<b>(32,430.12)</b>	<b>(14,905.96)</b>
<b>XII. Net profit / (loss) attributable to:</b>			
a. Shareholders of the company		(31,742.88)	(14,474.94)
b. Non-controlling interest		(687.24)	(431.02)
<b>XIII. Earnings per equity share (face value ₹ 5 per share)</b>	59		
a. Basic (in ₹)		(7.29)	(3.33)
b. Diluted (in ₹)		(7.29)	(3.33)

See accompanying notes to the consolidated financial statements

1-69

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

Sd/-  
**Vinesh Jain**  
Partner  
(Membership No. 087701)

Place: New Delhi  
Date: 29 May, 2018

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

Sd/-  
**Pradeep Kumar Jain**  
Chairman  
(DIN 00333486)

Sd/-  
**M. C. Jain**  
Group Chief Financial Officer  
Place: New Delhi  
Date: 29 May, 2018

Sd/-  
**Sanjeev Kumar Jain**  
Managing Director & CEO  
(DIN 00333881)

Sd/-  
**V. Mohan**  
Company Secretary

**CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2018**

(₹ in lakhs)

	<b>Year ended 31-March-18</b>	<b>Year ended 31-March-17</b>
<b>A. Cash flow from operating activities</b>		
Profit/(loss) before tax (including OCI)	(36,001.88)	(16,140.84)
Adjustments for:		
Depreciation and amortisation expense	3,023.64	2,794.09
Profit on sale of property, plant and equipment (net)	(41.66)	4.61
Profit on sale of non-current investments	-	(136.29)
Finance costs	32,414.35	23,357.72
Interest income	(1,410.05)	(1,973.32)
Excess provision written back	(25.85)	-
Operating profit/(loss) before working capital changes	<b>(2,041.45)</b>	<b>7,905.97</b>
Movement in working capital:		
Adjustments for (increase)/decrease in operating assets:		
Inventories	(11,948.89)	(14,630.74)
Trade receivables	(493.98)	2,854.00
Loans - current	240.88	486.21
Other financial assets - non current	1,772.35	(4,324.41)
Other financial assets - current	42.44	(566.63)
Other assets - non current	7,524.54	(5,511.47)
Other assets - current	(4,755.32)	(15,211.20)
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	6,892.79	1,648.69
Other financial liabilities - non current	1,446.56	(318.91)
Other financial liabilities - current	1,647.32	(1,080.20)
Other liabilities - non current	(38.36)	(38.69)
Other liabilities - current	9,017.84	(3,445.71)
Provisions - non current	97.58	28.90
Provisions - current	0.23	(13.40)
Cash generated from/(used in) operations	<b>9,404.53</b>	<b>(32,217.59)</b>
Income taxes paid (net)	(941.78)	(950.94)
<b>Net cash flow from/(used in) operating activities (A)</b>	<b>8,462.75</b>	<b>(33,168.53)</b>
<b>B. Cash flow from investing activities</b>		
Purchase of tangible and intangible assets	(10,276.28)	(7,000.51)
Proceeds from sale of tangible and intangible assets	78.34	4,410.99
(Increase)/decrease in bank balances not considered as cash and cash equivalents	(236.36)	8,168.04
Purchase of non-current investments		
- Subsidiaries	-	(22,861.63)

## CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2018

(₹ in lakhs)

	Year ended 31-March-18	Year ended 31-March-17
Redemption/sale of non-current investments		
- Associates	0.50	-
Interest received	1,385.35	2,068.96
<b>Net cash flow from/(used in) investing activities (B)</b>	<b>(9,048.45)</b>	<b>(15,214.15)</b>
<b>C. Cash flow from financing activities</b>		
Interest paid	(48,850.93)	(53,672.96)
Purchase of Shares from Non Controlling Interest	-	(1,775.21)
Proceeds from / (repayment of) working capital borrowings	(771.93)	(1,001.22)
Proceeds from other short-term borrowings	10,399.01	18,838.26
Repayment of other short-term borrowings	(9,437.17)	(10,049.57)
Proceeds from long-term borrowings	81,235.04	194,211.97
Repayment of long-term borrowings	(32,546.70)	(100,504.41)
<b>Net cash flow from/(used in) financing activities (C)</b>	<b>27.32</b>	<b>46,046.86</b>
<b>D. Net increase/(decrease) in Cash and cash equivalents (A+B+C)</b>	<b>(558.38)</b>	<b>(2,335.82)</b>
<b>E. Cash and cash equivalents at the beginning of the year</b>	<b>1,402.23</b>	<b>3,738.05</b>
<b>F. Cash and cash equivalents at the end of the year</b>	<b>843.85</b>	<b>1,402.23</b>

See accompanying notes to the consolidated financial statements

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

Sd/-  
**Vinesh Jain**  
Partner  
(Membership No. 087701)

Place: New Delhi  
Date: 29 May, 2018

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

Sd/-  
**Pradeep Kumar Jain**  
Chairman  
(DIN 00333486)

Sd/-  
**M. C. Jain**  
Group Chief Financial Officer  
Place: New Delhi  
Date: 29 May, 2018

Sd/-  
**Sanjeev Kumar Jain**  
Managing Director & CEO  
(DIN 00333881)

Sd/-  
**V. Mohan**  
Company Secretary

**CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2018**

(₹ in lakhs)

**a. Equity Share Capital**

<b>Balance as at 31 March, 2016</b>	21759.06
Changes in equity share capital during the year	-
<b>Balance as at 31 March, 2017</b>	21759.06
Changes in equity share capital during the year	-
<b>Balance as at 31 March, 2018</b>	21759.06

**b. Other Equity**

	Reserves and Surplus							Other Comprehensive Income Remeasurment of defined benefit plan	Attributable to shareholders of parent	Non Controlling Interest
	Capital Reserve	Capital Redemption Reserve	Securities premium reserve	Debenture redemption reserve	Foreign Currency Translation Reserve	General Reserve	Retained earnings			
<b>Balance as at 31 March, 2016</b>	2,388.87	230.00	145,591.47	1,500.00	18.11	9,310.00	82,183.12	88.64	241,310.21	18,823.12
Profit for the year	-	-	-	-	-	-	(14,456.02)	-	(14,456.02)	(431.02)
Exchange differences arising on translating the foreign operations					(32.02)				(32.02)	(7.00)
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	(18.92)	(18.92)	
<b>Total comprehensive income for the year</b>	-	-	-	-	(32.02)	-	(14,456.02)	(18.92)	(14,506.96)	(438.02)
Transferred from retained earnings				12,802.50					12,802.50	
Add/(Less): Adjusted upon further acquisition of shares of a subsidiary	(343.27)								(343.27)	(1,424.94)
Transfer to Debenture redemption reserve			-	-		-	12,802.50	-	12,802.50	
<b>Balance as at 31 March, 2017</b>	2,045.60	230.00	145,591.47	14,302.50	(13.91)	9,310.00	54,924.60	69.72	226,459.98	16,960.16
Profit for the year			-	-		-	(31,706.51)	-	(31,706.51)	(687.24)
Exchange differences arising on translating the foreign operations					19.75				19.75	-
Other comprehensive income for the year, net of income tax			-	-		-	-	(36.37)	(36.37)	
<b>Total comprehensive income for the year</b>	-	-	-	-	19.75	-	(31,706.51)	(36.37)	(31,723.13)	(687.24)
Transferred from retained earnings			-	225.00		-	-	-	225.00	
Add/(Less): Adjusted upon further acquisition of shares of a subsidiary	-								-	-
Transfer to Debenture redemption reserve			-	-		-	225.00	-	225.00	
<b>Balance as at 31 March, 2018</b>	2,045.60	230.00	145,591.47	14,527.50	5.84	9,310.00	22,993.09	33.35	194,736.85	16,272.92

See accompanying notes to the consolidated financial statements

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

Sd/-  
**Vinesh Jain**  
Partner  
(Membership No. 087701)

Place: New Delhi  
Date: 29 May, 2018

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

Sd/-  
**Pradeep Kumar Jain**  
Chairman  
(DIN 00333486)

Sd/-  
**M. C. Jain**  
Group Chief Financial Officer  
Place: New Delhi  
Date: 29 May, 2018

Sd/-  
**Sanjeev Kumar Jain**  
Managing Director & CEO  
(DIN 00333881)

Sd/-  
**V. Mohan**  
Company Secretary

## CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2018

### 1. CORPORATE INFORMATION

Parsvnath Developers Limited ("the Company") was set up as a Company registered under the Companies Act, 1956. It was incorporated on 24 July, 1990. The Company and its subsidiaries (herein after collectively referred to as 'the group') is primarily engaged in the business of promotion, construction and development of integrated townships, residential and commercial complexes, multi-storeyed buildings, flats, houses, apartments, shopping malls, IT parks, hotels, SEZ, etc.

The Company is a public limited company incorporated and domiciled in India. The address of its corporate office is 6th Floor, Arunachal Building, 19, Barakhamba Road, New Delhi - 110 001. The Company is listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

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

#### Group information

The consolidated financial statements include following subsidiaries, joint ventures and associates:

Name of the Company		Percentage of ownership/voting rights	
		31-Mar-18	31-Mar-17
<b>Subsidiaries</b>			
1	Parsvnath Landmark Developers Private Limited	100.00%	100.00%
2	Parsvnath Infra Limited	94.87%	94.87%
3	Parsvnath Film City Limited	100.00%	100.00%
4	Parsvnath Telecom Private Limited	100.00%	100.00%
5	Parsvnath Hotels Limited	100.00%	100.00%
6	PDL Assets Limited	100.00%	100.00%
7	Parsvnath Estate Developers Private Limited	100.00%	100.00%
8	Parsvnath Promoters and Developers Private Limited	51.00%	51.00%
9	Parsvnath Developers Pte. Limited	53.32%	53.32%
10	Parsvnath Heesa Developers Private Limited	100.00%	100.00%
11	Primetime Realtors Private Limited	100.00%	100.00%
12	Parsvnath Buildwell Private Limited	90.05/50.10%	90.05/50.10%
13	Parsvnath HB Projects Private Limited	51.00%	51.00%
14	Parsvnath MIDC Pharma SEZ Private Limited	94.87%	94.87%
15	Parsvnath Realcon Private Limited	50.10%	50.10%
16	Parsvnath Reality Ventures Limited	100.00%	100.00%
17	Vasavi PDL Ventures Private Limited	51.00%	51.00%

Name of the Company		Percentage of ownership/voting rights	
		31-Mar-18	31-Mar-17
18	Farhad Realtors Private Limited	100.00%	-
<b>Subsidiaries by virtue of Accounting Standard (Ind AS – 110) on ‘Consolidated financial statements’</b>			
19	Parsvnath Rail Land Project Private Limited	28.30/85.10%	28.30/85.10%
20	Aahna Realtors Private Limited	-	-
21	Afra Infrastructure Private Limited	-	-
22	Anubhav Buildwell Private Limited	-	-
23	Arctic Buildwell Private Limited	-	-
24	Arunachal Infrastructure Private Limited	-	-
25	Bae Buildwell Private Limited	-	-
26	Bakul Infrastructure Private Limited	-	-
27	Banita Buildcon Private Limited	-	-
28	Bliss Infrastructure Private Limited	-	-
29	Brinly Properties Private Limited	-	-
30	Coral Buildwell Private Limited	-	-
31	Dae Realtors Private Limited	-	-
32	Dai Real Estates Private Limited	-	-
33	Dhiren Real Estates Private Limited	-	-
34	Digant Realtors Private Limited	-	-
35	Elixir Infrastructure Private Limited	-	-
36	Emerald Buildwell Private Limited	-	-
37	Evergreen Realtors Private Limited	-	-
38	Gem Buildwell Private Limited	-	-
39	Generous Buildwell Private Limited	-	-
40	Himsagar Infrastructure Private Limited	-	-
41	Izna Realcon Private Limited	-	-
42	Jaguar Buildwell Private Limited	-	-
43	Label Real Estates Private Limited	-	-
44	Lakshya Realtors Private Limited	-	-
45	LSD Realcon Private Limited	-	-
46	Mirage Buildwell Private Limited	-	-
47	Navneet Realtors Private Limited	-	-
48	Neelgagan Realtors Private Limited	-	-
49	New Hind Enterprises Private Limited	-	-
50	Oni Projects Private Limited	-	-
51	Paavan Buildcon Private Limited	-	-
52	Perpetual Infrastructure Private Limited	-	-

Name of the Company		Percentage of ownership/voting rights	
		31-Mar-18	31-Mar-17
53	Prosperity Infrastructures Private Limited	-	-
54	Rangoli Infrastructure Private Limited	-	-
55	Samiksha Realtors Private Limited	-	-
56	Sapphire Buildtech Private Limited	-	-
57	Silverstreet Infrastructure Private Limited	-	-
58	Spearhead Realtors Private Limited	-	-
59	Springdale Realtors Private Limited	-	-
60	Stupendous Buildtech Private Limited	-	-
61	Sumeru Developers Private Limited	-	-
62	Trishla Realtors Private Limited	-	-
63	Vital Buildwell Private Limited	-	-
64	Yamuna Buildwell Private Limited	-	-
<b>Joint Ventures</b>			
1	Ratan Parsvnath Developers (AOP)	50.00%	50.00%
<b>Associates</b>			
1	Amazon India Limited	48.30%	48.30%
2	Home Life Real Estate Private Limited	50.00%	50.00%
3	Vardaan Buildtech Private Limited	33.33%	33.33%

## 2.2 Basis of measurement and presentation

The consolidated 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

## 2.3 Basis of consolidation

The consolidated financial statements relates to Parsvnath Developers Limited ('the Company') and its subsidiaries. Subsidiaries are entities that are controlled by the Company. Control is achieved when the Company:

- Has power over the investee;
- Is expected, or has right, to variable returns from its involvement with the investee;
- Has the ability to use its power to affect the returns

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control listed above.

Generally, majority of voting rights results in control. When the Company has less than majority of voting rights of an investee, the Company considers all relevant facts and circumstances assessing whether or not the Company's voting rights in an investee are sufficient to give it power

over the investee, including:

- The size of the Company's holdings of voting rights relative to the size and dispersion of holdings of other vote holders;
- Potential voting rights held by the Company;
- Rights arising from other contractual arrangements;
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

#### **Changes in the Group's ownership interests in existing subsidiaries**

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received and the fair value of any retained interest and (ii) the previous carrying amount of the assets

(including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profit or loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

#### **Consolidation procedure:**

- The financial statements of the Company and its subsidiary companies have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating all significant intra-group balances, intra-group transactions and unrealised profits on intra-group transactions.
- The excess of cost to the Group of its investments in the subsidiaries over its share of equity of the subsidiaries, at the dates on which the investments in the subsidiaries were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. On the other hand, where the share of equity in the subsidiaries as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves & Surplus' in the consolidated financial statements. The 'Goodwill' / 'Capital Reserve' is determined separately for each subsidiary and such amounts are not set off between different entities.
- Non-controlling interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the non-controlling shareholders at the date on which investments in the subsidiaries were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year of the subsidiaries attributable to non-controlling interest is identified and adjusted against the profit / loss after tax of the Group in order to arrive at the income attributable to shareholders of the Company.

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

##### **2.4 Revenue recognition**

Revenue is recognised to the extent that it is probable that

economic benefit will flow to the group 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 group 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 group acts as a developer and in lieu of land, the group 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 group has agreed to transfer certain percentage of constructed area, revenue is recognised in respect of group's share of constructed area to the extent of group'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.
- v. Income from construction contracts is recognised by reference to the stage of completion of the contract activity at the reporting date of the financial statements. The related costs there against are charged to the Statement of Profit and Loss. The stage of completion of the contract is measured by reference to the proportion that contract cost incurred for work performed up to the reporting date bears to the estimated total contract cost for each contract. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.
- 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.
- vii. Income from licence fee is recognised on accrual basis in accordance with the terms of agreement with the sub-licensees.
- viii. Income from rent is recognised on accrual basis in accordance with the terms of agreement with the lessee.
- ix. Income from maintenance charges is recognised on accrual basis.

- 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.

## 2.5 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

### a. As lessor

Receipts from operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the term of the relevant lease. Where the lease payments are structured to increase in line with expected general inflation to compensate for expected inflationary cost increases, lease income is recognised as per the contractual terms.

### b. As lessee

Payments for operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the term of the relevant lease. Where the lease payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, lease expense is recognised as per the contractual terms. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

## 2.6 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.

## 2.7 Employee benefits

### a. Defined contribution plan

The group's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

### b. Defined benefit plan

For defined benefit plan in the form of gratuity, the cost of providing benefits is determined using the projected

unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is not reclassified to profit or loss in subsequent periods. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost comprising current service costs, past service costs, gains and losses on curtailments and settlements;
- net interest expense or income; and
- remeasurement

### c. Short-term and other long-term 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.

Accumulated leaves expected to be carried forward beyond twelve months, are treated as long-term employee benefits. Liability for such long term benefit is provided based on the actuarial valuation using the projected unit credit method at year-end.

## 2.8 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.

#### **Minimum Alternate Tax (MAT)**

Minimum Alternate Tax (MAT) is payable when the taxable profit is lower than the book profit. Taxes paid under MAT are available as a set off against regular income tax payable in subsequent years. MAT paid in a year is charged to the Statement of Profit and Loss as current tax. The group recognises MAT credit available as an asset only to the extent that there is convincing evidence that the respective Company will pay normal income tax during the specified period i.e the period for which MAT credit is allowed to be carried forward. MAT credit is recognised as an asset and is shown as 'MAT Credit Entitlement'. The group reviews the 'MAT Credit Entitlement' asset at each reporting date and write down the asset to the extent the respective Company does not have convincing evidence that it will pay normal tax during the specified period.

### **2.9 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'

### **2.10 Investments in associates and joint ventures**

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Distributions received from an associate or a joint venture reduce the carrying amount of the investment. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance, form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the

cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there any is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in an associate or a joint venture.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount. Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale.

## 2.11 Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

1. its assets, including its share of any assets held jointly;
2. its liabilities, including its share of any liabilities incurred jointly;
3. its revenue from the sale of its share of the output arising from the joint operation;
4. its share of the revenue from the sale of the output by the joint operation; and
5. its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues, and expenses relating to its interest in a joint operation in accordance with the Ind AS applicable to the particular assets, liabilities, revenues, and expenses.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

## 2.12 Investment properties

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost includes purchase/construction cost, directly attributable cost and borrowing costs, if the recognition criteria are met. The fair value of investment property is disclosed in the notes.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal.

Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.

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

Depreciation on property, plant and equipment and investment property is provided on straight line basis as per the useful life prescribed in Schedule II to the Companies Act, 2013, except in respect of Shuttering and Scaffolding, in which case the life of the asset has been assessed on technical advice, taking into account the nature of asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technology changes and maintenance support etc. Accordingly the useful life of the assets taken is as under:

Asset	Useful life
Buildings	60 years
Plant and equipment	8 years
Shuttering and scaffolding	6 years
Furniture and fixture	8 years
Vehicles	8 years
Office equipment	5 years
Computer	3 years
Investment properties (Buildings)	60 years

Free hold land is not depreciated

## 2.14 Intangible assets

Intangible assets comprises buildings constructed on 'Build-operate-Transfer' (BOT) basis. The group has unconditional right to use/lease such assets during the specified period. After expiry of specified period, these assets will get transferred to the Licensor without any consideration. Since, the group has no ownership rights over these assets and has limited right of use during the specified period, these assets are classified as intangible assets. These intangible assets are initially recognised at their cost of construction. 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 to initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Intangible assets which are not ready for intended use as on the date of Balance Sheet are disclosed as 'Intangible assets under development'

Intangible assets are amortised on a straight line basis over the licence period (right to use) which ranges from 12 to 30 years.

## 2.15 Impairment of tangible and intangible assets

At the end of each reporting period, the group reviews the carrying amounts of its tangible and intangible 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 group 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.

Intangible assets with indefinite useful lives and intangible assets not yet available for use are tested for impairment at least annually, and whenever there is an indication that the asset may be impaired.

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.

## 2.16 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.

- Completed unsold inventory is valued at lower of cost and net realisable 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.
- Work in progress is valued at lower of cost and net realisable 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.

## 2.17 Provisions

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group 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.

### Onerous contracts

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the group has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

## 2.18 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 group 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 group does not recognise a contingent liability, but discloses its existence in the financial statements.

## 2.19 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.

## 2.20 Unbilled receivables

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

## 2.21 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.

## 2.22 Foreign currency translations

The consolidated financial statements are presented in Indian Rupee, the functional currency of the group.

Transactions in foreign currencies entered into by the group are recorded at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Foreign currency monetary items of the group, outstanding at the reporting date are restated at the exchange rates prevailing at the reporting date. Non-monetary items denominated in foreign currency, are reported using the exchange rate at the date of the transaction.

Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the group are recognised as income or expense in the Statement of Profit and Loss.

The financial statements of foreign subsidiaries with functional currency other than presentation currency of the group have been translated in presentation currency. Assets and liabilities of such subsidiaries have been translated to

the presentation currency using exchange rate prevailing on the balance sheet date and statement of profit and loss has been translated using weighted average exchange rates during the year. Translation adjustments have been reported as foreign currency translation reserve.

## 2.23 Current/non-current classification

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

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period;
- 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.

## 2.24 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 group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the group 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.

## 2.25 Financial instruments

Financial assets and financial liabilities are recognised when the group 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.

## 2.26 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.

### Investments in equity instruments at FVTOCI

On initial recognition, the group can make an irrevocable election (on an instrument-by-instrument basis) to

present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the group 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 or a financial guarantee.

Dividends on these investments in equity instruments are recognised in profit or loss when the group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably. Dividends recognised in profit or loss are included in the 'Other income' line item.

#### **Financial assets at fair value through profit or loss (FVTPL)**

Investments in equity instruments are classified as at FVTPL, unless the group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading

Financial assets at FVTPL are measured at fair value at the end of each reporting period, 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 dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the group's right to receive the dividends is established, it is probable that the economic benefits associated with the dividend will flow to the entity, the dividend does not represent a recovery of part of cost of the investment and the amount of dividend can be measured reliably.

#### **Impairment of financial assets**

The group applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, lease receivables, 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 group in accordance with the contract and all the cash flows that the group 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 group 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 group 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 group 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 group'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 group 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 group 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 group 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 group 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 group 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 group 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 group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group 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 group retains an option to repurchase part of a transferred asset), the group 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.

#### **Foreign exchange gains and losses**

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

### **2.27 Financial liabilities and equity instruments**

#### **Classification as debt or equity**

Debt and equity instruments issued by the group 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 a group company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the group's companies 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 respective Company's own equity instruments.

#### **Compound financial instruments**

The component parts of compound financial instruments (convertible notes) issued by a group company are classified

separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the respective Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognised and included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equity components in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

#### **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 group, and commitments issued by the group 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 group 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 group 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 group 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 group'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 group Company that are designated by the group 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.

#### **Financial guarantee contracts**

A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the group Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

#### **Commitments to provide a loan at a below-market interest rate**

Commitments to provide a loan at a below-market interest

rate are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

#### **Foreign exchange gains and losses**

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

#### **Derecognition of financial liabilities**

The group derecognises financial liabilities when, and only when, the group's obligations are discharged, cancelled or have expired. An exchange between lenders 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 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 group Companies estimate 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 group Companies and/or identified by the group 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 group Companies prepares detailed cash flow and profitability projections, which are reviewed by the board of directors of the respective 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. Classification of property as investment property or inventory

- b. Measurement of defined benefit obligations
- c. Useful life of property, plant and equipment
- d. Measurement of contingent liabilities and expected cash outflows
- e. Provision for diminution in value of long-term investments
- f. Provision for expected credit losses
- g. Impairment provision for intangible assets

**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 Group for accounting period commencing on or after 1 April, 2018. The Group 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 Group's financial statements.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### 5 Property, plant and equipment

(₹ in lakhs)

	As at 31-March-18	As at 31-March-17
<b>Carrying amounts of :</b>		
Land and building		
i. Own use	71.25	72.81
ii. Given under operating lease	43.12	47.12
Plant and equipment	23.95	30.89
Shuttering and scaffolding	-	-
Furniture and fixture	3.18	5.09
Vehicles	389.11	474.04
Office equipment	10.54	13.67
Computers	3.28	4.07
<b>Sub-total</b>	<b>544.43</b>	<b>647.69</b>
Capital work-in-progress	6,374.86	6,222.03
<b>Total</b>	<b>6,919.29</b>	<b>6,869.72</b>

(₹ in lakhs)

	Land and building		Plant and equipment	Shuttering and scaffolding	Furniture and fixture	Vehicles	Office equipment	Computers	Total
	Own use	Given under operating lease							
<b>Deemed cost</b>									
<b>Balance as at 31 March, 2016</b>	75.94	55.09	147.92	0.97	83.40	790.03	40.91	7.26	<b>1,201.52</b>
Additions	-	-	-	-	-	-	2.13	1.92	<b>4.05</b>
Disposals	-	-	-	-	-	54.50	0.38	-	<b>54.88</b>
<b>Balance as at 31 March, 2017</b>	<b>75.94</b>	<b>55.09</b>	<b>147.92</b>	<b>0.97</b>	<b>83.40</b>	<b>735.53</b>	<b>42.66</b>	<b>9.18</b>	<b>1,150.69</b>
Additions	-	-	7.15	-	-	37.44	1.40	2.54	<b>48.53</b>
Disposals	-	-	-	-	-	29.26	-	-	<b>29.26</b>
<b>Balance as at 31 March, 2018</b>	<b>75.94</b>	<b>55.09</b>	<b>155.07</b>	<b>0.97</b>	<b>83.40</b>	<b>743.71</b>	<b>44.06</b>	<b>11.72</b>	<b>1,169.96</b>
<b>Accumulated depreciation</b>									
<b>Balance as at 31 March, 2016</b>	1.59	4.01	94.73	0.90	73.08	155.51	9.20	2.51	<b>341.53</b>
Depreciation expense	1.54	3.96	22.30	0.07	5.23	120.31	19.99	2.60	<b>176.00</b>
Elimination on disposals of assets	-	-	-	-	-	14.33	0.20	-	<b>14.53</b>
<b>Balance as at 31 March, 2017</b>	<b>3.13</b>	<b>7.97</b>	<b>117.03</b>	<b>0.97</b>	<b>78.31</b>	<b>261.49</b>	<b>28.99</b>	<b>5.11</b>	<b>503.00</b>
Depreciation expense	1.56	4.00	14.09	-	1.91	107.37	4.53	3.33	<b>136.79</b>
Elimination on disposals of assets	-	-	-	-	-	14.26	-	-	<b>14.26</b>
<b>Balance as at 31 March, 2018</b>	<b>4.69</b>	<b>11.97</b>	<b>131.12</b>	<b>0.97</b>	<b>80.22</b>	<b>354.60</b>	<b>33.52</b>	<b>8.44</b>	<b>625.53</b>
<b>Carrying amount</b>									
<b>Balance as at 31 March, 2016</b>	74.35	51.08	53.19	0.07	10.32	634.52	31.71	4.75	<b>859.99</b>
Additions	-	-	-	-	-	-	2.13	1.92	<b>4.05</b>
Disposals	-	-	-	-	-	40.17	0.18	-	<b>40.35</b>
Depreciation expense	1.54	3.96	22.30	0.07	5.23	120.31	19.99	2.60	<b>176.00</b>
<b>Balance as at 31 March, 2017</b>	<b>72.81</b>	<b>47.12</b>	<b>30.89</b>	-	<b>5.09</b>	<b>474.04</b>	<b>13.67</b>	<b>4.07</b>	<b>647.69</b>
Additions	-	-	7.15	-	-	37.44	1.40	2.54	<b>48.53</b>
Disposals	-	-	-	-	-	15.00	-	-	<b>15.00</b>
Depreciation expense	1.56	4.00	14.09	-	1.91	107.37	4.53	3.33	<b>136.79</b>
<b>Balance as at 31 March, 2018</b>	<b>71.25</b>	<b>43.12</b>	<b>23.95</b>	-	<b>3.18</b>	<b>389.11</b>	<b>10.54</b>	<b>3.28</b>	<b>544.43</b>

Note:

i. For details of assets charges as security, refer note 20 and 24

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### 6 Investment property

(₹ in lakhs)

	As at 31-March-18	As at 31-March-17
Freehold land	524.41	524.41
Buildings	1,919.72	1,626.52
<b>Completed investment properties</b>	<b>2,444.13</b>	<b>2,150.93</b>

(₹ in lakhs)

	Freehold land		Buildings		Total	
	Year ended 31-March-18	Year ended 31-March-17	Year ended 31-March-18	Year ended 31-March-17	Year ended 31-March-18	Year ended 31-March-17
<b>Cost or deemed Cost</b>						
Balance at the beginning of the year	524.41	4,754.28	1,688.32	1,688.32	2,212.73	6,442.60
Additions	-	145.38	345.34	-	345.34	145.38
Disposals	-	4,375.25	22.56	-	22.56	4,375.25
<b>Balance at the end of the year</b>	<b>524.41</b>	<b>524.41</b>	<b>2,011.10</b>	<b>1,688.32</b>	<b>2,535.51</b>	<b>2,212.73</b>
<b>Accumulated depreciation</b>						
Balance at the beginning of the year	-	-	61.80	30.94	61.80	30.94
Disposals	-	-	0.88	-	0.88	-
Depreciation expense	-	-	30.46	30.86	30.46	30.86
<b>Balance at the end of the year</b>	<b>-</b>	<b>-</b>	<b>91.38</b>	<b>61.80</b>	<b>91.38</b>	<b>61.80</b>
<b>Carrying amount</b>						
Balance at the beginning of the year	524.41	4,754.28	1,626.52	1,657.38	2,150.93	6,411.66
Additions	-	145.38	345.34	-	345.34	145.38
Disposals	-	4,375.25	21.68	-	21.68	4,375.25
Depreciation expense	-	-	30.46	30.86	30.46	30.86
<b>Balance at the end of the year</b>	<b>524.41</b>	<b>524.41</b>	<b>1,919.72</b>	<b>1,626.52</b>	<b>2,444.13</b>	<b>2,150.93</b>

#### Fair Value of the group's investment properties

The investment properties consist of 77 No's commercial properties in India and one property overseas.

These valuations are based on valuations performed by Chartered Engineers, specialist in valuing these types of investment properties.

The group has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Details of the investment properties and information about the fair value hierarchy as at 31 March, 2018 and 31 March, 2017 are as follows :

(₹ in lakhs)

	Level 2	Level 3	As at 31-March-18
Freehold land		524.41	524.41
Commercial Properties located in India	-	2,579.02	2,579.02
Commercial Properties located overseas	-	345.34	345.34
<b>Total</b>	<b>-</b>	<b>3,448.77</b>	<b>3,448.77</b>

	Level 2	Level 3	As at 31-March-17
Freehold land		524.41	524.41
Commercial Properties located in India	-	2,621.13	2,621.13
<b>Total</b>	<b>-</b>	<b>3,145.54</b>	<b>3,145.54</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### 7 Other intangible assets

(₹ in lakhs)

	As at 31-March-18	As at 31-March-17
<b>Carrying amounts of :</b>		
Assets on Build-operate-transfer (BOT) basis	44,951.02	47,795.82
<b>Sub-total</b>	<b>44,951.02</b>	<b>47,795.82</b>
Intangible assets under development	68,300.76	58,488.93
<b>Sub-total</b>	<b>68,300.76</b>	<b>58,488.93</b>
<b>Total</b>	<b>1,13,251.78</b>	<b>1,06,284.75</b>

(₹ in lakhs)

	Assets on BOT basis		
	Own use	Given under operating lease	Total
<b>Deemed cost</b>			
<b>Balance as at 31 March, 2016</b>	-	45,010.07	<b>45,010.07</b>
Additions from internal developments	-	7,891.64	<b>7,891.64</b>
Disposals	-	-	-
<b>Balance as at 31 March, 2017</b>	-	<b>52,901.71</b>	<b>52,901.71</b>
Additions from internal developments	-	11.59	<b>11.59</b>
Disposals	-	-	-
<b>Balance as at 31 March, 2018</b>	-	<b>52,913.30</b>	<b>52,913.30</b>
Accumulated amortisation			
<b>Balance as at 31 March, 2016</b>	-	2,518.66	<b>2,518.66</b>
Amortisation expense	-	2,587.23	<b>2,587.23</b>
Disposal	-	-	-
<b>Balance as at 31 March, 2017</b>	-	<b>5,105.89</b>	<b>5,105.89</b>
Amortisation expense	-	2,856.39	<b>2,856.39</b>
Disposal	-	-	-
<b>Balance as at 31 March, 2018</b>	-	<b>7,962.28</b>	<b>7,962.28</b>
Carrying amount			
<b>Balance as at 31 March, 2016</b>	-	42,491.41	<b>42,491.41</b>
Additions from internal developments	-	7,891.64	<b>7,891.64</b>
Disposals	-	-	-
Amortisation expense	-	2,587.23	<b>2,587.23</b>
<b>Balance as at 31 March, 2017</b>	-	<b>47,795.82</b>	<b>47,795.82</b>
Additions from internal developments	-	11.59	<b>11.59</b>
Disposals	-	-	-
Amortisation expense	-	2,856.39	<b>2,856.39</b>
<b>Balance as at 31 March, 2018</b>	-	<b>44,951.02</b>	<b>44,951.02</b>

#### Notes:

#### i. Significant intangible assets

##### a. Assets on Build-operate-transfer (BOT) basis

Intangible assets comprises buildings constructed on 'Build-operate-Transfer' (BOT) basis. The group has unconditional right to use/ lease such assets during the specified period. After expiry of specified period, these assets will get transferred to the Government without any consideration. Since, the group has no ownership rights over these assets and has limited right of use during the specified period, these assets are classified as intangible assets.

##### b. Intangible assets under development

Intangible assets (BOT) which are not ready for intended use as on the date of Balance Sheet are disclosed as 'Intangible assets under development'

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### 8 Investments - Non current

(Unquoted)

(₹ in lakhs)

	As at 31-March-18	As at 31-March-17
A. Investments carried at cost		
i. Associates	413.30	411.87
B. Investment at fair value through profit and loss		
i. Other entities	1,048.25	1,048.25
	<b>1,461.55</b>	<b>1,460.12</b>

#### Details of investments:

	As at 31-March-18		As at 31-March-17	
	Qty.	₹ in lakhs	Qty.	₹ in lakhs
<b>I Investments at cost</b>				
<b>A i. Investments carried at cost - Associates</b>				
<b>(I) Equity instruments</b>				
1 Amazon India Limited				
Equity Shares of ₹ 10 each fully paid-up	25,000	2.50	25,000	2.50
Add: Goodwill on consolidation		210.00		210.00
Add: Share in opening accumulated profits		40.86		40.85
Add: Share in profits/(losses) of current year		(0.08)		0.01
		<b>253.28</b>		<b>253.36</b>
2 Home Life Real Estate Private Limited				
Equity Shares of ₹ 10 each fully paid-up	7,75,000	77.50	7,75,000	77.50
Add: share in opening accumulated profits		28.63		26.43
Add: Share in profits/(losses) of current year		2.25		2.20
		<b>108.38</b>		<b>106.13</b>
3 Vardaan Buildtech Private Limited				
Equity Shares of ₹ 10 each fully paid-up	32,000	3.20	32,000	3.20
Add: share in opening accumulated profits		3.18		3.18
Add: Share in profits/(losses) of current year		(0.24)		-
		<b>6.14</b>		<b>6.38</b>
4 Adela Buildcon Private Limited	5,000	0.50	5,000	0.50
Equity Shares of ₹ 10 each fully paid-up				
5 Ashirwad Realtors Private Limited	5,000	0.50	5,000	0.50
Equity Shares of ₹ 10 each fully paid-up				
6 Baasima Buildcon Private Limited	10,000	1.00	10,000	1.00
Equity Shares of ₹ 10 each fully paid-up				
7 Baidehi Infrastructure Private Limited.	5,000	0.50	5,000	0.50
Equity Shares of ₹ 10 each fully paid-up				
8 Balbina Real Estates Private Limited	5,000	0.50	5,000	0.50
Equity Shares of ₹ 10 each fully paid-up				
9 Charushila Buildwell Private Limited	5,000	0.50	5,000	0.50
Equity Shares of ₹ 10 each fully paid-up				
10 Congenial Real Estates Private Limited	5,000	0.50	5,000	0.50
Equity Shares of ₹ 10 each fully paid-up				
11 Cyanea Real Estates Private Limited	5,000	0.50	5,000	0.50
Equity Shares of ₹ 10 each fully paid-up				

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

	As at 31-March-18		As at 31-March-17	
	Qty.	₹ in lakhs	Qty.	₹ in lakhs
12 Deborah Real Estates Private Limited	5,000	0.50	5,000	0.50
Equity Shares of ₹ 10 each fully paid-up				
13 Deleena Developers Private Limited	5,000	0.50	5,000	0.50
Equity Shares of ₹ 10 each fully paid-up				
14 Enormity Buildcon Private Limited	5,000	0.50	5,000	0.50
Equity Shares of ₹ 10 each fully paid-up				
15 Farhad Realtors Private Limited	-	-	5,000	0.50
Equity Shares of ₹ 10 each fully paid-up				
16 Gauranga Realtors Private Limited	5,000	0.50	5,000	0.50
Equity Shares of ₹ 10 each fully paid-up				
17 Gauresh Buildwell Private Limited	5,000	0.50	5,000	0.50
Equity Shares of ₹ 10 each fully paid-up				
18 Jarul Promoters & Developers Private Limited	50,000	5.00	50,000	5.00
Equity Shares of ₹ 10 each fully paid-up				
19 Jodhpur Infrastructure Private Limited	5,000	0.50	5,000	0.50
Equity Shares of ₹ 10 each fully paid-up				
20 K.B. Raltors Private Limited	5,000	0.50	5,000	0.50
Equity Shares of ₹ 10 each fully paid-up				
21 Laban Real Estates Private Limited	5,000	0.50	5,000	0.50
Equity Shares of ₹ 10 each fully paid-up				
22 Landmark Malls & Tower Private Limited	5,000	0.50	5,000	0.50
Equity Shares of ₹ 10 each fully paid-up				
23 Landmark Tawnship Planers Private Limited	5,000	0.50	5,000	0.50
Equity Shares of ₹ 10 each fully paid-up				
24 Mahanidhi Buildcon Private Limited	5,000	0.50	5,000	0.50
Equity Shares of ₹ 10 each fully paid-up				
25 Madhukanta Real Estates Private Limited	5,000	0.50	5,000	0.50
Equity Shares of ₹ 10 each fully paid-up				
26 Magic Promoters Private Limited	5,000	0.50	5,000	0.50
Equity Shares of ₹ 10 each fully paid-up				
27 Nilanchal Realtors Private Limited	5,000	0.50	5,000	0.50
Equity Shares of ₹ 10 each fully paid-up				
28 Parsvnath Biotech Private Limited	25,000	2.50	25,000	2.50
Equity Shares of ₹ 10 each fully paid-up				
29 Parsvnath Cyber city Private Limited	10,000	1.00	10,000	1.00
Equity Shares of ₹ 10 each fully paid-up				
30 Parsvnath Dehradun Info Park Prviate Limited	25,000	2.50	25,000	2.50
Equity Shares of ₹ 10 each fully paid-up				
31 Parsvnath Developers (GMBT) Private Limited	25,000	2.50	25,000	2.50
Equity Shares of ₹ 10 each fully paid-up				
32 Parsvnath Developers (SBBT) Private Limited	20,000	2.00	20,000	2.00
Equity Shares of ₹ 10 each fully paid-up				
33 Parsvnath Gurgaon Info Park Prviate Limited	25,000	2.50	25,000	2.50
Equity Shares of ₹ 10 each fully paid-up				
34 Parsvnath Knowledge Park Prviate Limited	10,000	1.00	10,000	1.00
Equity Shares of ₹ 10 each fully paid-up				

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

	As at 31-March-18		As at 31-March-17	
	Qty.	₹ in lakhs	Qty.	₹ in lakhs
35 Parsvnath Indore Info Park Private Limited	25,000	2.50	25,000	2.50
Equity Shares of ₹ 10 each fully paid-up				
36 Parsvnath Retail Limited	40,000	4.00	40,000	4.00
Equity Shares of ₹ 10 each fully paid-up				
37 Pearl Propmart Private Limited	5,000	0.50	5,000	0.50
Equity Shares of ₹ 10 each fully paid-up				
38 P.S. Realtors Private Limited	5,000	0.50	5,000	0.50
Equity Shares of ₹ 10 each fully paid-up				
39 Rangoli Buildon Private Limited	5,000	0.50	5,000	0.50
Equity Shares of ₹ 10 each fully paid-up				
40 Sadgati Buildcon Private Limited	5,000	0.50	5,000	0.50
Equity Shares of ₹ 10 each fully paid-up				
41 Scorpio Realtors Private Limited	5,000	0.50	5,000	0.50
Equity Shares of ₹ 10 each fully paid-up				
42 Snigdha Buildwell Private Limited	5,000	0.50	5,000	0.50
Equity Shares of ₹ 10 each fully paid-up				
43 Suksma Buildtech Private Limited	5,000	0.50	5,000	0.50
Equity Shares of ₹ 10 each fully paid-up				
44 Timebound Contracts Private Limited	50,000	5.00	50,000	5.00
Equity Shares of ₹ 10 each fully paid-up				
<b>Total -A</b>		<b>413.30</b>		<b>411.87</b>
<b>B. Investments at fair value through profit and loss</b>				
<b>Other entities</b>				
<b>(I) Equity instruments</b>				
a. Delhi Stock Exchange Limited	14,96,500	1,047.55	14,96,500	1,047.55
Equity Shares of Re. 1 each fully paid-up				
b. Nakshatra Residency Private Limited	5,000	0.50	5,000	0.50
Equity Shares of ₹ 10 each fully paid-up				
c. Aadi Best Consortium Private Limited	1,000	0.10	1,000	0.10
Equity Shares of ₹ 10 each fully paid-up				
d. Riya Garments Private Limited	5,000	0.10	5,000	0.10
Equity Shares of ₹ 10 each fully paid-up				
<b>Total -B</b>		<b>1,048.25</b>		<b>1,048.25</b>
<b>TOTAL INVESTMENTS CARRYING VALUE (A+B)</b>		<b>1,461.55</b>		<b>1,460.12</b>
Aggregate book value of quoted investments		-		-
Aggregate market value of quoted investments		-		-
Aggregate carrying value of unquoted investments		<b>1,461.55</b>		<b>1,460.12</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### 9. Loans

(₹ in lakhs)

	As at 31-March-18	As at 31-March-17
<b>Current</b>		
<b>(unsecured, considered good)</b>		
a. Loans and advances to employees	4.59	19.08
b. Loans to Others	2,077.48	2,303.87
	<b>2,082.07</b>	<b>2,322.95</b>

### 10 Other financial assets

(₹ in lakhs)

	As at 31-March-18	As at 31-March-17
<b>I Non-Current</b>		
a. Security deposits	2,130.76	3,798.93
b. Deposit with Banks held under lien	4,181.67	4,285.85
c. Interest accrued on deposits with banks	47.77	7.79
d. Claim for refund on deemed cancellation of a project (Refer note 47)	1,29,472.18	1,29,472.18
e. Others (refer note 44)	4,825.84	4,825.84
	<b>1,40,658.22</b>	<b>1,42,390.59</b>
<b>II Current</b>		
a. Security deposits	1,093.74	1,447.40
b. Interest receivables :-		
i. Interest accrued on deposits with banks	181.40	196.68
c. Receivables on sale of fixed assets / investments	1,730.61	1,514.36
d. Advances to others	759.39	752.85
e. Other receivables (refer note 43)	14,873.42	14,765.24
	<b>18,638.56</b>	<b>18,676.53</b>

### 11 Deferred tax assets (net)

(₹ in lakhs)

	As at 31-March-18	As at 31-March-17
Deferred tax assets	13,722.52	10,244.42
Deferred tax liabilities	2,934.80	3,043.86
Net deferred tax assets (a)	<b>10,787.72</b>	<b>7,200.56</b>
Mat credit entitlement (b)	2,636.54	2,636.55
Total Deferred Tax Assets ( a+b)	<b>13,424.26</b>	<b>9,837.11</b>

(₹ in lakhs)

Year ended 31-March-18	Opening Balance	Recognised in Profit or loss	Recognised in other comprehensive Income	Closing balance
<b>Deferred tax assets in relation to:</b>				
Property, plant and equipment	(3,043.86)	109.06	-	(2,934.80)
Defined benefit obligation	213.16	3.60	12.78	229.54
Disallowances under Income Tax Act		2,669.94	-	2,669.94
	(2,830.70)	2,782.60	12.78	(35.32)
Unabsorbed depreciation and tax losses	10,031.26	791.78	-	10,823.04
	<b>7,200.56</b>	<b>3,574.38</b>	<b>12.78</b>	<b>10,787.72</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

(₹ in lakhs)

Year ended 31 March, 2017	Opening Balance	Recognised in Profit or loss	Recognised in other comprehensive Income	Closing balance
<b>Deferred tax assets in relation to:</b>				
Property, plant and equipment	(2,639.79)	(404.07)	-	(3,043.86)
Defined benefit obligation	225.62	(20.92)	8.46	213.16
	(2,414.17)	(424.99)	8.46	(2,830.70)
Unabsorbed depreciation and tax losses	7,959.68	2,071.58	-	10,031.26
	<b>5,545.51</b>	<b>1,646.59</b>	<b>8.46</b>	<b>7,200.56</b>

### Notes:

- 1 The group has tax losses of Rs. 41,261.38 lakhs (31 March, 2017 - Rs. 32,463.62 lakhs) that are available for offsetting for eight years against future taxable income of the respective Companies. The losses will expire as under:

	Amount
	Rs. in lakhs
Year ending 31 March, 2019	5.92
Year ending 31 March, 2020	54.97
Year ending 31 March, 2021	65.10
Year ending 31 March, 2022	388.24
Year ending 31 March, 2023	11,767.82
Year ending 31 March, 2024	6,109.84
Year ending 31 March, 2025	2,963.34
Year ending 31 March, 2026	19,906.15
	<b>41,261.38</b>

- 2 The group has recognised deferred tax assets on its unabsorbed depreciation and business losses carried forward. The group companies have executed flat / plot sale agreements with the customers against which the group has also received advances, as disclosed in Note 23 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 group 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 group has created deferred tax assets on its carried forward unabsorbed depreciation and business losses.
- 3 The recognition of deferred tax assets on unabsorbed depreciation and tax losses is based on detailed budgets prepared by the respective companies has have been approved by their board of directors.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### 12 Other assets

(₹ in lakhs)

	As at 31-March-18	As at 31-March-17
<b>I Non-Current</b>		
a. Capital advances	204.57	229.28
b. Advances for land purchase to related parties	83.58	1.07
c. Advances for land purchase to others	1,573.45	6,308.18
d. Upfront fee paid for projects (Unamortised)	23,223.32	25,798.93
e. Prepaid expenses	186.54	192.44
f. Others	99.18	389.99
	<b>25,370.64</b>	<b>32,919.89</b>
<b>II Current</b>		
a. Advances for land purchase to others	7,730.63	7,364.20
b. Amounts due from customers under construction contracts	10.00	10.00
c. Upfront fee paid for projects (Unamortised)	2,206.49	2,836.53
d. Prepaid expenses	2,719.55	1,476.74
e. Input Tax Credit receivable	2,955.60	2,517.69
f. Advances to suppliers	9,760.80	7,454.52
g. Unbilled receivables	38,791.79	38,461.76
h. Others	827.10	125.20
	<b>65,001.96</b>	<b>60,246.64</b>

### 13 Inventories

(₹ in lakhs)

	As at 31-March-18	As at 31-March-17
Inventories (lower of cost and net realisable value)		
a. Work-in-progress	3,62,752.85	3,26,474.43
b. Finished flats/properties	6,115.98	6,199.00
	<b>3,68,868.83</b>	<b>3,32,673.43</b>

Note:

The group has classified its inventory of work-in-progress and finished properties as current. Details of inventories expected to be realised after more than 12 months from the reporting date is as under:

(₹ in lakhs)

	As at 31-March-18	As at 31-March-17
Less than 12 months	55,000.00	30,000.00
More than 12 months	3,13,868.83	3,02,673.43
	<b>3,68,868.83</b>	<b>3,32,673.43</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### 14 Trade receivables

(₹ in lakhs)

	As at 31-March-18	As at 31-March-17
Unsecured, considered good		
Trade receivables (see note 49)	63,533.59	63,039.61
	<b>63,533.59</b>	<b>63,039.61</b>

#### Notes:

- The average credit period is 30 to 45 days. For payments, beyond credit period, interest is charged at an average rate of 12% to 18% per annum on outstanding balances.
- The real estate sales are made on the basis of cash down payment or construction linked payment plans. In case of construction linked payment plans, invoice is raised on the customer in accordance with milestones achieved as per the flat buyer agreement. The final possession of the property is offered to the customer subject to payment of full value of consideration. The possession of the property remains with the group till full payment is realised. Accordingly, the group does not expect any credit losses.

(₹ in lakhs)

	As at 31-March-18	As at 31-March-17
<b>15 Cash and cash equivalents</b>		
A. Balances with banks:-		
i. In current accounts	789.71	1,032.96
B. Cheques, draft on hand	-	6.00
C. Cash on hand	54.14	363.27
	<b>843.85</b>	<b>1,402.23</b>

### 16 Bank balances, other than Cash and cash equivalents

(₹ in lakhs)

	As at 31-March-18	As at 31-March-17
A. Deposits with banks held as margin money or security against borrowings or guarantees	5,624.63	5,388.27
	<b>5,624.63</b>	<b>5,388.27</b>

(₹ in lakhs)

	As at 31-March-18	As at 31-March-17
<b>17 Tax assets and liabilities (Net )</b>		
<b>I. Tax assets</b>		
Tax refund receivables	4,028.85	3,101.18
	<b>4,028.85</b>	<b>3,101.18</b>
<b>II. Current tax liabilities</b>		
Tax payable/provisions	3.21	-
	<b>3.21</b>	<b>-</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### 18 Equity share capital

	As at 31-March-18		As at 31-March-17	
	Number of shares	₹ in lakhs	Number of shares	₹ in lakhs
<b>Authorised Share Capital</b>				
i. Equity shares of ₹ 5 each	60,00,00,000	30,000.00	60,00,00,000	30,000.00
ii. Preference shares of ₹ 10 each	5,00,00,000	5,000.00	5,00,00,000	5,000.00
	<b>65,00,00,000</b>	<b>35,000.00</b>	<b>65,00,00,000</b>	<b>35,000.00</b>
<b>Issued, subscribed and fully paid-up capital</b>				
i. Equity shares of ₹ 5 each	43,51,81,170	21,759.06	43,51,81,170	21,759.06
	<b>43,51,81,170</b>	<b>21,759.06</b>	<b>43,51,81,170</b>	<b>21,759.06</b>

Refer notes (i) to (iv) below:

#### (i) Rights, preferences and restrictions attached to equity shares:

The Company has issued only one class of equity shares having a par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share held. The dividend, if any, proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### (ii) Reconciliation of share capital:

	Number of Shares	Share Capital ₹ lakhs
Balance as at 31 March, 2016	43,51,81,170	21,759.06
Movements during the year	-	-
<b>Balance as at 31 March, 2017</b>	<b>43,51,81,170</b>	<b>21,759.06</b>
Movements during the year	-	-
<b>Balance as at 31 March, 2018</b>	<b>43,51,81,170</b>	<b>21,759.06</b>

#### (iii) Details of shares held by each shareholder holding more than 5% of total share capital:

Name of shareholder	As at 31-March-18		As at 31-March-17	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
Equity shares of ₹ 5 each, fully paid up:				
i. Pradeep Kumar Jain	11,71,56,162	26.92	11,71,56,162	26.92
ii. Pradeep Kumar Jain & Sons (HUF)	9,73,32,571	22.37	10,01,57,571	23.02
iii. Parasnath And Associates Private Limited	4,71,86,992	10.84	4,71,86,992	10.84
iv. Nutan Jain	4,49,11,886	10.32	4,49,11,886	10.32

(iv) The Company has not issued any preference share capital.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### 19 Other Equity

(₹ in lakhs)

	As at 31-March-18	As at 31-March-17
<b>Capital Reserve</b>	2,045.60	2,045.60
Capital Redemption Reserve	230.00	230.00
Securities premium reserve	1,45,591.47	1,45,591.47
Debenture redemption reserve	14,527.50	14,302.50
Foreign Currency Translation Reserve	5.84	(13.91)
General Reserve	9,310.00	9,310.00
Retained earnings	22,993.09	54,924.60
Other comprehensive income	33.35	69.72
	<b>1,94,736.85</b>	<b>2,26,459.98</b>
<b>Capital Reserve</b>		
Balance at the beginning of the year	2,045.60	2,388.87
Add/(Less): Adjusted upon further acquisition of shares of a subsidiary	-	(343.27)
<b>Balance at the end of the year</b>	<b>2,045.60</b>	<b>2,045.60</b>
<b>Capital Redemption Reserve</b>		
Balance at the beginning of the year	230.00	230.00
<b>Balance at the end of the year</b>	<b>230.00</b>	<b>230.00</b>
<b>Securities premium Reserve</b>		
Balance at the beginning of the year	1,45,591.47	1,45,591.47
<b>Balance at the end of the year</b>	<b>1,45,591.47</b>	<b>1,45,591.47</b>
<b>Debenture Redemption Reserve</b>		
Balance at the beginning of the year	14,302.50	1,500.00
Add : Transferred from retained earnings	225.00	12,802.50
<b>Balance at the end of the year</b>	<b>14,527.50</b>	<b>14,302.50</b>
<b>Foreign Currency Translation Reserve</b>		
Balance at the beginning of the year	(13.91)	18.11
Add/(less): Effect of exchange rate variations during the year	19.75	(32.02)
<b>Balance at the end of the year</b>	<b>5.84</b>	<b>(13.91)</b>
<b>General Reserve</b>		
Balance at the beginning of the year	9,310.00	9,310.00
<b>Balance at the end of the year</b>	<b>9,310.00</b>	<b>9,310.00</b>
<b>Retained earnings</b>		
Balance at the beginning of the year	54,924.60	82,183.12
Add: Profit for the year	(31,706.51)	(14,456.02)
Less: Transferred to Debenture Redemption Reserve	225.00	12,802.50
<b>Balance at the end of the year</b>	<b>22,993.09</b>	<b>54,924.60</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### 19 Other Equity

(₹ in lakhs)

	As at 31-March-18	As at 31-March-17
<b>Other comprehensive income</b>		
Balance at the beginning of the year	69.72	88.64
Add: Measurement of defined benefit obligation (net of income tax)	(36.37)	(18.92)
	<b>33.35</b>	<b>69.72</b>
	<b>1,94,736.85</b>	<b>2,26,459.98</b>

#### Nature and purpose of reserves:

- Capital reserve - Capital reserve represents excess of share of equity in the subsidiaries as on the date of investment in excess of cost of investment of the group, as adjusted for changes in group share in the subsidiaries.
- Capital redemption reserve - The amount was transferred from retained earnings. The amount of reserve is equal to nominal value of equity shares brought back by the group.
- General reserve - The group has transferred a part of the net profit of the Company to general reserve in earlier years.
- Securities premium reserve - The amount received in excess of the face value of the equity shares issued by the group is recognised in securities premium reserve.
- Debenture redemption reserve - The amount 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 group. The reserve is to be utilised for the purpose of redemption of debentures.
- Retained earnings - Retained earnings are profits of the group earned till date less transferred to general reserve and debenture redemption reserve.
- Foreign currency translation reserve - It represents exchange difference on translation of financial statements of a foreign subsidiary.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### 20 Non-current borrowings

(₹ in lakhs)

	As at 31-March-18		As at 31-March-17	
	Non Current	Current	Non Current	Current
<b>Secured - at amortised cost</b>				
<b>(i) Debentures</b>				
13.00% Non-convertible redeemable debentures (Series XIV)	8,754.53	26,625.09	35,198.16	-
16.00% Non-convertible Redeemable debentures (Series XIV)	20,999.43	-	20,177.98	-
15.00% Non-convertible Redeemable debentures (Series A)	36,000.00	-	36,000.00	-
15.50% Non-convertible Redeemable debentures (Series B)	24,439.00	-	24,439.00	-
19.00% Non-convertible redeemable debentures (Series XV)	-	616.00	615.56	-
19.00% Non-convertible redeemable debentures (Series XVI)	1,269.00	725.00	1,093.22	-
	91,461.96	27,966.09	117,523.92	-
<b>(ii) Term loans</b>				
from banks	760.00	309.21	950.00	212.50
from financial institutions / other parties	1,86,102.42	46,227.30	1,66,336.54	19,183.94
<b>Total Secured non-current borrowings</b>	<b>2,78,324.38</b>	<b>74,502.60</b>	<b>2,84,810.46</b>	<b>19,396.44</b>
<b>Unsecured:</b>				
<b>(i) Debentures</b>				
16% Fully Convertible debentures (Series I)	9,340.73	-	9,340.73	-
16% Fully Convertible debentures (Series II)	8,792.66	-	8,792.66	-
0.1% Optional convertible debentures (Series X)	6,550.00	-	6,550.00	-
0.1% Optional convertible debentures (Series Y)	16,000.00	-	16,000.00	-
	40,683.39	-	40,683.39	-
<b>(ii) Inter corporate deposits</b>	222.99	-	154.73	-
	<b>40,906.38</b>	<b>-</b>	<b>40,838.12</b>	<b>-</b>
<b>Total non-current borrowings</b>	<b>3,19,230.76</b>	<b>74,502.60</b>	<b>3,25,648.58</b>	<b>19,396.44</b>
Less: Amount disclosed under "Other financial liabilities" [refer Note 21 (ii)]	-	74,502.60	-	19,396.44
	<b>3,19,230.76</b>	<b>-</b>	<b>3,25,648.58</b>	<b>-</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### Summary of Borrowings arrangements

(i) The terms of borrowings are stated below:

		(₹ in lakhs)		
Security details		As at 31-March-18	As at 31-March-17	Rate of Interest
<b>Debentures :</b>				
a.	13% NCDs of ₹ 35,500 lakhs were issued during the year ended 31 March 2015. NCDs are secured by (a) Pledge of certain equity shares of the Company held by promoters group (b) first charge by way of mortgage over a property situated in Parsvnath City Dharuhera, Rahukheddi Indore (c) first charge by way of mortgage over Rohini project and land at Jodhpur (d) second charge on receivables of DMRC projects (i) Azadpur metro station (ii) Games village metro station (iii) Seelampur metro station annexe (iv) Inderlok metro station annexe (v) Kashmere gate metro station box and (vi) Shahdara metro station, and (e) Personal guarantee of Chairman. These NCDs are redeemable in 4 quarterly instalments commencing from July, 2018.	35,500.00	35,500.00	13.00%
b.	16% Redeemable NCDs of ₹ 20,000 lakhs were issued by a subsidiary company during the year ended 31 March, 2017. NCDs are secured by i) first charge over the subsidiary's assets, present and future, including underlying land of the project and Jodhpur project of the company; (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 subsidiary company and all monies, securities, instruments and/or cash equivalents deposited or required to be deposited in the bank accounts of the subsidiary 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 subsidiary company; (ii) the subsidiary 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 shareholding of the subsidiary held by the Company; and (iv) guarantees given by the holding company and personal guarantee of Chairman. These NCDs are repayable on the expiry of 36 months from the date of issue and can be extended for a period of 6 months at the option of the Debenture Holders.	20,000.00	20,000.00	16.00%

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

(₹ in lakhs)

Security details		As at 31-March-18	As at 31-March-17	Rate of Interest
c.	15.00% NCDs of ₹ 36,000 lakhs were issued by a subsidiary company during the year ended 31 March, 2013. The NCDs are secured by (a) first charge by way of hypothecation of assets, contracts receivables, all present and future book debts, outstandings, monies receivables, claims and receivables of the said subsidiary company together with all and any interest accruing thereon, (b) first and exclusive charge over the leasehold rights of the said subsidiary company in respect of site parcels already leased / to be leased by RLDA. These NCDs are redeemable after the expiry of a period of 36 months but before the expiry of 120 months from the date of allotment i.e. 20 December, 2012.	36,000.00	36,000.00	15.00%
d.	15.50% NCDs of ₹ 24,439 lakhs were issued by a subsidiary company during the year ended 31 March, 2014. The NCDs are secured by (a) second charge by way of hypothecation of assets, contracts receivables, all present and future book debts, outstandings, monies receivables, claims and receivables of the said subsidiary company together with all and any interest accruing thereon, (b) second charge over the leasehold rights of the said subsidiary company in respect of site parcels already leased / to be leased by RLDA. These NCDs are redeemable after the expiry of a period of 36 months but before the expiry of 120 months from the date of allotment i.e. 21 August, 2013.	24,439.00	24,439.00	15.00%
e.	19% NCDs of ₹ 616 lakhs were issued during the year ended 31 March 2017. The NCDs are secured by (a) 1st pari passu charge by way of Mortgage over development rights of Palacia Project situated in Greater Noida U.P. (b) Mortgage of Residential Plots at Gurgaon (c) charge on receivables of these projects and (d) personal guarantee of Chairman, Managing Director and a wholetime Director of the company. These NCDs are redeemable in 2 quarterly instalments commencing from April, 2018.	616.00	616.00	19.00%
f.	19% NCDs of ₹ 1,094 lakhs and ₹ 900 lakhs were issued during the years ended 31 March 2017 and 31 March, 2018 respectively. The NCDs are secured by (a) 1st pari passu charge by way of Mortgage over development rights of Palacia Project situated in Greater Noida U.P. (b) Mortgage of Residential Plots at Gurgaon (c) charge on receivables of these projects and (d) personal guarantee of Chairman, Managing Director and a wholetime Director of the company. These NCDs are redeemable in 11 quarterly instalments commencing from April, 2018.	1,994.00	1,094.00	19.00%
g.	IND AS Adjustments	879.05	(125.08)	
		<b>119,428.05</b>	<b>117,523.92</b>	

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

(₹ in lakhs)

Security details	As at 31-March-18	As at 31-March-17	Rate of Interest
<b>Term Loans :</b>			
a. Term loan from a bank, sanctioned to a subsidiary company, is secured by mortgage of hotel land at Shirdi and buildings thereon, first charge on all the movable and immovable assets including receivables of Shirdi Hotel, corporate guarantee of the Company and personal guarantee of Chairman. Loan is repayable in thirty quarterly instalments ending in March, 2023.	1,069.21	1,162.50	3.25% above the Bank's base rate
b. Term loan from a non banking finance company, sanctioned to a subsidiary company, is secured by a) Second-ranking hypothecation/charge on and escrow of all Receivables received/to be received from the project "Parsvnath Capital Tower" at Bhai Veer Singh Marg, near Gole Market, New Delhi subject to first charge of Delhi Metro Rail Corporation (DMRC); Corporate Guarantee of the Company and a fellow subsidiary company; b) First-ranking and exclusive pledge/charge of 49% of each class of present and/or future shares/securities and/or the convertible/voting instruments issued/to be issued by the aforesaid subsidiary company. Further, 51% of each class of shares is under negative lien. Term loan upto ₹ 32,810 lakhs is repayable in monthly instalments commencing from April, 2017; upto ₹ 14,200 lakhs in monthly instalments from May, 2018 and balance ₹ 47,800 lakhs in monthly instalments from June, 2018 and ₹ 12,500 lakhs in monthly installment from August, 2017.	93,769.72	91,184.00	13.00% to 15.27%
c. Term Loan from a non-banking finance company is secured by (a) mortgage & escrow of receivables of (1) project land at Sonapat, (2) project land at Kurukshetra, (3) development rights of group housing project at Gurgaon, and mortgage of all unsold units of the project by the company, Parsvnath Hessa Developers Pvt. Ltd. and Parsvnath Sharmistha Realtors Pvt. Ltd, (b) corporate guarantee of land owning companies, and (c) personal guarantee of Chairman. The term loan is repayable in quarterly instalments commencing from November, 2018.	10,500.00	10,500.00	13.00%
d. Term loan from a financial institution is secured by mortgage of a project land parcel at Indore, charge on receivables of project 'Pragati' Dharuhera and personal guarantee of Chairman. The term loan is repayable in 57 monthly instalments commencing from October, 2012.	12,491.13	12,491.13	13.50%
e. Term loan from a financial institution is secured by pledge of certain equity shares of the company held by promoters group and mortgage of commercial land at Jodhpur and personal guarantee of Chairman, Managing Director and a wholetime Director of the company. The term loan has been fully repaid during the year.	-	276.52	17.50%
f. Term loan from a non-banking finance company is secured by (1) mortgage of (a) commercial/other lands at New Delhi, (b) Commercial land at Derrabassi, (c) land in Rajpura (d) land of Royale Punchkula, (2) Charge on receivables of (a) commercial/other lands, New Delhi, (b) plots, floors and villas at Dharuhera, (c) Parsvnath Royale-Punchkula (d) commercial & plotted area at Derabassi (e) Rajpura, (3) Cross Collateralization of the securities with other loans from the lender, (4) personal guarantee of Chairman, Managing Director and a wholetime Director of the company and (5) Corporate guarantees of land owning companies. The term loan is repayable in monthly instalments commencing from May, 17.	26,200.00	31,755.00	13.93% to 16.70%

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

(₹ in lakhs)

Security details		As at 31-March-18	As at 31-March-17	Rate of Interest
g.	Term loan from a non-banking finance company is secured by (1) extension of mortgage of (a) commercial/other lands at New Delhi, (b) Commercial land at Derrabassi, (c) land in Rajpura(d) land of Royale Punchkula and (2) Charge on receivables of (a) commercial/other lands, New Delhi, (b) plots, floors and villas at Dharuhera, (c) Parsvnath Royale-Punchkula (d) commercial & plotted area at Derabassi, (3) Cross Collateralization of the securities with other loans from the lender, (4) personal guarantee of Chairman, Managing Director and a wholetime Director of the company and (5) Corporate guarantees of land owning companies. The term loan is repayable in monthly instalments commencing from May 17.	9,642.36	10,242.00	11.54% to 19.41%
h.	Term loan from a non-banking finance company is secured by (1) extension of mortgage of (a) commercial/other lands at New Delhi, (b) Commercial land at Derrabassi, (c) land in Rajpura(d)land of Royale Punchkula and (2) Charge on receivables of (a) commercial/other lands, New Delhi, (b) plots, floors and villas at Dharuhera, (c) Parsvnath Royale-Punchkula (d) commercial & plotted area at Derabassi, (3) Cross Collateralization of the securities with other loans from the lender, (4) personal guarantee of Chairman, Managing Director and a wholetime Director of the company and (5) Corporate guarantees of land owning companies. The term loan is repayable in monthly instalments commencing from January 18.	20,932.52	22,000.00	12.95%
i.	Term loan from a non-banking finance company is secured by mortgage of project land at Greater Noida, hypothecation of present and future receivables of the said project and personal guarantee of Chairman. The term loan is repayable in 4 quarterly instalments quarter commencing from September, 2019.	12,000.00	12,000.00	13.00%
j.	Term loan from a non-banking finance company is secured by (1) extension of mortgage of (a) commercial/other lands at New Delhi, (b) Commercial land at Derrabassi, (c) land in Rajpura, (d) land of Royale Punchkula, (2) Charge on receivables of (a) commercial/other lands, New Delhi, (b) Parsvnath Royale, Punchkula, (c) commercial & plotted area at Derabassi, (3) Cross Collateralization of the securities with other loans from the lender, (4) personal guarantee of Chairman, Managing Director and a wholetime Director of the company and (5) Corporate guarantees of land owning companies. The term loan is repayable in monthly instalments commencing from August, 2019.	2,800.00	-	12.00%
k.	Term loan from a non-banking finance company is secured by (1) extension of mortgage of (a) commercial/other lands at New Delhi, (b) Commercial land at Derrabassi, (c) land in Rajpura, (d) land of Royale Punchkula, (2) Charge on receivables of (a) commercial/other lands, New Delhi, (b) plots, floors and villas at Dharuhera, (c) Parsvnath Royale, Punchkula, (d) commercial & plotted area at Derabassi, (3) Cross Collateralization of the securities with other loans from the lender, (4) personal guarantee of Chairman, Managing Director and a wholetime Director of the company and (5) Corporate guarantees of land owning companies. The term loan is repayable in monthly instalments commencing from August, 2019.	2,700.00		12.00%

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

(₹ in lakhs)

Security details		As at 31-March-18	As at 31-March-17	Rate of Interest
i.	Term loan from a non-banking finance company is secured by (1) extension of mortgage of (a) commercial/other lands at New Delhi, (b) Commercial land at Derrabassi, (c) land in Rajpura, (d) land of Royale Punchkula, (2) Charge on receivables of (a) commercial/other lands, New Delhi, (b) plots, floors and villas at Dharuhera, (c) Parsvnath Royale, Punchkula, (d) commercial & plotted area at Derabassi, (3) Second charge on receivables of DMRC project at Netaji Subhash Place, (4) Cross Collateralization of the securities with other loans from the lender, (5) personal guarantee of Chairman, Managing Director and a wholetime Director of the company, and (6) Corporate guarantees of land owing companies. The term loan is repayable in monthly instalments commencing from August, 2019.	6,504.50	-	10.32% to 12.00%
m.	Term loan from a non-banking finance company is secured by (1) extension of mortgage of (a) commercial/other lands at New Delhi, (b) Commercial land at Derrabassi, (c) land in Rajpura, (d) land of Royale Punchkula, (2) Charge on receivables of (a) commercial/other lands, New Delhi, (b) plots, floors and villas at Dharuhera, (c) Parsvnath Royale, Punchkula (d) commercial & plotted area at Derabassi, (3) Cross Collateralization of the securities with other loans from the lender, (4) personal guarantee of Chairman, Managing Director and a wholetime Director of the company, and (5) Corporate guarantees of land owing companies. The term loan is repayable in monthly instalments commencing from January, 2018.	16,735.38	-	12.73% to 12.95%
n.	Term loan from a non-banking finance company, sanctioned to a subsidiary company, is secured by (1) extension of mortgage of (a) commercial/other lands at New Delhi, (b) Commercial land at Derrabassi, (c) land in Rajpura, (d) land of Royale Punchkula, (2) Charge on receivables of (a) commercial/other lands, New Delhi, (b) plots, floors and villas at Dharuhera, (c) Parsvnath Royale, Punchkula, (d) commercial & plotted area at Derabassi, (3) Cross Collateralization of the securities with other loans from the lender, (4) personal guarantee of Chairman, Managing Director and a wholetime Director of the company, and (5) Corporate guarantees of land owing companies. The term loan is repayable in monthly instalments commencing from February, 2019.	3,150.00	-	19.86%
o.	Term loan from a non-banking finance company, sanctioned to a subsidiary company, is secured by (1) extension of mortgage of (a) commercial/other lands at New Delhi, (b) Commercial land at Derrabassi, (c) land in Rajpura, (d) land of Royale Punchkula, (2) Charge on receivables of (a) commercial/other lands, New Delhi, (b) plots, floors and villas at Dharuhera, (c) Parsvnath Royale, Punchkula, (d) commercial & plotted area at Derabassi, (3) Cross Collateralization of the securities with other loans from the lender, (4) personal guarantee of Chairman, Managing Director and a wholetime Director of the company, and (5) Corporate guarantees of land owing companies. The term loan is repayable in monthly instalments commencing from May, 2018.	7,060.00	-	15.90%

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

(₹ in lakhs)

Security details		As at 31-March-18	As at 31-March-17	Rate of Interest
p.	Term loans from non-banking finance companies are secured by (1) extension of mortgage of (a) commercial/other lands at New Delhi, (b) Commercial land at Derrabassi, (c) land in Rajpura, (d) land of Royale Punchkula, (2) Charge on receivables of (a) commercial/other lands, New Delhi, (b) plots, floors and villas at Dharuhera, (c) Parsvnath Royale, Punchkula, (d) commercial & plotted area at Derabassi, (3) Cross Collateralization of the securities with other loans from the lender, (4) personal guarantee of Chairman, Managing Director and a wholetime Director of the company, and (5) Corporate guarantees of land owning companies. The term loan is repayable in monthly instalments commencing from October, 2018.	8,446.00	-	8.60%
q.	Term loan from a non-banking finance company is secured by (1) extension of mortgage of (a) commercial/other lands at New Delhi, (b) Commercial land at Derrabassi, (c) land in Rajpura, (d) land of Royale Punchkula, (2) Charge on receivables of (a) commercial/other lands, New Delhi, (b) plots, floors and villas at Dharuhera, (c) Parsvnath Royale, Punchkula, (d) commercial & plotted area at Derabassi, (3) Cross Collateralization of the securities with other loans from the lender, (4) personal guarantee of Chairman, Managing Director and a wholetime Director of the company, and (5) Corporate guarantees of land owning companies. The term loan is repayable in monthly instalments commencing from January 20.	7,210.00	-	8.60%
r.	Term loan from a non-banking finance company is secured by extension of (1) (a) Pledge of certain equity shares of the Company held by promoters group (b) first charge by way of mortgage over a property situated in Parsvnath City Dharuhera, Rahukhedi Indore (c) first charge by way of mortgage over Rohini project and land at Jodhpur (d) second charge on receivables of DMRC projects (i) Azadpur metro station (ii) games village metro station (iii) Seelampur metro station annexe (iv) Inderlok metro station annexe (v) Kashmere gate metro station box, and (vi) Shahdara metro station. (2) mortgage & escrow of receivables of (a) project land at Sonapat, (b) project land at Kurukshetra, (c) over development rights of group housing project at Gurgaon, and mortgage of all unsold units of the project by the company, Parsvnath Hessa Developers Pvt. Ltd. and Parsvnath Sharmistha Realtors Pvt. Ltd. (3) corporate guarantee of land owning companies, mortgage of project land at Greater Noida, hypothecation of present and future receivables of the said project and personal guarantee of Chairman. The term loan is repayable in 4 quarterly instalments quarter commencing from July, 2020.	10,000.00	-	13.00%
s.	Term loan from a non-banking finance company, sanctioned to a subsidiary company, is secured by mortgage of (a) Farm House at New Delhi, (b) Group Housing & Commercial land at Derrabassi, (c) land at Alipur, New Delhi, (d) Land at Rajpura, and (e) Land at Sonapat. The term loan is repayable in monthly instalments commencing from May, 17.	227.84	2,495.00	17.95%

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

(₹ in lakhs)

Security details		As at 31-March-18	As at 31-March-17	Rate of Interest
t.	IND AS Adjustments	(18,039.73)	(7,423.16)	
		<b>2,33,398.93</b>	<b>1,86,682.98</b>	
	<b>Unsecured debentures:</b>			
a.	16% Fully Convertible Debentures (Series I) issued by a subsidiary company. Each debenture is convertible into one equity share entitled to dividend and/or one different class of share (collectively entitled to 0.001% of the voting rights in the issuing subsidiary) on the terms and conditions mentioned in the 'Investment and Security Holder's Agreement' dated 23 November, 2010 as amended by the first supplementary agreement dated 31 March, 2011.	9,340.73	9,340.73	16.00%
b.	16% Fully Convertible Debentures (Series II) issued by a subsidiary company. Each debenture is convertible into one different class of share entitled to dividend (collectively entitled to 0.001% of the voting rights in the issuing subsidiary) on the terms and conditions mentioned in the 'Investment and Security Holder's Agreement' dated 23 November, 2010 as amended by the first supplementary agreement dated 31 March, 2011.	8,792.66	8,792.66	16.00%
c.	0.1% Optionally convertible debentures (Series X) (OCDs) issued by a subsidiary company. These OCDs shall be converted into Equity Shares in the manner set out in Optionally Convertible Debentures Subscription Agreement dated 21 August, 2013. The holders of these OCDs shall also have a right to convert these OCDs into Non-Convertible Debentures at any time within a period of 12 months from the date of allotment, i.e. 21 August, 2013, on same terms as other NCDs of Series B issued by the said subsidiary company. These OCDs will be redeemed on or before the expiry of 10 years from the date of allotment, at a premium as per the agreement.	6,550.00	6,550.00	0.10%
d.	0.1% Optionally convertible debentures (Series Y) (OCDs) issued by a subsidiary company. These OCDs shall be converted into Equity Shares in the manner set out in Optionally Convertible Debentures Subscription Agreement dated 21 August, 2013. The holders of these OCDs shall also have a right to convert these OCDs into Non-Convertible Debentures at any time within a period of 12 months from the date of allotment, i.e. 21 August, 2013, on same terms as other NCDs of Series B issued by the said subsidiary company. These OCDs will be redeemed on or before the expiry of 10 years from the date of allotment, at a premium as per the agreement.	16,000.00	16,000.00	0.10%
		<b>40,683.39</b>	<b>40,683.39</b>	

**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018****(ii) Loans guaranteed by directors**

(₹ in lakhs)

		<b>As at 31-March-18</b>	<b>As at 31-March-17</b>
a.	Debentures (net of Ind AS adjustment)	58,989.05	57,084.92
b.	Term loans from banks	1,069.21	1,162.50
c.	Term loans from financial institutions/others (net of Ind AS adjustment)	1,38,332.16	91,841.48
		<b>1,98,390.42</b>	<b>1,50,088.90</b>

- (iii) There were some delays in repayment of Principal and interest during the year which were regularised before the end of the year.  
The amount of defaults as at the year end are given below:

**As at 31 March, 2018**

	<b>Name</b>	<b>Type</b>	<b>Nature of dues</b>	<b>Amount</b>	<b>Delayed Days</b>
				<b>₹ in lakhs</b>	
1	LIC of India, Mumbai	Financial Institution	Principal	1,042.57	upto 365
				11,448.56	above 365
2	LIC of India, Mumbai	Financial Institution	Interest	657.86	1 to 89
				647.06	90 to 179
				3,857.33	above 180
3	ECL Finance Limited	NBFC	Interest	607.47	1 to 59
4	Indiabulls Housing Finance Limited	NBFC	Interest	146.58	1 to 30
5	Indiabulls Commercial Credit Limited	NBFC	Interest	15.93	1 to 30
6	UCO Bank	Bank	Principal	119.21	1 to 183
7	UCO Bank	Bank	Interest	34.33	1 to 60

**As at 31 March, 2017**

	<b>Name</b>	<b>Type</b>	<b>Nature of dues</b>	<b>Amount</b>	<b>Delayed Days</b>
				<b>₹ in lakhs</b>	
1	LIC of India, Mumbai	Financial Institution	Principal	4,200.00	Upto 365
				7,248.56	Above 365
2	LIC of India, Mumbai	Financial Institution	Interest	557.39	1 to 89
				550.62	90 to 179
				1,536.19	Above 180
3	ECL Finance Limited	NBFC	Interest	559.81	1 to 60
4	Indiabulls Housing Finance Limited	NBFC	Interest	146.58	1 to 30
5	Indiabulls Commercial Credit Limited	NBFC	Interest	15.93	1 to 30
6	Uco Bank	Bank	Interest	12.79	1

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### 21 Other financial liabilities

(₹ in lakhs)

		As at 31-March-18	As at 31-March-17
(i)	<b>Non-Current</b>		
a.	Trade/security deposits received	3,899.36	2,452.80
		<b>3,899.36</b>	<b>2,452.80</b>
(ii)	<b>Current</b>		
a.	Current maturities of long term debt (Refer Note 20)	74,502.60	19,396.44
b.	Interest accrued but not due on borrowings	18,250.30	12,858.56
c.	Interest accrued and due on borrowings	6,713.85	3,702.41
d.	Interest accrued but not due on others	2,913.96	3,507.21
e.	Trade/security deposits received	4,382.19	3,787.50
f.	Book overdraft - Banks	47.17	446.47
g.	Payables on purchase of fixed assets	381.81	312.68
h.	Advances from companies	35.48	34.92
i.	Others	1715.85	264.48
		<b>1,08,943.21</b>	<b>44,310.67</b>

### 22 Provisions

(₹ in lakhs)

		As at 31-March-18	As at 31-March-17
	<b>Non-current</b>		
a.	Employee benefits	513.75	416.17
		<b>513.75</b>	<b>416.17</b>
	<b>Current</b>		
a.	Employee benefits	55.73	55.50
		<b>55.73</b>	<b>55.50</b>

### 23 Other liabilities

(₹ in lakhs)

		As at 31-March-18	As at 31-March-17
	<b>Non-current</b>		
a.	Advances from customers	611.08	649.44
b.	Trade / Security deposits received	3,500.00	3,500.00
		<b>4,111.08</b>	<b>4,149.44</b>
	<b>Current</b>		
a.	Advances for Land	550.83	-
b.	Trade / Security deposits received	-	4.45
c.	Advances from customers	28,926.33	28,357.06
d.	Statutory dues (Contributions to PF, Withholding Tax, GST, Sales Tax, VAT, Service Tax, etc.)	14,150.75	8,004.77
e.	Advances received for sale of fixed assets	50.00	-
f.	Rent received in advance	2,894.47	1,438.22
g.	Others	249.96	-
		<b>46,822.34</b>	<b>37,804.50</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### 24 Current borrowings

(₹ in lakhs)

	As at 31-March-18	As at 31-March-17
<b>I. Secured</b>		
a. Loans repayable on demand		
i. From banks (Cash credit)	8,115.84	8,887.77
b. Short-term loans from banks	967.07	1,750.00
c. Loans from other parties	33,932.46	33,047.88
d. Other loans (against vehicles)		
i. From banks	60.04	74.85
<b>II. Unsecured</b>		
a. Loans repayable on demand		
i. From others	3,190.75	2,315.75
	<b>46,266.16</b>	<b>46,076.25</b>

	As at 31-March-18 (₹ in lakhs)	As at 31-March-17 (₹ in lakhs)	Effective interest rate Percentage
<b>24.1 Details of securities provided in respect of short term borrowings from banks - cash credit are as under:</b>			
a. Cash Credit is secured by first pari passu charge by way of hypothecation of stocks of construction & building materials, work-in-progress, finished goods (flats) and book debts / receivables of various projects/sites and mortgage of some specific units/ land parcel/built up property at Moradabad, Greater Noida, Sonapat and Panipat and personal guarantee of Chairman, Managing Director and a wholetime Director of the company.	6,634.80	7,247.30	15.05%
b. Cash Credit is secured by first pari passu charge by way of hypothecation of stocks of construction & building materials, work-in-progress, finished goods (flats) and book debts / receivables of various projects/sites and mortgage of commercial land at Karnal, personal guarantee of Chairman, Managing Director and a wholetime Director of the company and corporate guarantee of Land owning companies.	468.06	645.27	17.30%
c. Cash Credit is secured by first pari passu charge by way of hypothecation of stocks of construction & building materials, work-in-progress, finished goods (flats) and book debts / receivables of various projects/sites and mortgage of commercial plot at Rajpura and commercial space at Saharanpur, pledge of term deposit of ₹ 232 lakhs, personal guarantee of Chairman, Managing Director and a wholetime Director of the company and corporate guarantee of land owning company.	1,012.98	995.19	14.75%
	<b>8,115.84</b>	<b>8,887.77</b>	

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

		As at 31-March-18	As at 31-March-17	Effective interest rate
<b>24.2</b>	<b>Details of securities provided in respect of short term loans from banks are as under:</b>			
a.	Term loan from a bank is secured by mortgage of commercial units/ spaces at Faridabad and personal guarantee of Chairman, Managing Director and a wholetime Director of the company.	972.05	1,750.00	14.65%
b.	IND AS Adjustments	(4.98)	-	
		<b>967.07</b>	<b>1,750.00</b>	
<b>24.3</b>	<b>Details of securities provided in respect of loans from financial institutions and others are as under:</b>			
a.	Term loan from a non-banking finance company is secured by pledge of certain equity shares of the company held by promoters group and mortgage of commercial land at Noida and receivables of the said land, personal guarantee of Chairman, Managing Director and a wholetime Director of the company and corporate guarantee of land owning company.	1,023.49	1,967.94	17.50%
b.	Term loan from a non-banking finance company is secured by pledge of certain equity shares of the company held by promoters group, mortgage of land at Sonapat and personal guarantee of Chairman and cross collateral clause with another term loan from the lender.	2,969.36	2,969.36	17.25%
c.	Term loan from a financial institution is secured against keyman Insurance Policy taken by the company.	962.29	962.29	9.00%
d.	Term loan from a non-banking finance company is secured by (1) pledge of certain equity shares of the company held by promoters group, (2) mortgage & escrow of receivables of (a) project land at Rohtak (b) commercial project at Bhiwadi & Sonapat, (c) land in Indore, Ujjain & Kochi (d) institutional land at Sonipat, (3) pledge of equity shares of land owing companies (4) charge on receivables from Avlon Bhiwadi project and (5) personal guarantee of Chairman.	17,500.00	18,000.00	19.00%
e.	Term loan from a non-banking finance company is secured by mortgage of project at Pratibha plot No. 11, Moradabad, land at Sonapat and personal guarantee of Chairman and cross collateral clause with another term loan from the lender.	948.33	2,648.29	16.95%
f.	Term loan from a non-banking finance company is secured by pledge of certain equity shares of the company held by promoters group, mortgage of land at Sonapat and personal guarantee of Chairman.	1,000.00	1,000.00	21.00%
g.	Term loan from a non-banking finance company, sanctioned to a subsidiary company, is secured by mortgage of (a) Farm House at New Delhi, (b) Group Housing & Commercial land at Derrabassi, (c) land at Alipur, New Delhi, (d) Land at Rajpura, and (e) Land at Sonapat.	2,031.07	-	17.95%

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

		As at 31-March-18	As at 31-March-17	Effective interest rate
h.	Term loan from a non-banking finance company, sanctioned to a subsidiary company, is secured by (a) pledge of 51% shareholding in the subsidiary company held by the holding Company, (b) First exclusive charge on the current assets and fixed assets (including hypothecation of all the book debts, operating cash flows, receivables, etc.) of the subsidiary company, (c) First pari passu charge/assignment/mortgage of leasehold rights of the RLDA project, project contracts, rights, goodwill and other intangible assets; mortgage of immovable assets; hypothecation of movable assets including receivables of the subsidiary company, (d) Mortgage & hypothecation of receivables (on pari passu basis) of (i) Hotel plot at Jodhpur owned by a fellow subsidiary, (ii) Township project at Rohtak, (iii) Land at Indore owned by holding company, (iv) City centre project at Bhiwadi owned by holding company, and (v) school land at Sonapat, (e) Corporate guarantee of the holding company (f) personal guarantee of Chairman, and (g) pledge of certain equity shares of holding company held by the promoters group.	7,500.00	-	16.00%
i.	Term loan taken by a subsidiary company from others is secured by exclusive mortgage of 5 hectares of group housing land of the holding Company, hypothecation of holding company's share of cash flows from a residential project, pledge of 51% shareholding in the subsidiary company held by the holding Company, Pari passu charge on assignment of leasehold rights for the Sarai Rohilla project, hypothecation of entire movable assets, assignment of all book debts, operating cash flows, receivables, commissions, and further secured by Corporate guarantee of the holding Company and personal guarantee of Chairman.	-	5,500.00	16.00%
j.	IND AS Adjustments	(2.08)	-	
		<b>33,932.46</b>	<b>33,047.88</b>	
<b>24.4</b>	<b>Details of securities provided in respect of vehicle loans from banks and others are as under:</b>			
a.	Loan taken from a bank for vehicles is secured by way of hypothecation of specific vehicles financed and personal guarantee of Chairman.	60.04	74.85	9.65% to 10.00%
		<b>60.04</b>	<b>74.85</b>	
<b>24.5</b>	<b>Details of short term borrowings guaranteed by some of the directors:</b>			
a.	Loans repayable on demand from banks	8,115.84	8,887.77	
b.	Term loans from financial institutions, banks & others (net of Ind AS adjustments)	31,906.17	33,835.59	
c.	Vehicle Loans from bank	60.04	74.85	
		<b>40,082.05</b>	<b>42,798.20</b>	

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### 24.6 Details of Period and amount of default in loan repayment as at year end:

As at 31 March, 2018

Name	Type	Nature of dues	Amount ₹ in lakhs	Delayed Days
1 SREI Infrastructure Finance Limited	NBFC	Principal	456.82	1 to 121
2 Religare Finvest Limited	NBFC	Principal	451.47	1 to 89
3 Punjab National Bank	Bank	Principal	222.05	1 to 34
4 Religare Finvest Limited	NBFC	Interest	53.79	1 to 31
5 SREI Infrastructure Finance Limited	NBFC	Interest	287.48	1 to 90
6 IL & FS Financial Services Limited	NBFC	Interest	403.96	1 to 58
7 Indiabulls Housing Finance Limited	NBFC	Interest	2.06	27

As at 31 March, 2017

Name	Type	Nature of dues	Amount ₹ in lakhs	Delayed Days
1 SREI Infrastructure Finance Limited	NBFC	Principal	267.94	1 to 60
2 Religare Finvest Limited	NBFC	Principal	282.10	1 to 60
3 Religare Finvest Limited	NBFC	Interest	181.64	1 to 60
4 SREI Infrastructure Finance Limited	NBFC	Interest	141.45	1 to 60

### 25 Trade Payables

(₹ in lakhs)

	As at 31-March-18	As at 31-March-17
(i) Trade payables for goods and services	63,377.56	60,331.75
(ii) Trade payables for land	13,039.07	9,217.94
<b>Total</b>	<b>76,416.63</b>	<b>69,549.69</b>

#### Notes:

1. The disclosure of the amount outstanding to micro enterprises and small enterprises are as follows:		
a. Amount of principal remaining unpaid to such suppliers	120.36	48.21
b. Interest due thereon remaining unpaid	45.31	34.60
c. Payments made to supplier beyond the appointed day along with Interest paid by the group in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED), during the year	0.17	5.81
d. Amount of interest due and payable for delay in payment (which have been paid beyond the appointed day during the year) but without adding interest specified under MSMED	10.71	9.27
e. Amount of interest accrued and remaining unpaid	45.31	34.60
f. Interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to such suppliers	1.93	1.62

The above information is based on intimations received by the group from its suppliers

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### 26 Revenue from operations

(₹ in lakhs)

	Year ended 31-March-18	Year ended 31-March-17
<b>a. Revenue from sale of properties</b>	9,343.72	19,102.38
	<b>9,343.72</b>	<b>19,102.38</b>
<b>b. Sale of services</b>		
i. Licence fee income	8,903.99	7,849.84
ii. Rent income	203.49	63.89
iii. Maintenance charges income	731.35	610.81
	<b>9,838.83</b>	<b>8,524.54</b>
<b>c. Other operating revenue</b>		
i. Sale of scrap	92.85	87.86
ii. Others	91.22	174.77
	184.07	262.63
	<b>19,366.62</b>	<b>27,889.55</b>

### 27 Other income

(₹ in lakhs)

	Year ended 31-March-18	Year ended 31-March-17
<b>a. Interest Income:</b>		
i. From bank deposits	613.61	839.32
ii. From customers/others	796.44	1,134.00
<b>b. Net gain on disposal of Property, Plant &amp; equipment</b>	48.07	-
<b>c. Net gain on disposal of investments</b>	-	136.29
<b>d. Interest income from Income Tax refund</b>	10.63	-
<b>e. Excess Provisions written back</b>	25.85	-
<b>f. Recovery from Customers</b>	123.36	-
<b>g. Miscellaneous income</b>	23.54	653.92
	<b>1,641.50</b>	<b>2,763.53</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

		(₹ in lakhs)
	<b>Year ended 31-March-18</b>	<b>Year ended 31-March-17</b>
<b>28 Cost of materials consumed</b>		
Construction material	2,168.02	5,813.24
	<b>2,168.02</b>	<b>5,813.24</b>
<b>29 Purchase of Stock in Trade</b>		
Finished Flats (Purchase return)	(83.02)	-
	<b>(83.02)</b>	-
<b>30 Changes in inventories of finished goods and work-in-progress</b>		
a. Inventories at the beginning of the year:		
i Work-in-progress (projects)	3,26,474.43	2,93,857.10
Add /(Less): Transferred during the year	(128.70)	256.19
	3,26,345.73	2,94,113.29
ii Finished flats	6,199.00	3,832.03
	3,32,544.73	2,97,945.32
b. Add : Finance costs allocated to inventory of work-in-progress (Refer note (i) to note 32)	24,246.51	20,353.56
c. Inventories at the end of the year:		
i Work-in-progress (projects)	3,62,752.85	3,26,474.43
ii Finished flats	6,115.98	6,199.00
	3,68,868.83	3,32,673.43
<b>d. Net (increase) /decrease (a+b-c)</b>	<b>(12,077.59)</b>	<b>(14,374.55)</b>
<b>31 Employee benefits expense</b>		(₹ in lakhs)
	<b>Year ended 31-March-18</b>	<b>Year ended 31-March-17</b>
a. Salaries and Wages	3,117.04	2,937.83
b. Contribution to provident and other funds	70.51	51.10
c. Staff Welfare expenses	71.51	71.22
	<b>3,259.05</b>	<b>3,060.15</b>
<b>32 Finance costs</b>		(₹ in lakhs)
	<b>Year ended 31-March-18</b>	<b>Year ended 31-March-17</b>
a. Interest costs:		
i. On borrowings	51,836.61	39,220.32
iii. To customers / others	2,111.54	2,483.80
iv. On delayed / deferred payment of statutory liabilities	1,603.23	881.06
	55,551.38	42,585.18
Less:		
i. Interest cost allocated to inventory of work-in-progress (Refer note (i) below)	24,246.51	20,353.56
	<b>31,304.87</b>	<b>22,231.62</b>
b. Other borrowing cost	1,109.48	1,126.10
	<b>1,109.48</b>	<b>1,126.10</b>
	<b>32,414.35</b>	<b>23,357.72</b>

**Note:**

- (i) Interest allocable to inventory of projects under progress (work-in-progress) has been segregated from finance cost and reflected under changes in inventories of work-in progress for better presentation (Also refer note 30).

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### 33 Depreciation and amortisation expense

(₹ in lakhs)

	Year ended 31-March-18	Year ended 31-March-17
a. Depreciation of Property, plant and equipment	136.79	176.00
b. Depreciation of investment property	30.46	30.86
c. Amortisation of intangible assets	2,856.39	2,587.23
	<b>3,023.64</b>	<b>2,794.09</b>

### 34 Other expenses

(₹ in lakhs)

	Year ended 31-March-18	Year ended 31-March-17
a. Power and fuel	873.03	1,210.55
b. Rent including lease rentals	1,812.19	1,813.81
c. Repair and maintenance		
- Building	121.71	113.23
- Machinery	24.82	58.97
- Others	679.42	662.18
d. Insurance	59.77	76.37
e. Rates and taxes	667.75	513.03
f. Postage and telegram	64.27	87.10
g. Travelling and conveyance	178.95	161.97
h. Printing and stationery	66.36	71.66
i. Advertisement and business promotion	86.45	152.60
j. Sales commission	807.63	54.27
k. Vehicle running and maintenance	66.57	79.69
l. Rebate and discount	204.03	375.04
m. Legal and professional charges	1,062.96	1,150.35
n. Payment to auditors (see note below)	84.38	87.71
o. Project consultancy fee	164.74	169.15
p. Loss on sale of fixed assets	6.41	4.61
q. Compensation paid to customers	893.17	1,232.46
r. Miscellaneous expenses	333.14	220.00
	<b>8,257.75</b>	<b>8,294.75</b>
Note:		
<b>Payment to auditors comprise:</b>		
<b>i. To statutory auditors</b>		
a. Statutory audit fee	46.52	43.54
b. Tax audit fee	2.06	2.40
c. Limited reviews fee	30.00	30.00
d. Certification and other services	-	0.10
e. Reimbursement of out-of-pocket expenses	0.56	0.65
f. GST/Service tax on above	1.24	6.59
	80.38	83.28
<b>ii. To cost auditors</b>	4.00	4.43
	<b>84.38</b>	<b>87.71</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### 35 Income tax

(₹ in lakhs)

		Year ended 31-March-18	Year ended 31-March-17
i.	Income tax expense/(benefit) recognised in Statement of Profit and Loss		
	<b>Current tax</b>		
	In respect of the current year	1.13	15.85
	Tax adjustment for earlier years	16.20	406.53
		<b>17.33</b>	<b>422.38</b>
	<b>Deferred tax</b>		
	In respect of the current year	(3,574.38)	(1,646.59)
		<b>(3,574.38)</b>	<b>(1,646.59)</b>
	<b>Total income tax expense/(benefit) recognised</b>	<b>(3,557.05)</b>	<b>(1,224.21)</b>
ii.	Income tax expense reconciliation with effective tax rate on accounting profit:		
	Profit/(loss) before tax	(35,952.73)	(16,113.46)
	Income tax expense calculated at 26% (2016-17: 30.9%)	(9,347.71)	(4,979.06)
	Effect of tax rate change during the year	1,141.84	-
	Effect of expenses that are not deductible in determining taxable profit	2,998.82	1,434.11
	Adjustments recognised in the current year in relation to the current tax of previous years	16.20	406.53
	Deferred tax not recognised in subsidiaries on carry forward losses due to prudence	393.01	355.49
	Tax on unrealised profits on inter-group sales	995.99	1,524.31
	Others	244.80	34.41
	<b>Income tax expense/(benefit) recognised in statement of profit and loss</b>	<b>(3,557.05)</b>	<b>(1,224.21)</b>
	The tax rates used for the year 2017-18 in reconciliation above is the corporate tax rate of 25% plus education and health cess of 4% on corporate tax and for the year 2016-17 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 laws.		
iii.	Income tax recognised in other comprehensive income		
	Remeasurements of defined benefit obligation	(12.78)	(8.46)
	<b>Total income tax recognised in other comprehensive income</b>	<b>(12.78)</b>	<b>(8.46)</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### 36 Contingencies

(₹ in lakhs)

	As at 31-March-18	As at 31-March-17
a. Claims against the Group not acknowledged as debts*:		
i. Demand for payment of stamp duty	433.00	855.00
ii. Customer complaints pending in courts	70,720.10	19,235.67
iii. Civil cases against the group	2,688.93	651.00
iv. Income tax demand	906.48	941.42
v. Value Added Tax / Trade tax demand	1,838.34	2,015.17
vi. Licence fee to DMRC (see note 40)	2,188.20	1,717.90
vii. Others	4.22	9.07
b. Future export obligations against EPCG licence	87.55	87.55
c. Corporate guarantees issued in respect of loan taken by others	39,100.00	39,100.00

\* It is not possible for the group 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.

### 37 Commitments

(₹ in lakhs)

	As at 31-March-18	As at 31-March-17
a. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	17,546.59	17,174.16
b. The Group has other commitments, for purchase orders which are issued after considering requirements as per the operating cycle for purchase of goods and services, in the normal course of business.		

**38** The Group did not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.

**39** There were no amounts which were required to be transferred to the Investor Education and Protection Fund, during the year.

**40** The Company has entered into concession agreements with Delhi Metro Rail Corporation Limited (DMRC) for various projects on Build-Operate-Transfer (BOT) basis. In case of Tis Hazari project, the Company was unable to commercially utilise the properties due to lack of clarity between DMRC and Municipal Corporation of Delhi (MCD) with respect to authority for sanction of building plans. In view of the delay, the Company has sought concessions from DMRC and has invoked the Arbitration clause under the concession agreement in case of this project. The Arbitral Tribunal has announced its award in favour of DMRC. The Company has now filed an appeal in the Delhi High Court against this award and the proceedings are going on.

In case of another project, viz. Welcome Mall, construction activities had to be suspended as the property development area allotted to the Company was infringing the proposed line of Metro Station to be constructed by DMRC under phase III. Consequently, the construction activities could not be restarted due to DMRC's inability to provide necessary clarification regarding FAR availability on the property development area and final approved revised layout plan from MCD. The Company has invoked the Arbitration clause under the concession agreement and the proceedings are going on.

Pending arbitration award / necessary clarifications and documents, the Company has not provided for recurring licence fees amounting to ₹ 2,188.20 lakhs (previous year ₹ 1,717.90 lakhs) and has shown the same under contingent liabilities. However, the Company has continued to carry forward the advances / costs incurred on these projects after charging for amortisation / depreciation on periodical basis. In case of another project, viz. Netaji Subhash Place, after the earlier arbitration award in favour the Company, a settlement deed was signed

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

between DMRC and the Company. However, there was a dispute on deciding the first date of escalation of recurring payment. The Company has invoked the arbitration clause under the concession agreement and the proceedings are going on.

In case of another project, viz. Seelampur Plot, the sanction of building plans by MCD got delayed for want of No Objection Certificate (NOC) from Government agencies. Accordingly, DMRC was approached to waive the recurring payment liability for the disputed period. Since an amicable resolution could not be reached out between the Company and DMRC, the Company invoked "Arbitration Clause" under the concession agreement for settlement of the matter.

- 41** Pursuant to Investment Agreement dated 21 December, 2010 entered into between the Company, Parsvnath Buildwell Private Limited (PBPL), Parasnath And Associates Private Limited (Co-Promoter) and two overseas Investment entities (Investors) and 'Assignment of Development Rights Agreement' dated 28 December, 2010 entered into with PBPL and Collaborators, the Company had assigned Development Rights in respect of one of its projects, namely, 'Parsvnath Exotica, Ghaziabad' (on land admeasuring 31 acres) situated at Village Arthala, Ghaziabad (the Project) to PBPL on terms and conditions contained therein. Further the Company has given the following undertakings to PBPL:

- a. The project shall be completed within the agreed completion schedule. Construction cost for completion of project shall not exceed the amount set out in the agreement and the project revenue from sold area shall be at least the amount set out in the agreement.
- b. In case of delays in completion of the project, any penalties or compensation payable to customers shall be borne by the Company.
- c. The Company shall not, directly or indirectly, create any encumbrance over or transfer any Equity securities held by it in PBPL during the lock in period (till completion of project) except for securing construction loan.

The project has been delayed due to non-receipt of approval for the revised building plans.

The collaborators (land owners) are seeking cancellation of the Development Agreement and other related agreements and have taken legal steps in this regard. PBPL invoked the arbitration clause and as a consequence of the land owners not appointing their nominee Arbitrator, PBPL approached the High Court at Allahabad for appointment of Arbitrator under section 11 of the Arbitration and Conciliation Act.

The Supreme Court vide its order dated 02.02.2018 has directed the land-owner to co-operate with PBPL for getting the building plan approved by the Ghaziabad Development Authority.

During the year the group has entered into a Settlement Agreement with investors for which execution petition for enforcement is pending before Delhi High Court.

- 42** The Company had entered into a Memorandum of Understanding (MOU) dated 22 December, 2010 with Parsvnath Realcon Private Limited (PRPL), a wholly owned subsidiary of its subsidiary Parsvnath Buildwell Private Limited (PBPL) in terms of which the Company had assigned development rights of the project, namely, 'Parsvnath Paramount' on land admeasuring 6,445 square metres situated at Subhash Nagar, New Delhi to PRPL. The Company has also entered into 'Project Management Agreement' with PRPL and PBPL for overall management and coordination of project development. Further, the Company has given the following undertakings to PRPL:

- a. It shall complete the project within the completion schedule and construction cost as set out in the Agreement.
- b. The project revenues from the sold area shall be at least the amount set out in the Agreement
- c. In the event of construction cost overrun or revenue shortfall, the Company shall contribute such excess/shortfall amount against allotment of equity shares or other instruments at such premium as may be mutually determined by the parties.

The progress of the project had been hampered due to non-receipt of approval for revised building plans by South Delhi Municipal Corporation (SDMC) and the matter is pending before the Appellate Tribunal, MCD (ATMCD) for adjudication.

Consequently, as a result of delay in completion of the project, Resident Welfare Association has filed complaints against the subsidiary company and its Directors which are pending before the Economic Offence Wing and Delhi High Court.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

The Company has also filed a Civil Writ Petition before the Hon'ble Delhi High Court against SDMC, DDA, MoUD and DMRC seeking directions from the Hon'ble Court for getting this issue resolved.

- 43** The Company had entered into a Development Agreement (DA) with Chandigarh Housing Board (CHB) for the development of an integrated project ('the project') at Chandigarh. Owing to various factors, disputes had arisen between the Company and CHB. Consequently, the Company had invoked the arbitration clause in the DA. Hon'ble Sole Arbitrator had pronounced the award in January, 2015 which was accepted by the Company and the CHB. Pursuant to the arbitration award, the project was discontinued and surrendered to CHB. The loss of ₹ 46,971.24 lakhs incurred on surrender of project was written off and was shown as 'Exceptional Item' in the statement of Profit and Loss during the financial year 2014-15.

Subsequent to the acceptance and implementation of the award, it was noticed that due to a computational error in the award, the awarded amount was deficient by approximately ₹ 14,602.00 lakhs. Consequently, the Company made an application to the Hon'ble Sole Arbitrator for correction of the computational error. However, the Sole Arbitrator in his findings, while admitting the error, stated that after acceptance and implementation of the award by both the parties he had become non-functionary and therefore rejected the claims made by the Company. The Company has since filed its objections under section 34 of the Arbitration and Conciliation Act, 1996 read with section 151 of Code of Civil Procedure (CPC) before the Additional District Judge cum MACT, Chandigarh and the Court has issued notice to CHB for filing its reply and has also called for the Arbitral Record from the Sole Arbitrator. Pending decision of the Additional District Judge, the amount of ₹ 14,045 lakhs (net of tax deducted at source) has been shown as recoverable and included under 'other financial assets' in Note 10.

- 44** Parsvnath Film City Limited (PFCL), a subsidiary of the Company had given an advance of ₹ 4,775.00 lakhs to 'Chandigarh Administration' (CA), being 25% of the consideration amount for acquisition of development rights in respect of a plot of land admeasuring 30 acres, under Development Agreement dated 2 March, 2007 for development of a "Multimedia-cum-Film City" Complex. Since CA could not handover the possession of the said land to PFCL in terms of the said Development Agreement. PFCL invoked the arbitration clause for seeking refund of the allotment money paid along with compensation, cost incurred and interest thereon.

The Arbitral Panel vide its order dated 10 March, 2012, had decided the matter in favour of PFCL and awarded refund of ₹ 4,919.00 lakhs towards the earnest money paid and other expenses incurred by PFCL along with interest @ 12% per annum. Subsequently, the CA filed a petition before the Additional District Judge at Chandigarh challenging the award under section 34 of The Arbitration and Conciliation Act, 1996. The said petition was dismissed by the Hon'ble District Judge vide his order dated 07 May, 2015.

The Execution Petition was filed before Additional District Judge (ADJ), Chandigarh for the execution of the Arbitral Award by PFCL. In the meantime, CA filed an appeal under section 37 of the Arbitration and Conciliation Act, 1996 before the Punjab and Haryana High Court at Chandigarh against the orders of the ADJ, Chandigarh pertaining to the Award of Arbitral Tribunal. The Hon'ble High Court allowed the appeal filed by CA and set aside the arbitral award vide its orders dated 17 March, 2016. PFCL had filed a Special Leave Petition (SLP) before the Hon'ble Supreme Court of India which has since been admitted and notice has been issued to the Opposite Party.

- 45** The Company had executed an 'Amended and Restated Investment and Security Holders' Agreement' dated 14 September, 2010 with one of its subsidiaries, Parsvnath Estate Developers Private Limited (PEDPL), two Overseas Investment Entities (Investors) and others for development of an office complex on a plot of land admeasuring 15,583.83 square meters situated at Bhai Veer Singh Marg, New Delhi, on the terms and conditions contained in the Agreement and as amended from time to time. The Rights in the said plot have been allotted on 'Build Operate Transfer' (BOT) basis to the Company by Delhi Metro Rail Corporation Ltd. (DMRC). These Rights have been assigned by the Company in favour of PEDPL for implementation of the Project on obtaining approval of DMRC.

PEDPL had completed phase I of the project and commenced its commercial operations during the financial year 2014-15. Phase II of the project is under construction/development.

During the previous year, the Company has acquired all the securities held by the Investors, and consequently, PEDPL had become a wholly owned subsidiary of the Company during the said previous year.

- 46** The Company had executed a 'PDL Support Agreement' in favour of Parsvnath Landmark Developers Private Limited (PLDPL) and J.P. Morgan Advisors India Private Limited (JP Morgan) being the Security Trustees for the Term Loan of ₹ 14,000.00 lakhs given by JP Morgan to PLDPL.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

In terms of the said Agreement, the Company has given an undertaking for completion of construction of 'La Tropicana' Project, New Delhi, within the amount set out in the Agreement and within the Completion Schedule, as stated therein. Any escalation in the construction cost is to be funded by the Company. Further, the Company has also undertaken that it shall maintain at all times not less than 78% of the ownership interest and voting rights in PLDPL.

During the previous year, PLDPL repaid the outstanding loan availed from JP Morgan out of a fresh issue of Non-convertible Debentures (NCDs) worth ₹ 20,000.00 lakhs issued on 13 October, 2016. Consequently, the PDL Support Agreement has become redundant. The Company also purchased the securities held by the overseas investors, and therefore, PLDPL became a wholly owned subsidiary of the Company with effect from 02 November, 2016.

- 47** The Company was declared as the "Selected Bidder" for grant of lease for development of project on a plot of land at Sarai Rohilla, Kishanganj, Delhi by 'Rail Land Development Authority' (RLDA) vide its 'Letter of Acceptance' (LOA) dated 26 November, 2010. In terms of the LOA, the project was being implemented through a Special Purpose Vehicle (SPV), Parsvnath Promoters and Developers Private Limited (PPDPL). Subsequently, in terms of the requirements of RLDA, another Company in the name of Parsvnath Rail Land Project Private Limited (PRLPPL) was incorporated as an SPV to implement the project. RLDA has accepted PRLPPL as the SPV vide its letter dated 3 August, 2012.

The Company has executed an 'Investment and Security Holders' Agreement dated 20 December 2012 with PRLPPL and two overseas Investment entities (Investors) in relation to the project. Subsequently, the Company has executed an 'Amended and Restated Investment and Security Holders Agreement' on 21 August, 2013 with PRLPPL and aforesaid Investors for financing of the project.

Due to multifarious reasons, including the lack of statutory approvals of lay out and building plans by NDMC, PRLPPL was not able to achieve 'Financial Closure' as per Article 7 of the Agreement which resulted in deemed termination of the agreement. The Company and PRLPPL had invoked the arbitration clause in the development agreement for recovery of amount paid to RLDA together with interest thereon on deemed termination of agreement by way of instituting two Arbitral proceedings namely Arbitration I & II. The Arbitral Tribunal has announced its award in respect of the Arbitration II dated 25th November, 2017 directing RLDA to refund the amount of ₹1,03,453.78 lakhs along with 4% interest per annum payable with effect from 15 July, 2015 till the date of recovery.

RLDA filed an appeal before the Hon'ble Delhi High Court challenging the said Arbitral award, which was rejected by the Court vide its order dated 3 April, 2018.

The Arbitration proceeding in respect of Arbitration I is pending adjudication before the Arbitral Tribunal. The proceedings in the arbitration is with respect to RLDA's liability for payment of interest to the Company on installments received in advance pending delay in passing the necessary legislation for the execution of the Development agreement. The amount claimed is ₹ 41,946.79 lakhs.

Advance amount paid amounting to ₹ 129,472.18 lakhs to RLDA for allotment of project including amount spent on development of the said project has been shown as recoverable from RLDA and accordingly reflected under 'Other financial assets' in Note 10.

- 48** The Group has incurred cash losses during the current and previous years. Due to continued recession in the real estate sector owing to slow down in demand, the group is facing tight liquidity situation as a result of which there have been delays/defaults in payment of principal and interest on borrowings, statutory liabilities, salaries to employees and other dues. Also, the Group continues to face lack of adequate sources of finance to fund execution and completion of its ongoing projects resulting in delayed realisation from its customers and lower availability of funds to discharge its liabilities. The group is continuously exploring alternate sources of finance, including sale of non-core assets to generate adequate cash inflows for meeting these obligations and to overcome this liquidity crunch. In the opinion of the Management, no adverse impact is anticipated on future operations of the group.

**49 Trade receivables**

Trade receivables include ₹ 48,854.27 lakhs (Previous year ₹ 48,100.03 lakhs) outstanding for a period exceeding six months. Due to continued recession in the industry, there have been delays in collections from customers. In view of industry practice and terms of agreement with customers, all these debts are considered good for recovery and hence no provision is considered necessary.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

- 50 In the opinion of the Board of directors, current and non-current assets do have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated.

### 51 Corporate social responsibility

In terms of provisions of section 135 of the Companies Act, 2013, the Group was not required to spend any amount on activities relating to Corporate Social Responsibilities (CSR) except in case of two subsidiaries viz. Parsvanath Hessa Developers Private Limited and Parsvanath Builwell Private Limited, which were required to spend ₹ 0.74 lakhs and ₹ 1.14 lakhs respectively on the CSR activities during the financial year 2017-18. However, due to the service liquidity crunch situation, the said spending on CSR activities could not be made and the available funds were only deployed for the construction of the Housing Projects.

- 52 The Group has no outstanding derivative or foreign currency exposure as at the end of the current year and previous year.
- 53 The Group companies are engaged in the business of real estate development, which has been classified as infrastructural facilities as per Schedule VI to the Companies Act, 2013. Accordingly, provisions of section 186 of the Companies Act are not applicable to the group and hence no disclosure under that section is required.
- 54 The Group is setting up various projects on Build Operate Transfer (BOT) basis. Costs incurred on these Projects till completion of the project are reflected as 'Intangible assets under development'. Details of incidental expenditure incurred during construction in respect of these projects debited to '**Intangible assets under development**' are as under:

	(₹ in lakhs)	
	Year ended 31-March-18	Year ended 31-March-17
a. Salaries and wages	10.74	2.28
b. Contribution to provident and other funds	3.85	0.77
c. Legal and professional charges	28.80	63.19
d. Licence fee	2,044.51	1,784.87
e. Miscellaneous expenses	25.42	65.84
	<b>2,113.32</b>	<b>1,916.95</b>

- 55 The Group is setting up SEZs and Hotels. Costs incurred on these Projects till completion of the project are reflected as '**Capital work-in-progress**'. Details of incidental expenditure incurred during construction in respect of these projects debited to 'Capital work-in-progress' are as under:

	(₹ in lakhs)	
	Year ended 31-March-18	Year ended 31-March-17
a. Legal and professional charges	2.59	3.23
b. Miscellaneous expenses	3.75	24.38
	<b>6.34</b>	<b>27.61</b>

### 56 Details of borrowing costs capitalised during the year:

	(₹ in lakhs)	
	Year ended 31-March-18	Year ended 31-March-17
a. Intangible assets/assets under development	5,752.08	4,744.27
b. Capital work-in-progress	143.73	157.90
c. Inventory	24,246.51	20,353.56
	<b>30,142.32</b>	<b>25,255.73</b>

### 57 Segment information

The chief operating decision maker ('CODM') for the purpose of resource allocation and assessment of segments performance focuses on Real Estate, thus operates in a single business segment. The group Companies are mainly operating in India, which is considered as single geographical segment. Accordingly, the reporting requirements for segment disclosure as prescribed by Ind AS 108 are not applicable.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### 58 Employee benefit plans

#### a Defined contribution plan

The Group makes Provident Fund contributions to Regional Provident Fund Commissioner (RPFC) and ESI contributions to Employees State Insurance Corporation (ESIC), which are defined contribution plans, for qualifying employees. The Group contributes a specified percentage of salary to fund the benefits. The contributions payable to these plans by the Group are at the rates specified in the rules of the scheme. The amount of contribution is as under:

(₹ in lakhs)

	Year ended 31-March-18	Year ended 31-March-17
a. Contribution to Provident Fund	53.44	43.56
b. Contribution to ESI	17.07	7.54
	<b>70.51</b>	<b>51.10</b>

#### b Defined benefit plan

The Group 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 present value of the defined benefit obligation and the related current service cost were measured using the Projected Unit Credit Method with actuarial valuations being carried out at each balance sheet date.

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

(₹ in lakhs)

Particulars	2017-18	2016-17
<b>i Components of employer's expenses:</b>		
Current service cost	45.76	41.58
Past service cost	15.28	-
Interest cost	26.04	27.15
Actuarial (gain)/loss	-	-
<b>Net charge/(credit)</b>	<b>87.08</b>	<b>68.73</b>
<b>ii Actual contribution and benefit</b>		
Actual benefit payments	48.48	82.70
Actual contributions	-	-
	<b>48.48</b>	<b>82.70</b>
<b>iii Net liabilities/ (assets) recognised</b>		
Present value of defined benefit obligation	448.13	363.02
Fair value of plan assets	-	-
<b>Net liabilities/ (assets) recognised in the balance sheet</b>	<b>448.13</b>	<b>363.02</b>
Note: The fair value of plan assets is Nil, since defined benefit plans are unfunded		
Short-term provisions	39.38	40.69
Long-term provisions	408.75	322.33
	<b>448.13</b>	<b>363.02</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

(₹ in lakhs)

Particulars	2017-18	2016-17
<b>iv Change in defined benefit obligation</b>		
Present value of defined benefit obligation at beginning of the year	363.02	346.03
Current service cost	45.76	41.58
Past service Cost including curtailment Gains/Losses	15.28	-
Interest cost	26.04	27.15
Actuarial (gains)/losses on obligations	46.51	30.96
Benefits paid	(48.48)	(82.70)
<b>Present value of DBO at the end of the year</b>	<b>448.13</b>	<b>363.02</b>
<b>v Other comprehensive income (OCI)</b>		
Remeasurement of defined benefit obligation	(46.51)	(30.96)
<b>vi Balance sheet reconciliation</b>		
Net liability at the beginning of the year	363.02	346.03
Expenses recognised/(reversed) during the year	87.08	68.73
Actuarial (gains)/losses	46.51	30.96
Benefits paid	(48.48)	(82.70)
Amount recognised in the balance sheet	<b>448.13</b>	<b>363.02</b>

**vii Experience adjustments:**

(₹ in lakhs)

Particulars	31.03.2018	31.03.2017	31.03.2016	31.03.2015	31.03.2014
i. Present value of Defined Benefit Obligation	448.13	363.02	346.03	347.14	429.31
ii. Fair Value of plan assets	-	-	-	-	-
iii. Funded status [Surplus/ (Deficit)]	448.13	363.02	346.03	347.14	429.31
iv. Experience (gain)/loss adjustments on plan liabilities	46.51	30.96	(0.14)	(79.98)	5.27
v. Experience gain/loss adjustments on plan assets	-	-	-	-	-

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

viii Actuarial assumptions		31.03.2018	31.03.2017	
<b>a.</b>	<b>Financial assumptions</b>			
i.	Discount rate (p.a.)	7.80%	7.35%	
ii.	Salary escalation rate (p.a.)	5.00%	4.00%	
<b>b.</b>	<b>Demographic assumptions</b>			
i.	Retirement age	70 years	70 years	
ii	Mortality rate	Indian Assured Lives Mortality (2006-08) ultimate table		
	- Withdrawal rate			
	Upto 30 years	3.00	3.00	
	From 31 to 44 years	2.00	2.00	
	Above 44 years	1.00	1.00	

### ix Sensivity analysis

The sensitivity of the plan obligations to changes in key assumptions are:

(₹ in lakhs)

			Change in assumption	Change in plan obligation
	Discount rate	Increase	0.50 %	(25.20)
		Decrease	0.50 %	27.80
	Salary escalation rate	Increase	0.50 %	24.60
		Decrease	0.50 %	(23.30)

### c. Actuarial assumptions for long-term compensated absences

a. Financial assumptions		31.03.2018	31.03.2017
i.	Discount rate (p.a.)	7.80%	7.35%
ii.	Salary escalation rate (p.a.)	5.00%	4.00%
<b>b.</b>	<b>Demographic assumptions</b>		
i.	Retirement age	70 years	70 years
ii	Mortality rate	Indian Assured Lives Mortality (2006-08) ultimate table	
	- Withdrawal rate		
	Upto 30 years	3.00	3.00
	From 31 to 44 years	2.00	2.00
	Above 44 years	1.00	1.00

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### 59 Earnings per Equity Share

		Year ended 31-March-18	Year ended 31-March-17
Profit for the year	₹ in lakhs	(31,706.51)	(14,456.02)
Weighted average number of equity shares	No's	43,51,81,170	43,51,81,170
Earning per share - basic	₹	(7.29)	(3.33)
Weighted average number of potential equity shares	No's	-	-
Weighted average number of equity shares	No's	43,51,81,170	43,51,81,170
Earnings per share - diluted	₹	(7.29)	(3.33)
Face value per equity share	₹	5.00	5.00

### 60 Operating lease arrangements - As lessee

The Group has entered into Concession Agreements with Delhi Metro Rail Corporation (DMRC) and has acquired the License Rights to develop properties and sub license it to the customers for a defined period of time. License fees recognised during the year are as follows:

(₹ in lakhs)

	Year ended 31-March-18	Year ended 31-March-17
Licence fee		
a. Charged to statement of profit and loss	1,252.17	1,182.87
b. Capitalised in Intangible assets	2,044.51	1,506.28
	<b>3,296.68</b>	<b>2,689.15</b>
Other lease charges		
a. Charged to statement of profit and loss	<b>362.03</b>	<b>488.39</b>

Note: Upfront fee paid by the Group has amortised over licence period and included in licence fee.

The total of future minimum lease payments are as follows:

(₹ in lakhs)

	As at 31-March-18	As at 31-March-17
a. Not later than one year	3,232.55	3,831.35
b. Later than one year but not later than five years	15,136.10	15,235.63
c. Later than five years	1,22,796.21	1,25,252.83
	<b>1,41,164.86</b>	<b>1,44,319.81</b>

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### 61 Operating lease arrangements - As lessor

The Group has given certain building and facilities under non-cancellable operating leases.

Lease income (licence fee) recognised in the Statement of Profit and Loss is as under:

(₹ in lakhs)

	Year ended 31-March-18	Year ended 31-March-17
Licence fee income		
a. Recognised in statement of profit and loss	8,903.99	7,849.84
	<b>8,903.99</b>	<b>7,849.84</b>

The total of future minimum lease receivables are as follows:

(₹ in lakhs)

	As at 31-March-18	As at 31-March-17
a. Not later than one year	7,390.87	5,653.83
b. Later than one year but not later than five years	8,241.74	8,248.45
c. Later than five years	1,597.65	1,989.82
	<b>17,230.26</b>	<b>15,892.10</b>

### 62 Jointly controlled entity

a. The Group has interests in following joint venture - jointly controlled entity

Name of jointly controlled entity	Nature of project	Ownership interest	Country of residence
Ratan Parsvnath Developers AOP	Real estate	50%	India

b. Financial interest of the Group in jointly controlled entity is as under

(₹ in lakhs)

	As at 31-March-18	As at 31-March-17
Company's share of:		
a. Assets	470.84	468.70
b. Liabilities	0.56	0.56
c. Income	-	-
d. Expenditure	0.23	0.22
e. Tax	-	-

Note: The Group's share of assets, liabilities, income and expenditure has been included on the basis of audited financial information of its joint venture.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### Note 63 : Related party transactions

#### a. List of related parties

##### i. Entities over which the Company, subsidiary companies or key management personnel or their relatives, exercise significant influence

- Adela Buildcon Private Limited
- Amazon India Limited \*
- Ashirwad Realtors Private Limited
- Baasima Buildcon Private Limited
- Baidehi Infrastructure Private Limited
- Balbina Real Estates Private Limited
- Charushila Buildwell Private Limited
- Congenial Real Estates Private Limited
- Cyanea Real Estate Private Limited
- Deborah Real Estate Private Limited
- Deleena Developers Private Limited
- Enormity Buildcon Private Limited
- Farhad Realtors Private Limited #
- Gauranga Realtors Private Limited
- Gauresh Buildwell Private Limited
- Homelife Real Estate Private Limited \*
- Janak Finance & Leasing Private Limited
- Jarul Promoters & Developers Private Limited
- Jodhpur Infrastructure Private Limited
- K.B. Realtors Private Limited
- Laban Real Estates Private Limited
- Landmark Malls and Towers Private Limited
- Landmark Township Planners Private Limited
- Madhukanta Real Estate Private Limited
- Magic Promoters Private Limited
- Mahanidhi Buildcon Private Limited
- Neha Infracon (India) Private Limited
- Nilanchal Realtors Private Limited
- Noida Marketing Private Limited
- P.S. Realtors Private Limited
- Parasnath And Associates Private Limited
- Parasnath Travels & Tours Private Limited
- Parsvnath Biotech Private Limited
- Parsvnath Cyber City Private Limited
- Parsvnath Dehradun Info Park Private Limited
- Parsvnath Developers (GMBT) Private Limited
- Parsvnath Developers (SBBT) Private Limited

- Parsvnath Gurgaon Info Park Private Limited
- Parsvnath Indore Info Park Private Limited
- Parsvnath Knowledge Park Private Limited
- Parsvnath Retail Limited
- Pearl Propmart Private Limited
- Pradeep Kumar Jain & Sons (HUF)
- Rangoli Buildcon Private Limited
- Sadgati Buildcon Private Limited
- Scorpio Realtors Private Limited
- Snigdha Buildwell Private Limited
- Suksma Buildtech Private Limited
- Timebound Contracts Private Limited
- Vardaan Buildtech Private Limited \*

\* Associates of the Company

# Became subsidiary w.e.f. 29 July, 2017.

##### ii. Joint Ventures

- Ratan Parsvnath Developers (AOP)

##### iii. Entities which can exercise significant influence over subsidiaries/joint venture

- Anuradha SA Investments LLC, Mauritius (ASA)
- Anuradha Ventures Limited, Cyprus (AVL)
- Green Destination Holding Limited (GDHL)
- Crimsonstar Ventures Limited, Cyprus
- Banrod Investments Limited, Cyprus (Upto 28 September, 2016)
- Sterling Pathway (Upto 2 November, 2016)
- City Centre Monuments (Upto 25 May, 2016)

##### iv. Key Management Personnel

- Mr. Pradeep Kumar Jain, Chairman
- Mr. Sanjeev Kumar Jain, Managing Director and CEO
- Dr. Rajeev Jain, Whole-time Director

##### v. Relatives of Key Management Personnel (with whom the Company had transactions)

- Mrs. Nutan Jain (Wife of Mr. Pradeep Kumar Jain, Chairman)

##### vi. Non-Executive and Independent Directors

- Mr. Ashok Kumar
- Dr. Pritam Singh
- Ms. Deepa Gupta
- Mr. Mahendra Nath Verma

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

(₹ in lakhs)

Transaction / outstanding balances	Entities under significant influence	Joint Venture entities	Key management personnel and their relative	Entities exercise significant influence	Total
<b>b. Transactions / balances outstanding with related parties:</b>					
<b>(i) Transactions during the year</b>					
<b>Purchase of development rights</b>					
Time Bound Contractors Private Limited	-	-	-	-	-
	2.25	-	-	-	2.25
<b>Advance paid for purchase of land</b>					
Scorpio Realtors Private Limited	-	-	-	-	-
	50.00	-	-	-	50.00
Associates (each having less than 10% of transaction)	-	-	-	-	-
	0.50	-	-	-	0.50
	-	-	-	-	-
	50.50	-	-	-	50.50
<b>Purchase of investments/shares</b>					
Parasnath And Associates Private Limited	0.50	-	-	-	0.50
	2.50	-	-	-	2.50
<b>Interest expenses on debentures</b>					
Anuradha Venture Limited, Cyprus	-	-	-	1,356.41	1,356.41
	-	-	-	1,356.41	1,356.41
Banrod Investments Limited	-	-	-	-	-
	-	-	-	(1,281.12)	(1,281.12)
Sterling Pathway	-	-	-	-	-
	-	-	-	1,755.16	1,755.16
	-	-	-	1,356.41	1,356.41
	-	-	-	1,830.45	1,830.45
<b>Rent paid (Expense)</b>					
Pradeep Kumar Jain	-	-	6.91	-	6.91
	-	-	6.91	-	6.91
Nutan Jain	-	-	46.90	-	46.90
	-	-	45.90	-	45.90
Pradeep Kumar Jain & Sons (HUF)	7.91	-	-	-	7.91
	7.78	-	-	-	7.78
	7.91	-	53.81	-	61.72
	7.78	-	52.81	-	60.59
<b>Reimbursement of expenses (Paid)</b>					
Scorpio Realtors Private Limited	-	-	-	-	-
	49.27	-	-	-	49.27

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

(₹ in lakhs)

Transaction / outstanding balances	Entities under significant influence	Joint Venture entities	Key management personnel and their relative	Entities exercise significant influence	Total
Baidehi Infrastructure Private Limited	-	-	-	-	-
	54.65	-	-	-	54.65
	-	-	-	-	-
	103.92	-	-	-	103.92
<b>Purchase of Debentures</b>					
City Centre Monuments	-	-	-	-	-
	-	-	-	15,417.50	15,417.50
<b>Non-Convertible Debentures (Borrowings)</b>					
Sterling Pathway	-	-	-	-	-
	-	-	-	20,177.98	20,177.98
<b>Share of profit / (loss) from associates</b>					
Amazon India Limited	(0.08)	-	-	-	(0.08)
	0.01	-	-	-	0.01
Home Life Real Estate Private Limited	2.25	-	-	-	2.25
	2.20	-	-	-	2.20
Vardaan Buildtech Private Limited	(0.24)	-	-	-	(0.24)
	-	-	-	-	-
	1.93	-	-	-	1.93
	2.21	-	-	-	2.21
<b>Sitting fees paid to directors</b>					
Mr. Ashol Kumar	-	-	6.00	-	6.00
	-	-	5.10	-	5.10
Dr. Pritam Singh	-	-	6.00	-	6.00
	-	-	3.00	-	3.00
Ms. Deepa Gupta	-	-	5.70	-	5.70
	-	-	4.20	-	4.20
Mr. Mahendra Nath Verma	-	-	6.00	-	6.00
	-	-	4.80	-	4.80
	-	-	23.70	-	23.70
	-	-	17.10	-	17.10
<b>(ii) Balances at year end</b>					
<b>Advances for land purchase / properties</b>					
Baidehi Infrastructure Private Limited	-	-	-	-	-
	0.35	-	-	-	0.35

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

(₹ in lakhs)

Transaction / outstanding balances	Entities under significant influence	Joint Venture entities	Key management personnel and their relative	Entities exercise significant influence	Total
Scorpio Realtors Private Limited	-	-	-	-	-
	0.73	-	-	-	0.73
	-	-	-	-	-
	1.08	-	-	-	1.08
<b>Security deposit (assets)</b>					
Nutan Jain	-	-	11.36	-	11.36
	-	-	11.36	-	11.36
<b>Trade/ other payables</b>					
Pradeep Kumar Jain (HUF)	1.17	-	-	-	1.17
	1.17	-	-	-	1.17
Nutan Jain	-	-	7.80	-	7.80
	-	-	6.94	-	6.94
Pradeep Kumar Jain	-	-	1.72	-	1.72
	-	-	0.52	-	0.52
Timebound Contracts Private Limited	2.25	-	-	-	2.25
	2.25	-	-	-	2.25
Jodhpur Infrastructure Private Limited	12.17	-	-	-	12.17
	12.17	-	-	-	12.17
	15.59	-	9.52	-	25.11
	15.59	-	7.46	-	23.05
<b>Interest accrued but not due on debentures</b>					
Anuradha Venture Limited	-	-	-	2,441.53	2,441.53
	-	-	-	2,441.53	2,441.53
Crimsonstar Ventures Limited	-	-	-	7.15	7.15
	-	-	-	7.15	7.15
	-	-	-	2,448.68	2,448.68
	-	-	-	2,448.68	2,448.68
<b>Investments held (Equity Shares)</b>					
Amazon India Limited	253.28	-	-	-	253.28
	253.36	-	-	-	253.36
Home Life Real Estate Private Limited	108.38	-	-	-	108.38
	106.13	-	-	-	106.13
Vardaan Buildtech Private Limited	6.14	-	-	-	6.14
	6.38	-	-	-	6.38
Adela Buildcon Private Limited	0.50	-	-	-	0.50
	0.50	-	-	-	0.50

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

(₹ in lakhs)

Transaction / outstanding balances	Entities under significant influence	Joint Venture entities	Key management personnel and their relative	Entities exercise significant influence	Total
Ashirwad Realtors Private Limited	0.50	-	-	-	0.50
	0.50	-	-	-	0.50
Baasima Buildcon Private Limited	1.00	-	-	-	1.00
	1.00	-	-	-	1.00
Baidehi Infrastructure Private Limited	0.50	-	-	-	0.50
	0.50	-	-	-	0.50
Balbina Real Estates Private Limited	0.50	-	-	-	0.50
	0.50	-	-	-	0.50
Charushila Buildwell Private Limited	0.50	-	-	-	0.50
	0.50	-	-	-	0.50
Congenial Real Estates Private Limited	0.50	-	-	-	0.50
	0.50	-	-	-	0.50
Cyanea Real Estate Private Limited	0.50	-	-	-	0.50
	0.50	-	-	-	0.50
Deborah Real Estate Private Limited	0.50	-	-	-	0.50
	0.50	-	-	-	0.50
Deleena Developers Private Limited	0.50	-	-	-	0.50
	0.50	-	-	-	0.50
Enormity Buildcon Private Limited	0.50	-	-	-	0.50
	0.50	-	-	-	0.50
Farhad Realtors Private Limited	-	-	-	-	-
	0.50	-	-	-	0.50
Gauranga Realtors Private Limited	0.50	-	-	-	0.50
	0.50	-	-	-	0.50
Gauresh Buildwell Private Limited	0.50	-	-	-	0.50
	0.50	-	-	-	0.50
Jarul Promoters & Developers Private Limited	5.00	-	-	-	5.00
	5.00	-	-	-	5.00
Jodhpur Infrastructure Private Limited	0.50	-	-	-	0.50
	0.50	-	-	-	0.50
K.B. Realtors Private Limited	0.50	-	-	-	0.50
	0.50	-	-	-	0.50
Laban Real Estates Private Limited	0.50	-	-	-	0.50
	0.50	-	-	-	0.50
Landmark Malls and Towers Private Limited	0.50	-	-	-	0.50
	0.50	-	-	-	0.50

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

(₹ in lakhs)

Transaction / outstanding balances	Entities under significant influence	Joint Venture entities	Key management personnel and their relative	Entities exercise significant influence	Total
Landmark Township Planners Private Limited	0.50	-	-	-	0.50
	0.50	-	-	-	0.50
Madhukanta Real Estate Private Limited	0.50	-	-	-	0.50
	0.50	-	-	-	0.50
Magic Promoters Private Limited	0.50	-	-	-	0.50
	0.50	-	-	-	0.50
Mahanidhi Buildcon Private Limited	0.50	-	-	-	0.50
	0.50	-	-	-	0.50
Nilanchal Realtors Private Limited	0.50	-	-	-	0.50
	0.50	-	-	-	0.50
P.S. Realtors Private Limited	0.50	-	-	-	0.50
	0.50	-	-	-	0.50
Parsvnath Biotech Private Limited	2.50	-	-	-	2.50
	2.50	-	-	-	2.50
Parsvnath Cyber City Private Limited	1.00	-	-	-	1.00
	1.00	-	-	-	1.00
Parsvnath Dehradun Info Park Private Limited	2.50	-	-	-	2.50
	2.50	-	-	-	2.50
Parsvnath Developers (GMBT) Private Limited	2.50	-	-	-	2.50
	2.50	-	-	-	2.50
Parsvnath Developers (SBBT) Private Limited	2.00	-	-	-	2.00
	2.00	-	-	-	2.00
Parsvnath Gurgaon Info Park Private Limited	2.50	-	-	-	2.50
	2.50	-	-	-	2.50
Parsvnath Indore Info Park Private Limited	2.50	-	-	-	2.50
	2.50	-	-	-	2.50
Parsvnath Knowledge Park Private Limited	1.00	-	-	-	1.00
	1.00	-	-	-	1.00
Parsvnath Retail Limited	4.00	-	-	-	4.00
	4.00	-	-	-	4.00
Pearl Propmart Private Limited	0.50	-	-	-	0.50
	0.50	-	-	-	0.50
Rangoli Buildcon Private Limited	0.50	-	-	-	0.50
	0.50	-	-	-	0.50
Sadgati Buildcon Private Limited	0.50	-	-	-	0.50
	0.50	-	-	-	0.50

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

(₹ in lakhs)

Transaction / outstanding balances	Entities under significant influence	Joint Venture entities	Key management personnel and their relative	Entities exercise significant influence	Total
Scorpio Realtors Private Limited	0.50	-	-	-	0.50
	0.50	-	-	-	0.50
Snigdha Buildwell Private Limited	0.50	-	-	-	0.50
	0.50	-	-	-	0.50
Suksma Buildtech Private Limited	0.50	-	-	-	0.50
	0.50	-	-	-	0.50
Timebound Contracts Private Limited	5.00	-	-	-	5.00
	5.00	-	-	-	5.00
	413.30	-	-	-	413.30
	411.87	-	-	-	411.87
<b>Guarantee for loans</b>					
Chairman and whole-time directors	-	-	238,472.47	-	238,472.47
	-	-	192,887.10	-	192,887.10
<b>Borrowings</b>					
Anuradha Venture Limited	-	-	-	8,751.00	8,751.00
	-	-	-	8,751.00	8,751.00
Crimsonstar Ventures Limited	-	-	-	18,133.39	18,133.39
	-	-	-	18,133.39	18,133.39
	-	-	-	26,884.39	26,884.39
	-	-	-	26,884.39	26,884.39

**Note:**

- Figures in italics represents figures as at and for the year ended 31 March, 2017.

**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 Group 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.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### 64 Financial Instruments

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

(₹ in lakhs)

		As at 31-March-18				As at 31-March-17			
		Total	Amortised Cost	At cost	FVTPL	Total	Amortised Cost	At cost	FVTPL
<b>Financial assets</b>									
i.	Investments	1,461.55	-	413.30	1,048.25	1,460.12	-	411.87	1,048.25
ii.	Trade receivables	63,533.59	63,533.59	-	-	63,039.61	63,039.61	-	-
iii.	Cash and cash equivalents	843.85	843.85	-	-	1,402.23	1,402.23	-	-
iv.	Bank balances other than (iii) above	5,624.63	5,624.63	-	-	5,388.27	5,388.27	-	-
v.	Loans	2,082.07	2,082.07	-	-	2,322.95	2,322.95	-	-
vi.	Other financial assets	1,59,296.78	1,59,296.78	-	-	1,61,067.12	1,61,067.12	-	-
	<b>Total financial assets</b>	<b>2,32,842.47</b>	<b>2,31,380.92</b>	<b>413.30</b>	<b>1,048.25</b>	<b>2,34,680.30</b>	<b>2,33,220.18</b>	<b>411.87</b>	<b>1,048.25</b>
<b>Financial liabilities</b>									
i.	Borrowings	3,65,496.92	3,65,496.92	-	-	3,71,724.83	3,71,724.83	-	-
ii.	Trade Payables	76,416.63	76,416.63	-	-	69,549.69	69,549.69	-	-
iii.	Other financial liabilities	1,12,842.57	1,12,842.57	-	-	46,763.47	46,763.47	-	-
	<b>Total financial liabilities</b>	<b>5,54,756.12</b>	<b>5,54,756.12</b>	<b>-</b>	<b>-</b>	<b>4,88,037.99</b>	<b>4,88,037.99</b>	<b>-</b>	<b>-</b>

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

#### Fair value hierarchy

The fair value of financial instruments have been classified into three categories depending on the inputs used in the valuation technique

The categories used are as follows:

Level 1: Quoted prices for identical instruments in an active market

Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs

Level 3: Inputs which are not based on observable market data

(₹ in lakhs)

	As at 31-March-18		As at 31-March-17	
	Carrying amount	Category	Carrying amount	Category
Investment carried at fair value through profit and loss	1,048.25	Level 3	1,048.25	Level 3

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### 65 Financial Risk Management

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

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

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

(₹ in lakhs)

	Carrying amount	Payable within 1 year	Payable in 1-3 years	Payable in 3-5 years	Payable more than 5 years
<b>As at 31 March, 2018</b>					
Borrowings	4,39,999.52	1,09,270.35	1,31,033.23	1,99,623.37	72.57
Trade payables	76,416.63	73,262.54	2,934.09	220.00	-
Other financial liabilities	38,339.97	31,793.64	2,836.10	2,494.59	1,215.64
	<b>5,54,756.12</b>	<b>2,14,326.53</b>	<b>1,36,803.42</b>	<b>2,02,337.96</b>	<b>1,288.21</b>
<b>As at 31 March, 2017</b>					
Borrowings	3,91,121.27	43,226.84	1,61,160.90	67,405.68	1,19,327.85
Trade payables	69,549.69	64,624.07	4,705.62	220.00	-
Other financial liabilities	27,367.03	22,349.36	1,331.28	2,555.62	1,130.77
	<b>4,88,037.99</b>	<b>1,30,200.27</b>	<b>1,67,197.80</b>	<b>70,181.30</b>	<b>1,20,458.62</b>

Note: Current maturities of long term debt have been excluded from Other financial liabilities and included under Borrowings.

#### Financing facilities

##### Secured bank overdraft facility :

(₹ in lakhs)

	As at 31-March-18	As at 31-March-17
-amount used	8,115.84	8,887.77
-amount unused	-	8.23

#### 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 group is mainly exposed to the interest rate risk due to its borrowings. The group manages its interest rate risk by having balanced portfolio of fixed and variable rate borrowings. The group does not enter into any interest rate swaps.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### Interest rate sensitivity analysis

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

(₹ in lakhs)

	As at 31-March-18	As at 31-March-17
<b>Variable rate borrowings</b>		
Long Term	1,77,390.99	1,28,748.43
Short Term	36,735.09	40,576.25
<b>Total Variable rate Borrowing</b>	<b>2,14,126.08</b>	<b>1,69,324.68</b>
<b>Fixed Rate Borrowings</b>		
Long Term	2,16,342.37	2,16,296.59
Short Term	9,531.07	5,500.00
<b>Total Fixed rate Borrowing</b>	<b>2,25,873.44</b>	<b>2,21,796.59</b>
<b>Total Borrowing</b>	<b>4,39,999.52</b>	<b>3,91,121.27</b>

### Sensitivity

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

(₹ in lakhs)

	Year ended 31- March-18	Year ended 31- March-17
Actual interest cost	51,836.61	39,220.32
if ROI is increased by 1% on outstanding loans	2,322.93	1,770.51
Total interest cost	54,159.54	40,990.83
if ROI is decreased by 1% on outstanding loans	2,322.93	1,770.51
<b>Total interest cost</b>	<b>49,513.68</b>	<b>37,449.81</b>

### B. Price risk

The group 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 group 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 group's credit risk with respect to customers is diversified due to large number of real estate projects with different customers spread over different geographies.

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

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:

	(₹ in lakhs)	
	As at 31-March-18	As at 31-March-17
Outstanding for more than 6 months	48,854.27	48,100.03
Outstanding for 6 months or less	2,817.02	2,956.65
Not due for payment	11,862.30	11,982.93
	<b>63,533.59</b>	<b>63,039.61</b>

### 66 Capital Management

For the purpose of capital management, capital includes equity capital, share premium and retained earnings. The group maintains balance between debt and equity. The group 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:

	(₹ in lakhs)	
	As at 31-March-18	As at 31-March-17
<b>Borrowings:</b>		
- Long term	3,19,230.76	3,25,648.58
- Short term	46,266.16	46,076.25
- Current maturities of long term borrowings	74,502.60	19,396.44
<b>Total borrowings - A</b>	<b>4,39,999.52</b>	<b>3,91,121.27</b>
Equity		
- Share capital	21,759.06	21,759.06
- Other equity	1,94,736.85	2,26,459.98
<b>Total Equity - B</b>	<b>2,16,495.91</b>	<b>2,48,219.04</b>
Debt to equity ratio (A/B)	2.03	1.58

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

### 67. Additional information as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiaries/ Joint Venture / Associates

Name of the entity	Net Assets, i.e total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (₹ in lakhs)	As % of consolidated profit or (loss)	Amount (₹ in lakhs)
<b>Parent</b>				
Parsvnath Developers Limited	112.77	2,44,132.53	(37.08)	(11,771.22)
<b>Subsidiaries</b>				
<b>Indian</b>				
Parsvnath Landmark Developers Private Limited	4.31	9,336.98	(9.28)	(2,946.44)
Parsvnath Infra Limited	2.77	5,993.82	(0.17)	(55.43)
Parsvnath Hotels Limited	0.29	637.38	(0.08)	(23.94)
Parsvnath Hessa Developers Private Limited	4.51	9,761.15	(0.20)	(63.50)
Parsvnath Estate Developers Private Limited	(9.06)	(19,612.16)	(33.36)	(10,590.67)
Parsvnath Promoters and Developers Private Limited	1.33	2,885.08	(0.30)	(95.69)
Parsvnath Buildwell Private Limited	8.92	19,310.13	(2.22)	(703.54)
Parsvnath HB Projects Private Limited	(0.30)	(641.30)	(0.42)	(132.03)
Parsvnath Film City Limited	(0.01)	(26.38)	(0.01)	(2.22)
Parsvnath Telecom Private Limited	(0.00)	(0.10)	(0.00)	(0.15)
Parsvnath Realcon Private Limited	0.08	177.53	(0.23)	(73.55)
Parsvnath MIDC Pharma SEZ Private Limited	0.10	206.08	(0.00)	(0.25)
PDL Assets Limited	(0.00)	(0.61)	(0.00)	(0.15)
Primetime Realtors Private Limited	(0.00)	(1.01)	(0.00)	(1.57)
Parsvnath Realty Ventures Limited	0.00	2.75	(0.00)	(0.17)
Vasavi PDL Ventures Private Limited	0.00	2.97	(0.00)	(1.01)
Farhad Realtors Private Limited	0.00	0.11	(0.00)	(0.86)
<b>Foreign</b>				
Parsvnath Developers Pte. Ltd.	0.29	635.54	(0.11)	(35.58)
<b>Subsidiaries by virtue of Accounting Standard (Ind AS - 110) on Consolidated financial statements</b>				
<b>Indian</b>				
Parsvnath Rail Land Project Private Limited	0.85	1,842.90	(3.30)	(1,048.19)
Aahna Realtors Priavte Limited	0.00	2.63	(0.00)	(0.08)
Afra Infrastructure Private Limited	0.00	4.90	(0.00)	(0.12)
Anubhav Buildwell Private Limited	0.00	8.63	(0.00)	(0.11)
Arctic Buildwell Private Limited	0.00	3.51	(0.00)	(0.14)
Arunachal Infrastructure Private Limited	0.00	1.12	(0.00)	(0.12)
Bae Buildwell Pvt Ltd	0.00	1.12	(0.00)	(0.16)
Bakul Infrastructure Private Limited	0.00	2.18	(0.00)	(0.10)
Banita Buildcon Private Limited	0.00	3.24	(0.00)	(0.12)
Bliss Infrastructure Private Limited	0.00	2.36	(0.00)	(0.13)
Brinly Properties Private Limited	0.00	1.49	(0.00)	(0.13)
Coral Buildwell Private Limited	0.00	1.05	(0.00)	(0.16)
Dae Realtors Private Limited	0.00	1.22	(0.00)	(0.24)

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

Name of the entity	Net Assets, i.e total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (₹ in lakhs)	As % of consolidated profit or (loss)	Amount (₹ in lakhs)
Dai Real Estates Private Limited	0.00	2.97	(0.00)	(0.67)
Dhiren Real Estates Private Limited	0.00	1.66	(0.00)	(0.12)
Digant Realtors Private Limited	0.00	3.20	0.00	0.38
Elixir Infrastructure Private Limited	0.00	3.25	(0.00)	(0.10)
Emerald Buildwell Private Limited	0.01	12.11	(0.00)	(0.19)
Evergreen Realtors Private Limited	0.00	1.58	0.00	0.01
Gem Buildwell Private Limited	0.00	1.95	(0.00)	(0.10)
Generous Buildwell Private Limited	0.00	1.10	(0.00)	(0.13)
Himsagar Infrastructure Private Limited	0.00	1.17	(0.00)	(0.08)
Izna Realcon Private Limited	0.00	0.99	(0.00)	(0.25)
Jaguar Buildwell Private Limited	0.00	1.41	(0.00)	(0.13)
Label Real Estates Private Limited	0.00	2.18	(0.00)	(0.14)
Lakshya Realtors Private Limited	0.00	4.65	(0.02)	(6.58)
LSD Realcon Private Limited	0.00	1.49	0.00	0.33
Mirage Buildwell Private Limited	0.00	3.07	(0.00)	(0.20)
Navneet Realtors Private Limited	0.00	5.45	(0.00)	(0.15)
Neelgagan Realtors Private Limited	0.00	7.10	0.00	0.07
New Hind Enterprises Private Limited	0.20	437.70	(0.00)	(0.30)
Oni Projects Private Limited	0.00	0.91	(0.00)	(0.24)
Paavan Buildcon Private Limited	0.00	1.14	(0.00)	(0.10)
Perpetual Infrastructure Private Limited	0.00	5.67	(0.00)	(0.18)
Prosperity Infrastructures Private Limited	0.00	3.67	(0.00)	(0.18)
Rangoli Infrastructure Private Limited	0.00	3.14	(0.00)	(0.11)
Samiksha Realtors Private Limited	0.00	1.14	(0.00)	(0.15)
Sapphire Buildtech Private Limited	0.09	200.85	(0.00)	(0.11)
Silverstreet Infrastructure Private Limited	0.00	5.16	(0.00)	(0.15)
Spearhead Realtors Private Limited	0.00	3.51	(0.00)	(0.07)
Springdale Realtors Private Limited	0.00	4.62	(0.00)	(0.26)
Stupendous Buildtech Private Limited	0.00	0.98	(0.00)	(0.32)
Sumeru Developers Private Limited	0.00	3.79	(0.00)	(0.09)
Trishla Realtors Private Limited	0.00	3.52	(0.00)	(0.16)
Vital Buildwell Private Limited	0.00	2.47	(0.00)	(0.03)
Yamuna Buildwell Private Limited	0.00	7.98	0.00	0.33
<b>Non-controlling interest in all subsidiaries</b>	(7.52)	(16,272.92)	2.17	687.24
<b>Joint Venture (as per proportionate consolidation)</b>				
<b>Indian</b>				
Ratan Parsvnath Developers (AOP)	0.22	470.28	(0.00)	(0.23)

## NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2018

Name of the entity	Net Assets, i.e total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (₹ in lakhs)	As % of consolidated profit or (loss)	Amount (₹ in lakhs)
Adjustment arising out of consolidation	(19.92)	(43,119.87)	(15.35)	(4,873.88)
<b>Sub-Total (a)</b>	<b>100.00</b>	<b>2,16,495.91</b>		<b>(31,744.81)</b>
<b>Associates (Investments as per equity method)</b>				
<b>Indian</b>				
Amazon India Limited		253.28	(0.00)	(0.08)
Homelife Real Estate Private Limited		108.38	0.01	2.25
Vardaan Buildtech Private Limited		6.14	0.00	(0.24)
<b>Sub-Total (b)</b>		<b>367.80</b>		<b>1.93</b>
<b>Total (a+b)</b>			<b>(100.00)</b>	<b>(31,742.88)</b>

### 68 Events after the reporting period

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

### 69 Approval of the financial statements

The financial statements were approved for issue by Board of Directors on 29 May, 2018

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

Sd/-  
**Pradeep Kumar Jain**  
Chairman  
(DIN 00333486)

Sd/-  
**M.C. Jain**  
Group Chief Financial Officer

Place: New Delhi  
Date: 29 May, 2018

Sd/-  
**Sanjeev Kumar Jain**  
Managing Director & CEO  
(DIN 00333881)

Sd/-  
**V. Mohan**  
Company Secretary

**FORM AOC - I**  
(Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014)  
**Statement containing salient features of the financial statements of subsidiary companies as on March 31, 2018**  
**PART -“A” - Subsidiaries**

Rs. In lakhs

Sr. No.	Name of the Subsidiary Company	Date since when subsidiary was acquired	Reporting Period of the subsidiary	Reporting currency and exchange rate as on 31 Mar, 2018	Share Capital	Reserves & Surplus (adjusted for debit balance in Profit & Loss Account, wherever applicable)	Total Assets (Fixed Assets + Investments + Current assets)	Total Liabilities (Loans + Current Liabilities)	Investments (other than investment in subsidiaries)	Turnover (including Other Income)	Profit/ (Loss) before taxation	Provision for taxation	Profit/ (Loss) after taxation	Proposed Dividend	% of shareholding
1	Parsvnath Infra Limited	19.09.2006	31.03.2018	INR	2,745.77	3,248.05	6,103.70	109.88	-	0.16	(55.43)	-	(55.43)	-	94.87%
2	Parsvnath Film City Limited	28.02.2007	31.03.2018	INR	175.00	(201.38)	4,826.72	4,853.10	-	-	(2.22)	-	(2.22)	-	100.00%
3	Parsvnath Landmark Developers Private Limited	08.03.2007	31.03.2018	INR	328.21	9,008.77	36,671.19	27,334.21	-	539.32	(3,827.10)	(880.66)	(2,946.44)	-	100.00%
4	Parsvnath Telecom Private Limited	16.10.2007	31.03.2018	INR	103.00	(103.10)	0.09	0.19	-	-	(0.15)	-	(0.15)	-	100.00%
5	Parsvnath Hotels Limited	02.11.2007	31.03.2018	INR	540.00	97.38	2,606.70	1,969.32	-	-	(23.94)	-	(23.94)	-	100.00%
6	Parsvnath Developers Pre. Limited	01.11.2007	31.03.2018	1 SGD= INR 49.52	356.77	278.77	915.75	280.21	-	0.07	(35.58)	-	(35.58)	-	53.32%
7	PDL Assets Limited	03.12.2007	31.03.2018	INR	6.00	(6.61)	0.46	1.07	-	-	(0.15)	-	(0.15)	-	100.00%
8	Primeline Realtors Private Limited	16.04.2008	31.03.2018	INR	1.00	(2.01)	0.48	1.49	-	-	(1.57)	-	(1.57)	-	100.00%
9	Parsvnath Estate Developers Private Limited	27.08.2010	31.03.2018	INR	500.00	(20,112.16)	83,918.01	103,530.17	-	7,266.85	(10,592.67)	(2.00)	(10,590.67)	-	100.00%
10	Parsvnath Promoters And Developers Private Limited	19.11.2010	31.03.2018	INR	33.20	2,851.88	36,169.13	33,284.05	-	-	(95.69)	-	(95.69)	-	51.00%
11	Parsvnath MIDC Pharma SEZ Private Limited (Refer note 1)	29.03.2011	31.03.2018	INR	499.00	(292.92)	206.22	0.14	-	-	(0.25)	0.00	(0.25)	-	-
12	Parsvnath HB Projects Private Limited	19.10.2012	31.03.2018	INR	4.90	(646.20)	14,044.69	14,685.99	-	(76.09)	(132.02)	-	(132.02)	-	51.00%
13	Parsvnath Hessa Developers Private Limited	02.07.2013	31.03.2018	INR	496.00	9,265.15	10,504.38	743.23	-	762.39	(63.50)	-	(63.50)	-	100.00%
14	Parsvnath Buildwell Private Limited	12.09.2013	31.03.2018	INR	9,953.69	9,356.44	29,456.80	10,146.67	-	262.65	(1,018.15)	(314.61)	(703.54)	-	90.05%
15	Parsvnath Realcon Private Limited (Refer note 2)	12.09.2013	31.03.2018	INR	1.00	176.53	4,977.60	4,800.07	-	13.13	(73.55)	-	(73.55)	-	-
16	Parsvnath Realty Ventures Limited	16.07.2016	31.03.2018	INR	5.00	(2.25)	3.04	0.29	-	-	(0.17)	-	(0.17)	-	100.00%
17	Vasavi PDL Ventures Private Limited	31.10.2016	31.03.2018	INR	5.00	(2.03)	5.98	3.01	-	-	(1.01)	-	(1.01)	-	51.00%
18	Farhad Realtors Private Limited	29.07.2017	31.03.2018	INR	1.00	(0.89)	0.29	0.19	-	-	(0.86)	-	(0.86)	-	100.00%

**Note:**

- Subsidiary in terms of Section 2(87)(ii) of the Companies Act, 2013, since 100% of the equity capital is held by Parsvnath Infra Limited, a subsidiary of Parsvnath Developers Limited.
- Subsidiary in terms of Section 2(87)(ii) of the Companies Act, 2013, since 100% of the equity capital is held by Parsvnath Buildwell Private Limited, a subsidiary of Parsvnath Developers Limited.
- Names of subsidiaries which are yet to commence operations**

i. Parsvnath Film City Limited

- ii. Parsvnath Telecom Private Limited
  - iii. Parsvnath Developers Pte. Limited
  - iv. PDL Assets Limited
  - v. Parsvnath Promoters And Developers Private Limited
  - vi. Parsvnath MIDC Pharma SEZ Private Limited
  - vii. Parsvnath Realty Ventures P Ltd
  - viii. Vasavi PDL Ventures Private Limited
  - ix. Farhad Realtors Private Limited
- 4** Names of subsidiaries which have been liquidated during the year  
NIL

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

<p>Sd/- <b>Pradeep Kumar Jain</b> Chairman (DIN 00333486)</p>	<p>Sd/- <b>Sanjeev Kumar Jain</b> Managing Director &amp; CEO (DIN 00333881)</p>
<p>Sd/- <b>M.C.Jain</b> Group Chief Financial Officer</p>	<p>Sd/- <b>V. Mohan</b> Company Secretary</p>

Date : 29 May, 2018  
Place: New Delhi

**FORM AOC - I**

(Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules, 2014)  
Statement containing salient features of the financial statements of associates/joint ventures as on March 31, 2018  
**PART - "B" - Associates and Joint Ventures**

Sr. No.	Name of Associates / Joint Ventures	Latest Audited Balance Sheet Date	Date on which the Associate or Joint Venture was associated or acquired	Shares of Associate / Joint Venture held by the company on year end			Description of how there is significant influence	Reason why the associate / joint venture is not consolidated	Net worth attributable to shareholding as per latest audited Balance Sheet	Profit/ Loss for the period	
				Number	Amount of investment	Extent of holding %				Considered in consolidation	Not considered in consolidation
1	Amazon India Limited	31.03.2018	02.04.2004	25,000	212.50	48.31%	Holding more than 20 % of voting power	NA	43.28	(0.08)	-
2	Vardaan Buildtech Pvt Ltd	31.03.2018	19.03.2007	16,000	1.60	33.33%	Holding more than 20 % of voting power	NA	4.43	(0.24)	-
3	Homelife Real Estates Pvt Ltd	31.03.2018	12.01.2005	775,000	77.50	50.00%	Holding more than 20 % of voting power	NA	108.37	2.25	-
4	Parsvnath Rail Land Projects Private Limited	31.03.2018	21.08.2013	120,000	1,145.00	28.30%	Holding more than 20 % of voting power	NA	521.54	(296.64)	-
5	Ratan Parsvnath Developers (AOP)	31.03.2018	18.09.2006	-	817.92	50.00%	Joint venture agreement	NA	470.29	(0.23)	-

**Note:****1 Names of associates/ joint ventures which are yet to commence operations.**

- Parsvnath Rail Land Projects Private Limited
- Ratan Parsvnath Developers (AOP)

**2 Names of associates/ joint ventures which have been liquidated during the year**  
NIL**For and on behalf of the Board of Directors**

Sd/-	Sd/-
<b>Pradeep Kumar Jain</b> Chairman (DIN 00333486)	<b>Sanjeev Kumar Jain</b> Managing Director & CEO (DIN 00333881)
Sd/-	Sd/-
<b>M.C.Jain</b> Group Chief Financial Officer	<b>V. Mohan</b> Company Secretary

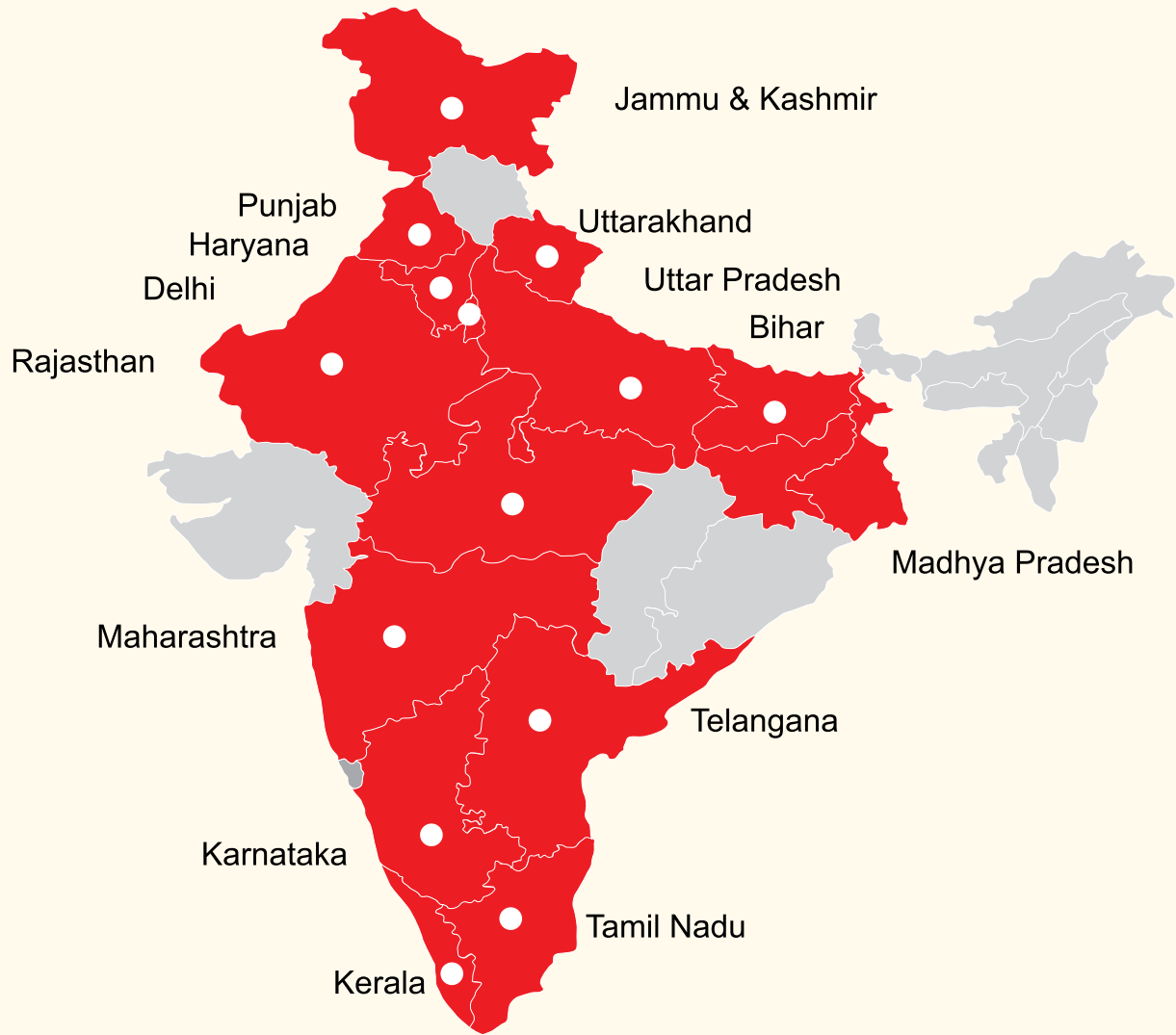
Date : 29 May, 2018  
Place: New Delhi

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

### Notes:

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

# OUR PROJECT FOOTPRINTS



## PAN INDIA PRESENCE

### **Bihar**

- Patna

### **Delhi**

### **Haryana**

-Dharuhera  
(Rewari)

- Faridabad

- Gurgaon

- Rohtak

- Kurukshetra

- Sonapat

- Panchkula

- Karnal

- Panipat

### **Jammu & Kashmir**

- Jammu

### **Karnataka**

- Mysore

### **Kerala**

- Kochi

-Palakkad

### **Madhya Pradesh**

- Indore

- Ujjain

### **Maharashtra**

- Pune

- Shirdi

### **Punjab**

- Derabassi

- Mohali

- Rajpura

### **Rajasthan**

- Bhiwadi

- Jodhpur

- Jaipur

### **Tamil Nadu**

- Chennai

### **Telangana**

- Hyderabad

### **Uttaranchal**

- Dehradun

### **Uttar Pradesh**

- Agra

- Noida

- Greater Noida

- Ghaziabad

- Lucknow

- Raebareli

- Mohan Nagar

- Moradabad

- Saharanpur

- Sahibabad

- Khekhra

**Parsvnaths**  
committed to build a better world

w w w . p a r s v n a t h . c o m