

Parsvnath Estate Developers Private Limited
Balance Sheet as at 31 March, 2017

	Notes	As at 31-March-17 Rs in lakhs	As at 31-March-16 Rs in lakhs	As at 01-April-15 Rs in lakhs
Assets				
1. Non-current assets				
a. Other intangible assets	3	31,823.09	33,716.16	35,514.59
b. Intangible assets under development	3	6,812.56	5,395.77	3,276.41
c. Financial assets				
i. Other financial assets	4	3,833.01	4,191.41	4,191.41
d. Deferred tax assets (net)	17	1,280.00	790.00	-
e. Other non-current assets	9	13,276.45	5,985.69	6,139.57
Total non-current assets		57,025.11	50,079.03	49,121.98
2. Current assets				
a. Inventories	5	6,580.32	-	-
b. Financial assets				
i. Trade receivables	6	52.97	110.79	19.47
ii. Cash and cash equivalents	7	85.55	325.58	2,856.83
iii. Other financial assets	4	18,493.60	-	13.21
c. Current Tax assets (Net)	8	1,047.56	517.53	99.43
d. Other current assets	9	2,871.17	823.42	1,045.77
Total current assets		29,131.17	1,777.32	4,034.71
Total assets		86,156.28	51,856.35	53,156.69
Equity and Liabilities				
1. Equity				
a. Equity share capital	10	500.00	500.00	500.00
b. Other equity	11	(9,521.49)	(4,876.56)	(578.28)
Total Equity		(9,021.49)	(4,376.56)	(78.28)
2. Liabilities				
Non-current liabilities				
a. Financial liabilities				
i. Borrowings	12	91,184.00	38,052.85	38,052.85
ii. Other financial liabilities	14	889.30	1,097.71	581.53
b. Other non-current liabilities	15	1,046.11	1,166.92	936.13
Total non-current liabilities		93,119.41	40,317.48	39,570.51
Current liabilities				
a. Financial liabilities				
i. Borrowings	12	-	916.38	794.77
ii. Trade Payables	13	93.48	73.96	19.06
iii. Other financial liabilities	14	357.23	14,215.90	12,220.78
b. Other current liabilities	15	1,599.54	702.50	624.83
c. Provisions	16	8.11	6.69	5.02
Total current liabilities		2,058.36	15,915.43	13,664.46
Total liabilities		95,177.77	56,232.91	53,234.97
Total equity and liabilities		86,156.28	51,856.35	53,156.69

See accompanying notes forming part of the financial statements

1-47

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

Vinesh Jain
Partner
Membership No. 087701

Place: Delhi
Date: 20.05.2017



For and on behalf of the Board of Directors

Vivek Garu
Director
DIN:01832495


Place: Delhi
Date: 20.05.2017

Praveen Jain
Director
DIN:00855104

Parsvnath Estate Developers Private Limited
Statement of Profit and Loss for the year ended 31 March, 2017

	Notes	Year ended 31 March, 2017 Rs in lakhs	Year ended 31 March, 2016 Rs in lakhs
I Revenue from operations	18	6,245.28	4,461.89
II Other income	19	25.98	56.58
III Total Income (I + II)		6,271.26	4,518.47
IV Expenses			
(a) Purchase of work-in-progress property		4,376.36	-
(b) Changes in inventories of finished goods and work-in-progress	20	(4,376.36)	-
(c) Employee benefits expense	21	48.61	92.80
(d) Finance costs	22	7,819.05	5,535.69
(e) Depreciation and amortisation expense	23	1,934.84	1,926.41
(f) Other expenses	24	1,143.54	2,051.85
Total expenses (IV)		10,946.04	9,606.75
V Profit/(loss) before tax (III-IV)		(4,674.78)	(5,088.28)
VI Tax expense/(benefit):			
(a) Deferred tax		(490.00)	(790.00)
		(490.00)	(790.00)
VII Profit/(loss) for the year (V - VI)		(4,184.78)	(4,298.28)
VIII Other comprehensive income		-	-
IX Total comprehensive income for the year (VII + VIII)		(4,184.78)	(4,298.28)
X Earnings per equity share (face value Rs. 10 per share)	32		
(1) Basic (in Rs)		(83.70)	(85.97)
(2) Diluted (in Rs)		(83.70)	(85.97)
See accompanying notes forming part of the financial statements	1-47		

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Vinesh Jain
 Partner
 Membership No. 087701



Place: Delhi
 Date: 20.05.2017

For and on behalf of the Board of Directors


Vivek Garg
 Director
 DIN:01832495


Praveen Jain
 Director
 DIN:00855104

Place: Delhi
 Date: 20.05.2017

Parsvnath Estate Developers Private Limited
Statement of changes in equity for the year ended 31 March, 2017

A. Equity Share Capital

	Rs in lakhs
Balance as at 1 April, 2015	500.00
Changes in equity share capital during the year	-
Balance as at 31 March, 2016	500.00
Changes in equity share capital during the year	-
Balance as at 31 March, 2017	500.00

B. Other Equity

Particulars	Reserves and Surplus		
	Share warrants	Retained earnings	Total
Balance as at 1 April, 2015	460.15	(1,038.43)	(578.28)
Profit for the year	-	(4,298.28)	(4,298.28)
Other comprehensive income for the year	-	-	-
Balance as at 31 March, 2016	460.15	(5,336.71)	(4,876.56)
Profit for the year	-	(4,184.78)	(4,184.78)
Other comprehensive income for the year	-	-	-
Redeemed during the year	(460.15)	-	(460.15)
Balance as at 31 March, 2017	-	(9,521.49)	(9,521.49)

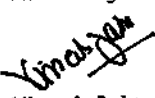
Note

During the year, the share warrants issued by the company has been redeemed.

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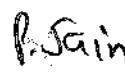

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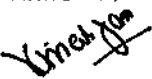
Parsvnath Estate Developers Private Limited
Statement of Cash Flows for the year ended 31 March, 2017

Notes	Year ended 31 March, 2017 Rs in lakhs	Year ended 31 March, 2016 Rs in lakhs
Cash flows from operating activities		
Profit/(loss) for the year	(4,674.78)	(5,088.28)
Adjustments for :		
Finance costs recognised in profit or loss	7,819.05	5,535.69
Interest income recognised in profit or loss	(25.98)	(54.51)
Provision for employee benefit	1.42	1.67
Depreciation and amortisation expense	1,934.84	1,926.41
	<u>5,054.55</u>	<u>2,320.99</u>
Movements in working capital:		
(Increase)/decrease in trade and other receivables	57.82	(91.32)
(Increase)/decrease in inventories	(6,580.32)	-
(Increase)/decrease in other non current financial assets	358.40	-
(Increase)/decrease in other non current assets	(7,292.45)	233.47
(Increase)/decrease in other current financial assets	(18,486.35)	-
(Increase)/decrease in other current assets	(2,047.75)	222.36
Increase/(decrease) in trade payables	19.52	54.90
Increase/(decrease) in other non current financial liabilities	(208.41)	516.18
Increase/(decrease) in other non current liabilities	(120.81)	230.78
Increase/(decrease) in other current financial liabilities	(989.34)	32.59
Increase/(decrease) in other current liabilities	897.00	77.68
	<u>(29,338.13)</u>	<u>3,597.63</u>
Cash generated from operations	<u>(530.03)</u>	<u>(418.10)</u>
Income Taxes paid	<u>(29,868.16)</u>	<u>3,179.53</u>
Net cash (used in)/generated by operating activities		
Cash flows from investing activities		
Interest received	18.72	67.72
Capital expenditure on property, plant and equipment	(1,286.80)	(2,427.81)
	<u>(1,268.08)</u>	<u>(2,360.09)</u>
Net Cash (used in) /generated by investing activities		
Cash flows from financing activities		
Proceeds from /(Repayment of) current borrowings	(916.38)	121.61
Proceeds from non current borrowings	91,184.00	-
Repayment of non current borrowings	(38,052.85)	-
Redemption of share warrants	(460.15)	-
Finance costs paid	(20,858.42)	(3,472.30)
	<u>30,896.20</u>	<u>(3,350.69)</u>
Net Cash (used in)/generated by financing activities		
	<u>(240.04)</u>	<u>(2,531.25)</u>
Net increase in Cash and cash equivalents		
	<u>325.58</u>	<u>2,856.83</u>
Cash and cash equivalents at the beginning of the year	<u>85.55</u>	<u>325.58</u>
Cash and cash equivalents at the end of the year	<u>18</u>	<u>325.58</u>

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

See accompanying notes forming part of the financial statements 1-47

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Place: Delhi
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1. CORPORATE INFORMATION

PARSVNATH ESTATE DEVELOPERS PRIVATE LIMITED ("the Company") was incorporated on 24th July, 2007 under the name Farhat Developers Private Limited and became a subsidiary of Parsvnath Developers Limited with effect from 27th August, 2010. The name of the Company was changed to 'Parsvnath Estate Developers Private Limited' with effect from 22 November 2010 and fresh certificate of incorporation was issued by the Registrar of Companies, Delhi and Haryana. The Company is primarily engaged in the business leasing of commercial buildings.

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'). These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1 April, 2015. The financial statements for the year ended 31 March, 2016 and the opening balance sheet as at 1st April, 2015 have been restated in accordance with Ind AS for comparative information. Refer Note 2.22 for the details of first-time adoption exemptions availed by the Company and note 45 for reconciliation and explanations of the effect of the transition from Previous GAAP to Ind AS on the Company's Balance Sheet, Statement of Profit and Loss and the Statement of Cash Flows.

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 deducting taxes and duties collected on behalf of the Government. Revenue is reduced for estimated customer returns, rebates and other similar allowances.



- i Income from licence fee is recognised on accrual basis in accordance with the terms of agreement with the sub-licensees.
- ii Income from rent is recognised on accrual basis in accordance with the terms of agreement with the lessee.
- iii. Income from maintenance charges is recognised on accrual basis.
- iv. 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

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.

Liability for gratuity is provided on the basis of management estimate.

2.7 Taxation

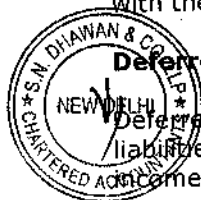
Income tax expense for the year comprises of current tax and deferred tax.

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.

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 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.

2.10 Amortisation of building, plant and equipment etc. classified as Intangible assets

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



Asset	Useful life
Plant and equipment	8 years
Furniture and fixture	8 years
Office equipment	5 years
Computer	3 years

Cost of building on land held on license basis is amortized over the remaining period of license of project facility on straight line basis.

2.11 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.

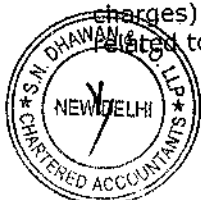
When an impairment loss subsequently reverses, the carrying amount of the asset (or a cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss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

2.12 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 charges, related to projects under construction and apportioned borrowing costs.



2.13 Provisions

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

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

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

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

2.14 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.

2.15 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.

2.16 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.

2.17 Current/non-current classification

The Company 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.

2.18 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 12 months for the purpose of classification of its assets and liabilities as current and non-current.

2.19 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.

2.20 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

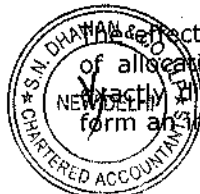
Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for debt instruments that are designated as at fair value through profit or loss on initial recognition):

- 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 discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts)



through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount on initial recognition.

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

Impairment of financial assets

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

2.21 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;



Parsynath Estate Developers Private Limited
Notes to the financial statements for the year ended 31 March, 2017

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

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

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

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

Financial liabilities subsequently measured at amortised cost

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

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

Derecognition of financial liabilities

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



2.22. First-time adoption - exceptions applied

Overall principle

Financial statements, for the year ended March 31, 2017, have been prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). The Company's opening balance sheet has been prepared as at April 1, 2015, the date of transition to Ind AS. The Company has prepared the opening balance sheet as of April 1, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to certain exception and certain optional exemptions availed by the Company as detailed below.

Deemed cost for property, plant and equipment, investment property, and intangible assets

The Company has elected to continue with the carrying value for all of its property, plant and equipment and Intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition.

Classification of debt instruments

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

2.23. 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.

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.

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.

Others

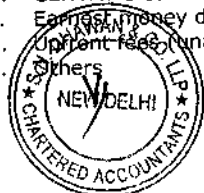
Significant judgements and other estimates and assumptions that may have the significant effect on the carrying amount of assets and liabilities in future years are:

- a. Useful life of property, plant and equipment
- b. Measurement of contingent liabilities and expected cash outflows
- c. Provision for expected credit losses
- d. Impairment provision for intangible assets



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Notes to the financial statements for the year ended 31 March, 2017

	<u>As at</u> <u>31-March-17</u> <u>Rs in lakhs</u>	<u>As at</u> <u>31-March-16</u> <u>Rs in lakhs</u>	<u>As at</u> <u>01-April-15</u> <u>Rs in lakhs</u>
4. Other financial assets			
Non-Current			
a. Security deposit to holding company	3,600.00	3,600.00	3,600.00
b. Security deposits to others	31.41	31.41	31.41
c. Margin money to holding company	201.60	560.00	560.00
	<u>3,833.01</u>	<u>4,191.41</u>	<u>4,191.41</u>
Current			
a. Security deposit to holding company	18,486.35	-	-
b. Interest accrued on deposits	7.25	-	13.21
	<u>18,493.60</u>	<u>-</u>	<u>13.21</u>
5. Inventories (lower of cost and net realisable value)			
a. Work-in-progress	6,580.32	-	-
	<u>6,580.32</u>	<u>-</u>	<u>-</u>
Note:			
The Company has classified its inventory of work-in-progress as current.			
Details of inventory expected to be realised after more than 12 months from the reporting date is as under:			
Less than 12 months	-	-	-
More than 12 months	6,580.32	-	-
	<u>6,580.32</u>	<u>-</u>	<u>-</u>
6. Trade Receivable			
Current			
a. Unsecured, considered good	52.97	110.79	19.47
	<u>52.97</u>	<u>110.79</u>	<u>19.47</u>
Notes:			
1. The average credit period is 10 days. For payments, beyond credit period, interest is charged at 18% per annum on outstanding balances.			
7. Cash and cash equivalents			
a. Balances with banks			
i. in current accounts	83.34	324.14	431.99
ii. in deposit accounts	-	-	2,419.19
b. Cheques, draft on hand	-	-	4.31
c. Cash on hand	2.21	1.44	1.34
	<u>85.55</u>	<u>325.58</u>	<u>2,856.83</u>
8. Current tax assets (net)			
a. Tax Refund receivable	1,047.56	517.53	99.43
	<u>1,047.56</u>	<u>517.53</u>	<u>99.43</u>
9. Other assets			
Non-Current			
a. Capital Advances	105.00	106.69	27.09
b. Advances to vendors	9.50	25.14	19.62
c. Upfront fees (unamortised)	13,161.95	5,853.86	6,092.86
	<u>13,276.45</u>	<u>5,985.69</u>	<u>6,139.57</u>
Current			
a. Prepaid expenses	70.68	17.06	13.98
b. CENVAT credit receivable	76.03	795.36	1,021.79
c. Earned money deposit	-	1.00	-
d. Upfront fees (unamortised)	2,714.46	-	-
e. Others	10.00	10.00	10.00
	<u>2,871.17</u>	<u>823.42</u>	<u>1,045.77</u>



Notes:

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.

BOT assets have been further bifurcated in:

- Building on leasehold land
- Plant and equipment
- Furniture and fixture
- Office equipment
- Computers

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'



3. Other intangibles and intangible assets under development

	As at 31-March-17 Rs in lakhs	As at 31-March-16 Rs in lakhs	As at 01-April-15 Rs in lakhs
Net Carrying amounts of : Assets on build-operate-transfer (BOT) basis			
Building on leasehold land	23,855.92	24,878.89	25,875.10
Given under operating lease	2,961.31	3,327.00	3,637.69
Plant and equipment	3,520.95	3,787.46	4,051.34
Furniture and fixture	998.24	1,112.20	1,216.96
Office Equipment	24.62	30.63	35.91
Computers	462.05	579.98	697.59
Sub-total	31,823.09	33,716.16	35,514.59

Intangible assets under development	6,812.56	5,395.77	3,276.41
Total	38,635.65	39,111.93	38,791.00

	Given under operating lease		Plant and equipment		Furniture and fixture		Office Equipment		Computers		Total other intangibles		Intangible assets under development Rs in lakhs
	Rs in lakhs	Rs in lakhs	Rs in lakhs	Rs in lakhs	Rs in lakhs	Rs in lakhs	Rs in lakhs	Rs in lakhs	Rs in lakhs	Rs in lakhs	Rs in lakhs		
Cost or deemed cost													
Balance as at 1 April, 2015	25,875.10	3,637.69	4,051.34	1,216.96	35.91	697.59	3,276.41						3,276.41
Additions	42.93	56.99	7.97	17.62	2.18	0.30	2,119.36						2,119.36
Balance as at 31 March, 2016	25,918.03	3,694.69	4,059.31	1,234.57	38.09	697.90	5,395.77						5,395.77
Additions	17.65	5.60	5.74	10.00	1.78		41.76						41.76
Balance as at 31 March, 2017	25,935.67	3,701.29	4,065.05	1,244.57	39.85	697.90	5,437.53						5,437.53

Accumulated amortisation

Balance as at 1 April, 2015	1,039.14	367.69	271.85	122.37	7.45	117.91	1,926.41
Amortisation expense	1,039.14	367.69	271.85	122.37	7.45	117.91	1,926.41
Balance as at 31 March, 2016	2,078.28	735.38	543.70	244.74	15.24	235.82	3,852.82
Amortisation expense	1,040.62	372.30	272.24	123.95	7.79	117.94	1,934.84
Balance as at 31 March, 2017	3,118.90	1,107.68	815.94	368.69	23.03	353.76	5,787.66

Net Carrying amount

Balance as at 1 April, 2015	25,875.10	3,637.69	4,051.34	1,216.96	35.91	697.59	3,276.41
Balance as at 31 March, 2016	24,878.89	3,327.00	3,787.46	1,112.20	30.63	579.98	3,716.16
Balance as at 31 March, 2017	23,855.92	2,961.31	3,520.95	998.24	24.62	462.05	3,812.56

Note: The Company has elected to measure all its Intangible assets at the previous GAAP carrying amounts as at 31 March, 2015 as its deemed cost as on the date of transition to Ind AS on 1 April, 2015.

The information regarding gross block of assets and accumulated amortisation under previous GAAP is as under:

	Given under operating lease		Plant and equipment		Furniture and fixture		Office Equipment		Computers		Total	
	Rs in lakhs	Rs in lakhs	Rs in lakhs	Rs in lakhs	Rs in lakhs	Rs in lakhs	Rs in lakhs	Rs in lakhs	Rs in lakhs	Rs in lakhs	Rs in lakhs	
As at 1 April, 2015												
Gross block	25,960.73	3,663.27	4,073.74	1,216.96	36.51	707.31	35,658.52					
Accumulated depreciation	85.63	25.98	22.99	0.61	9.72	143.93						
Net block	25,875.10	3,637.29	4,050.75	1,216.35	26.80	697.59	35,514.59					
As at 31 March, 2016												
Gross block	26,003.65	3,720.27	4,081.70	1,234.57	38.69	707.62	35,786.51					
Accumulated depreciation	1,124.77	393.27	294.25	122.37	8.06	127.64	2,070.35					
Net block	24,878.89	3,327.00	3,787.45	1,112.20	30.63	579.98	33,716.16					



Parsvnath Estate Developers Private Limited
Notes to the financial statements for the year ended 31 March, 2017

10. Equity Share Capital

	As at <u>31-March-17</u> Rs in lakhs	As at <u>31-March-16</u> Rs in lakhs	As at <u>01-April-15</u> Rs in lakhs
Equity share capital	500.00	500.00	500.00
	500.00	500.00	500.00

Authorised Share Capital

	377.50	377.50	377.50
Class A 37,75,000 fully paid Class A equity shares of Rs. 10/- each (as at 31 March, 2016: 37,75,000; as at 01 April, 2015: 37,75,000)			
Class B 12,25,000 fully paid Class B equity shares of Rs. 10/- each (as at 31 March, 2016: 12,25,000; as at 01 April, 2015: 12,25,000)	122.50	122.50	122.50
	500.00	500.00	500.00

Issued, subscribed and fully paid up capital

	377.50	377.50	377.50
Class A 37,75,000 fully paid Class A equity shares of Rs 10 each (as at March 31st, 2016: 37,75,000; as at April 1, 2015: 37,75,000).			
Class B 12,25,000 fully paid Class B equity shares of Rs 10 each (as at March 31st, 2016: 12,25,000; as at April 1, 2015: 12,25,000).	122.50	122.50	122.50
	500.00	500.00	500.00

10.1- Reconciliation of share capital

	Class A		Class B	
	Number of Shares in	Share Capital Rs./lacs	Number of Shares in	Share Capital Rs./lacs
Balance as at April 1, 2015	37,75,000	377.50	12,25,000	122.50
Movements during the year				
Balance as at March 31, 2016	37,75,000	377.50	12,25,000	122.50
Movements during the year				
Balance as at March 31, 2017	37,75,000	377.50	12,25,000	122.50

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

- i. The company has two class of equity shares having a par value of Rs10 per share. Each class A shareholder is entitled to one vote per share and Class B shareholder is entitled to three vote per share.

10.3- Details of shares held by the holding company, its subsidiaries and associates

	As at <u>31-March-17</u> No of shares	As at <u>31-March-16</u> No of shares	As at <u>01-April-15</u> No of shares
Parsvnath Developers Limited, the holding company	37,75,000	37,75,000	37,75,000
Class A Share	12,15,000	-	-
Class B shares			

10.4- Details of shares held by each shareholder holding more than 5%

	As at March 31, 2017		As at March 31, 2016		As at April 1, 2015	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
i. Class A Parsvnath Developers Ltd.	37,75,000	100.00%	37,75,000	100.00%	37,75,000	100.00%
ii. Class B City Centre Monuments	-	-	12,15,000	99.18%	12,15,000	99.18%
Parsvnath Developers Ltd.	12,15,000	100.00%	-	0.00%	-	0.00%



Parsvnath Estate Developers Private Limited
Notes to the financial statements for the year ended 31 March, 2017

	<u>As at</u> <u>31-March-17</u> Rs in lakhs	<u>As at</u> <u>31-March-16</u> Rs in lakhs	<u>As at</u> <u>01-April-15</u> Rs in lakhs
11. Other equity			
a. Retained earnings	(9,521.49)	(5,336.71)	(1,038.43)
b. Share warrants	-	460.15	460.15
	<u>(9,521.49)</u>	<u>(4,876.56)</u>	<u>(578.28)</u>
a. Retained Earnings			
Balance at the beginning of the year	(5,336.71)	(1,038.43)	
Profit/(loss) for the year	(4,184.78)	(4,298.28)	
	-	-	
Balance at the end of the year	<u>(9,521.49)</u>	<u>(5,336.71)</u>	
b. Share warrants			
Balance at the beginning of the year	460.15	460.15	460.15
Redeemed during the year	(460.15)	-	-
Balance at the end of the year	<u>-</u>	<u>460.15</u>	<u>460.15</u>

Nature and purpose of reserves:

- a. Retained earnings - Retained earnings are profits of the Company earned till date.



Parsvnath Estate Developers Private Limited
Notes to the financial statements for the year ended 31 March, 2017

	As at 31-March-17 Rs in lakhs	As at 31-March-16 Rs in lakhs	As at 01-April-15 Rs in lakhs
12. Borrowings			
Non current			
Unsecured - at amortised cost			
a. 15.50% Fully Convertible Debentures (31 March, 2017: Nil; 31 March, 2016: 1,11,77,500; 01 April, 2015: 1,11,77,500 fully convertible debentures of Rs 100 each.)	-	11,177.50	11,177.50
b. 17.25% Fully Convertible Debentures (31 March, 2017: Nil; 31 March, 2016: 25,00,000; 01 April, 2015: 25,00,000 fully convertible debentures of Rs 100 each.)	-	2,500.00	2,500.00
c. 17.75% Fully Convertible Debentures (31 March, 2017: Nil; 31 March, 2016: 17,40,000; 01 April, 2015: 17,40,000 fully convertible debentures of Rs 100 each.)	-	1,740.00	1,740.00
d. 15.50% Optionally Convertible Debentures (31 March, 2017: Nil; 31 March, 2016: 1,63,53,500; 01 April, 2015: 1,63,53,500 fully convertible debentures of Rs 10 each.)	-	1,635.35	1,635.35

Each FCD, Series B FCD and Series C FCD shall be converted into 10 class B shares at a time and manner as mutually decided in accordance with the Amended and Restated Investment and Security Holders Agreement dated 14 September 2010.

Each OCD can be converted in nominal number of a different class of shares / securities at a time and manner as mutually decided in accordance with the Amended and Restated Investment and Security Holders Agreement dated 14 September 2010.

These FCD and OCDs have been fully redeemed during the year

Secured - at amortised cost			
a. 21 % Non Convertible Debentures (31 March, 2017: Nil; 31 March, 2016: 210 ; 01 April, 2015: 210 non convertible debentures of Rs 1,00,00,000 each.)	-	21,000.00	21,000.00

21.00 % NCD is secured by a) first ranking and exclusive charge and hypothecation of b) on monies and investments made by the company and also on all receivables (subject to payment obligation owned by the Company to Delhi Metro Rail Corporation (DMRC) under the Concession Agreement entered by Company With DMRC; c) on Bank accruals and floating charge on all other Company assets. d) Exclusive pledge on 55000 Equity Share, all share warrants and optionally convertible debentures in the company held by Parsvnath Developers Limited (Promoter) e) exclusive pledge of City centre securities held by Cubic developments in City Centre Monuments constituting 100 % of the total share Capital of City centre Monuments & the Emton Securities held by City Centre Monuments constituting 100 % of the total share capital of Emtons f) Corporate guarantee by Promoter f) Personal Guarantee by Mr. Pradeep Kumar Jain, Chairman of Promoter Company

Interest is compounded quarterly and payable on 31 March every year subject to availability of surplus operating cash flow before redemption anytime or on redemption date.

Debentures are redeemable after the expiry of a period of 12 months but before the expiry of 42 months from the date of allotment i.e. 4 February, 2014.

These NCDs have been fully redeemed during the year



Parsvnath Estate Developers Private Limited
Notes to the financial statements for the year ended 31 March, 2017

	As at 31-March-17 Rs in lakhs	As at 31-March-16 Rs in lakhs	As at 01-April-15 Rs in lakhs
b. Term loan from Others	91,184.00	-	-
	91,184.00	38,052.85	38,052.85

Term loan from a non banking financial company is secured by a. Second-ranking hypothecation/charge on and escrow of all Receivables received/to be received by the Company and/or Parsvnath Developers Limited 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);

b. First-ranking and exclusive pledge/charge of 49% of all of each class of present and/or future shares/securities and/or the convertible/voting instruments issued/to be issued by the Company.

c. 51% of each class of shares is also under negative lien.

d. Corporate guarantee of Parsvnath Developers Limited and a fellow subsidiary company

Term loan upto Rs. 32,810 lacs is repayable in monthly instalments commencing from April, 2017; upto Rs. 10,574 lacs in monthly instalments commencing from May, 2018 and balance Rs. 47,800 lacs in monthly instalments commencing from June, 2018

Interest is ranging from 13.15% to 15.27%

Borrowings

Current

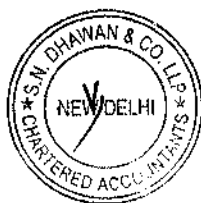
Unsecured - at amortised Cost

a. Loans from related parties	-	916.38	794.77
	-	916.38	794.77



Parsvnath Estate Developers Private Limited
Notes to the financial statements for the year ended 31 March, 2017

	As at 31-March-17 Rs in lakhs	As at 31-March-16 Rs in lakhs	As at 01-April-15 Rs in lakhs
13. Trade Payables			
Current			
a. Trade payables	93.48	73.96	19.06
	<u>93.48</u>	<u>73.96</u>	<u>19.06</u>
Note:			
As per the information available with the Company, trade payables do not include any amount due to Micro and Small Enterprises as defined under 'Micro, Small and Medium Enterprises Developments Act, 2006' (MSMED Act, 2006) and no interest has been paid or payable in terms of MSMED Act, 2006.			
14. Other financial liabilities			
Non current			
a. Security deposits received	889.30	1,097.71	581.53
	<u>889.30</u>	<u>1,097.71</u>	<u>581.53</u>
Current			
a. Interest accrued but not due on debentures	-	13,072.50	11,009.11
b. Interest accrued but not due	33.13		
c. Security deposit received	52.42	40.17	7.58
d. Service charges payable to holding company	-	1,001.60	1,001.60
e. Payables on purchase of fixed assets	271.68	101.63	202.49
	<u>357.23</u>	<u>14,215.90</u>	<u>12,220.78</u>
15. Other liabilities			
Non current			
a. Rent received in advance	1,046.11	1,166.92	936.13
	<u>1,046.11</u>	<u>1,166.92</u>	<u>936.13</u>
Current			
a. Statutory liabilities	1,599.54	702.50	624.83
	<u>1,599.54</u>	<u>702.50</u>	<u>624.83</u>
16. Provisions			
Current			
a. Employee benefits	8.11	6.69	5.02
	<u>8.11</u>	<u>6.69</u>	<u>5.02</u>



Parsvnath Estate Developers Private Limited
Notes to the financial statements for the year ended 31 March, 2017

	<u>As at</u> <u>31-March-17</u> Rs in lakhs	<u>As at</u> <u>31-March-16</u> Rs in lakhs	<u>As at</u> <u>01-April-15</u> Rs in lakhs
17. Deferred tax assets (net)			
Deferred tax assets	4,113.00	3,280.00	-
Deferred tax liabilities	<u>(2,833.00)</u>	<u>(2,490.00)</u>	<u>-</u>
Net	<u>1,280.00</u>	<u>790.00</u>	<u>-</u>
	<u>Opening balance</u>	<u>Recognised in Profit or loss</u>	<u>Closing balance</u>
Year ended 31 March, 2017			
Deferred Tax (liabilities)/assets in relation to Property, Plant and Equipment	<u>(2,490.00)</u>	<u>(343.00)</u>	<u>(2,833.00)</u>
	(2,490.00)	(343.00)	(2,833.00)
Tax losses	<u>3,280.00</u>	<u>833.00</u>	<u>4,113.00</u>
	<u>790.00</u>	<u>490.00</u>	<u>1,280.00</u>
Year ended 31 March, 2016			
Deferred Tax (liabilities)/assets in relation to Property, Plant and Equipment	<u>-</u>	<u>(2,490.00)</u>	<u>(2,490.00)</u>
	-	(2,490.00)	(2,490.00)
Tax losses	<u>-</u>	<u>3,280.00</u>	<u>3,280.00</u>
	<u>-</u>	<u>790.00</u>	<u>790.00</u>

Notes:

- The Company has tax losses of Rs.13,314.51 lakhs (31 March, 2016 - Rs. 11,032.54 lakhs, 1 April, 2015 - Rs. 6,517.21 lakhs) that are available for offsetting for eight years against future taxable income of the Company. The losses will expire as under:

	Rs. in lakhs
Year ending 31 March, 2019	5.92
Year ending 31 March, 2020	54.97
Year ending 31 March, 2021	65.10
Year ending 31 March, 2022	258.89
Year ending 31 March, 2023	6,132.32
Year ending 31 March, 2024	4,515.33
Year ending 31 March, 2025	2,281.97

- The Company has recognised deferred tax assets on its unabsorbed depreciation and business losses carried forward. The Company has executed long term lease agreements with its tenants. Based on these lease 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 tax losses is based on detailed budgets prepared by the Company has have been approved by the board of directors



Parsvnath Estate Developers Private Limited
Notes to the financial statements for the year ended 31 March, 2017

	Year ended 31 March, 2017 Rs in lakhs	Year ended 31 March, 2016 Rs in lakhs
18. Revenue from Operations		
a. Lease income received	5,729.25	3,974.16
b. Maintenance charges income	516.03	487.73
	<u>6,245.28</u>	<u>4,461.89</u>
19. Other income		
a. Interest income:		
i. on deposits with bank	-	1.99
ii. on deposits with others	25.98	51.82
iii. on income tax refund	-	0.69
b. Other income	-	2.08
	<u>25.98</u>	<u>56.58</u>
20. Changes in inventories of finished goods and work-in-progress		
a. Inventories at the beginning of the year		
i. Work-in-progress	-	-
b. Add : Finance costs allocated to inventory of work-in-progress	2,203.96	-
c. Inventories at the end of the year		
i. Work-in-progress	6,580.32	-
d. Net (increase) /decrease (a+b-c)	<u>(4,376.36)</u>	<u>-</u>
21. Employee Benefit expense		
a. Salaries and Wages	48.61	91.46
b. Staff Welfare expenses	-	1.34
	<u>48.61</u>	<u>92.80</u>
22. Finance Costs		
a. Interest expenses:		
i. on borrowings	8,805.87	113.18
ii. on loans from related parties	104.61	-
iii. on debentures from related parties	59.19	-
iv. debentures	800.99	5,315.77
v. others	94.82	72.69
vi. on delayed payment of statutory liabilities	137.62	34.05
Total interest expenses	10,003.10	5,535.69
Less: Finance cost allocated to inventory	2,203.96	-
	7,799.14	5,535.69
vii. Other Borrowing Cost	19.91	-
Total	<u>7,819.05</u>	<u>5,535.69</u>
23. Depreciation and amortisation expense		
a. Amortisation of intangible assets	1,934.84	1,926.41
	<u>1,934.84</u>	<u>1,926.41</u>
24. Other expenses		
a. Power and fuel	190.86	191.16
b. Lease rentals	591.78	652.21
c. Repair and maintenance - Building	32.74	14.31
d. Repair and maintenance - Others	28.02	172.68
e. Insurance	6.69	2.81
f. Rates and Taxes	1.40	3.76
g. Printing and stationery	0.38	0.03
h. Advertisement and business promotion	-	2.76
i. Brokerage	-	648.10
j. Security and housekeeping expenses	207.48	207.47
k. Legal and professional charges	61.40	149.18
l. Payment to auditors - statutory audit fee	4.40	6.00
m. Miscellaneous expenses	18.39	1.38
	<u>1,143.54</u>	<u>2,051.85</u>



Parsvnath Estate Developers Private Limited
Notes to the financial statements for the year ended 31 March, 2017

25 Income tax

- i. Income tax expense/(benefit) recognised in Statement of Profit and Loss

Current tax

In respect of the current year
Tax adjustment for earlier years

Deferred tax

In respect of the current year

Total income tax expense recognised

	Year ended 31 March, 2017 Rs. in lakhs	Year ended 31 March, 2016 Rs. in lakhs
	-	-
	-	-
	(490.00)	(790.00)
	(490.00)	(790.00)
	(490.00)	(790.00)

- ii. Income tax expense/(benefit) reconciliation with effective tax rate on accounting profit:

Profit/(loss) before tax

Income tax expense calculated at 30.9% (2015-16: 30.9%)

Effect of expenses that are not deductible in determining taxable profit

Income tax expense/(benefit) recognised in statement of profit and loss

(4,674.78)	(5,088.28)
(1,444.51)	(1,572.28)
954.51	782.28
(490.00)	(790.00)

The tax rate used for the years 2016-2017 and 2015-2016 reconciliations above is the corporate tax rate of 30% plus education cess of 3% on corporate tax, payable by corporate entities in India on taxable profits under the Indian tax law

- iii. Income tax recognised in other comprehensive income

Remeasurements of defined benefit obligation

Total income tax recognised in other comprehensive income

-	-
-	-



Parsvnath Estate Developers Private Limited
Notes to the financial statements for the year ended 31 March, 2017

26. The Company does not have any pending litigations which would impact its financial position.
27. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
28. The Company entered into 'Amended and Restated Investment and Security Holder's Agreement' (in supersession of the Investment and Security Holder's Agreement dated March 25, 2010) dated September 14, 2010 with its Holding Company - Parsvnath Developers Limited (PDL) and two Overseas Investment Entities viz., City Centre Monuments and Emtons Holdings Limited (collectively referred to as 'Investors') for the development of office complex on the plot of land measuring 15,583.83 square metres situated at Bhai Veer Singh Marg, New Delhi on the terms and conditions contained in the aforesaid agreement. The rights in the said plot have been assigned on 'Build Operate Transfer' (BOT) basis to the Company by PDL with the approval of Delhi Metro Rail Corporation Limited (DMRC).

Pursuant to the aforesaid agreement, the Company had allotted 1,225,000 Class B Equity Shares of ₹ 10 each and 11,177,500 Fully Convertible Debentures (carrying interest @15.50% per annum) of ₹ 100 each to the Investors during the Financial Year 2010-11. The Company had also allotted 3,765,000 Class A Equity Shares of ₹ 10 each and 1,74,75,000 Optionally Convertible Debentures (carrying interest @15.50% per annum) of ₹ 10 each to PDL.

Pursuant to the Fourth and the Fifth Supplementary Agreement (in relation to and with reference to the 'Amended and Restated Investment and Security Holder's Agreement' dated September 14, 2010) entered on 10 October, 2011 and 14 December, 2011 respectively, by the Company with PDL and Investors, the Company had allotted 25,00,000 Fully Convertible Debentures - Series B (carrying interest @17.25% per annum) of ₹ 100 each and 17,40,000 Fully Convertible Debentures - Series C (carrying interest @17.75% per annum) of ₹ 100 each to the investors namely Emtons Holdings Limited. The Company also allotted 34,88,000 Optionally Convertible Debentures of ₹ 10 each to PDL. Further, pursuant to the Fourth Supplementary Agreement, 46,09,500 Optionally Convertible Debentures of ₹ 10 each, held by PDL, were redeemed in financial year 2011-12.

During the year, PDL acquired all the securities of the Company held by the two Investors and the Company became a wholly owned subsidiary of PDL with effect from 25th May 2016.

29. Commitments

i. Capital Commitments

	As at 31 March, 2017	As at 31 March, 2016	As at 01 April, 2015
	Rs in lakhs	Rs in lakhs	Rs in lakhs
Estimated amount of contracts remaining to be capital account (net of advances and not provided for)	401.40	518.34	-

30. Employee benefit plan

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

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

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

	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs
Liability at the beginning of the year	1.77	3.84	0.45
Current service cost	1.45	-	3.39
Paid during the year	-	(2.08)	-
Liability at the end of the year	3.21	1.76	3.84
Expensed recognised in the Statement of Profit and Loss	1.45	-	3.39

31. Segment reporting

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

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

There is no single customer contributed 10% or more to the Company's revenue during the year 2016-17 and 2015-16.



Parsvnath Estate Developers Private Limited
Notes to the financial statements for the year ended 31 March, 2017

32. Earnings per share

		<u>As at 31 March, 2017</u>	<u>As at 31 March, 2016</u>
i. Net loss for calculation of basic and diluted earnings per share	Rs. In lakhs	(4,184.78)	(4,298.28)
ii. Weighted average number of equity shares outstanding during the year	Numbers	50,00,000	50,00,000
iii. Basic and diluted earnings per share	Rs.	(83.70)	(85.97)
iv. Nominal value of equity shares	Rs.	10	10.00

33. 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:

	<u>Year ended 31 March, 2017 Rs. in lakhs</u>	<u>31 March, 2016 Rs. in lakhs</u>
a. Salaries and wages	-	-
b. Contribution to provident and other funds	-	-
c. Legal and professional charges	63.19	1.93
d. Licence fee	322.59	458.59
e. Miscellaneous expenses	-	-
	<u>385.78</u>	<u>460.52</u>

34. Details of borrowing costs capitalised/inventorised during the year:

	<u>Year ended 31 March, 2017 Rs. in lakhs</u>	<u>Year ended 31 March, 2016 Rs. in lakhs</u>
a. Intangible assets under development	660.52	1,186.56
b. Inventory of work-in-progress	2,203.96	-
	<u>2,864.48</u>	<u>1,186.56</u>

35. Disclosure of Specified Bank Notes (SBN)

Details of 'Specified Bank Notes' (SBN) held and transacted during the period from 8 November, 2016 to 30 December, 2016 is given below:

Particulars	SBNs	Other denomination notes	Total
	Rs.in lakhs	Rs.in lakhs	Rs.in lakhs
Closing Cash in hand as on 8 November, 2016	-	3.32	3.32
(+) Amount withdrawn from bank	-	1.00	1.00
(+) Permitted receipts	-	-	-
(-) Permitted payments	-	1.74	1.74
(-) Amount deposited in bank	-	-	-
Closing Cash in hand as on 30 December, 2016	-	2.58	2.58

Note:

For the purposes of this note, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8 November, 2016.



36. Reconciliation of equity and net profit under previous GAAP and Ind AS

Reconciliation of net profit /(loss) under previously applicable Generally Accepted Accounting Principles ("Previous GAAP") with the total comprehensive income as reported in these financial results prepared under Ind AS for the year ended 31 March 2016 is as below:

Particulars	Year ended 31.03.2016 (Rs. In lakhs)
Net profit for the year under previous GAAP	(4,355.05)
Adjustments on account of implications of Ind AS	
- Impact of fair valuation of financial assets and financial liabilities	56.77
Net profit for the year under Ind AS	(4,298.27)

Reconciliation of equity under Ind AS with equity reported under previous GAAP is as under:

Particulars	As at 31.03.2016 (Rs. In lakhs)
Equity as per previous GAAP	(4,444.55)
Adjustments on account of implications of Ind AS	
- Impact of fair valuation of financial assets and financial liabilities	68.00
Equity as per Ind AS	(4,376.55)

37. 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).

38. Related party disclosures

i. List of related parties

- (a) **Holding Company**
- Parsvnath Developers Limited
- (b) **Fellow subsidiary company (with whom the company has transactions)**
- Primetime Realtors Private Limited
- (b) **Companies having significant influence**
- City Centre Monuments*
- Emtons Holdings Limited**
- * ceased to be w.e.f 25 May, 2016
** ceased to be w.e.f 23 May, 2016

ii. Balances outstanding/transactions with related parties

	Holding Company	Fellow subsidiary company	Companies having significant influence
	Rs. In lakhs	Rs. In lakhs	Rs. In lakhs
(a) Transactions during the year			
Redemption of fully convertible debentures	17,052.85 (-)	-	-
Interest on debentures (capitalised)	4.00 (29.45)	-	-
Interest on debentures (expensed)	59.20 (224.73)	-	-
Interest income on deposits	25.98 (47.74)	-	-



Parsvnath Estate Developers Private Limited
Notes to the financial statements for the year ended 31 March, 2017

	Holding Company	Fellow subsidiary company	Companies having significant influence
	Rs. In lakhs	Rs. In lakhs	Rs. In lakhs
Short-term borrowings received	822.66 (121.61)	-	-
Short-term borrowings repaid	1,739.04 (-)	-	-
Redemption of share warrants	460.15 (-)	-	-
Interest on borrowings (capitalised)	7.07 (20.77)	-	-
Interest on borrowings (expensed)	104.61 (158.54)	-	-
Margin money paid	201.60 (-)	-	-
Margin money repaid	560.00 (-)	-	-
Security deposit paid	17,850.00 (-)	-	-
Security deposit received back	17,944.10 (-)	-	-
Security deposit paid	23,883.81 (-)	-	-
Receipt of unamortised upfront interest	5,303.36 (-)	-	-
Financial guarantees issued by	27,472.00 (-)	78,800.00 (-)	-
(b) Balances at year-end			
Security deposits (asset)	22,086.35 (3,600.00) 3,600.00	-	-
Interest accrued but not due on debentures	-	-	-
	(1,271.91) 1,043.16	-	(4,596.12) 4,596.12
Margin money (asset)	201.60 (560.00) 560.00	-	-
Interest accrued on deposits	7.25 (-) 13.21	-	-
Other current liabilities	-	-	-
	(1,001.60) 1,001.60	-	-
Fully/optionally Convertible Debentures	-	-	-
	(1,635.35) 1,635.35	-	(15,417.50) 15,417.50



Parsvnath Estate Developers Private Limited
Notes to the financial statements for the year ended 31 March, 2017

	Holding Company	Fellow subsidiary company	Companies having significant influence
	Rs. In lakhs	Rs. In lakhs	Rs. In lakhs
Short-term borrowings	-	-	-
	(916.38)	(-)	(-)
	<i>794.77</i>	-	-
Financial guarantees issued by	47,800.00	78,800.00	-
	(21,000.00)	(-)	(-)
	<i>21,000.00</i>	-	-
Financial guarantees issued by	672.00	-	-
	(-)	(-)	(-)
	-	-	-

Notes:

- 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, 2017, the Company has not recorded any impairment of receivables from related parties (31 March, 2016 - Nil; 1 April, 2015 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.
- Figures in brackets represent figures as at and for the year ended 31 March, 2016 and figures in italics represents balance as at 1 April, 2015.



Parsvnath Estate Developers Private Limited
Notes to the financial statements for the year ended 31 March, 2017

39 Financial Instruments

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

	As at				As at				Rs. In lakhs
	31-March-17		31-March-16		1 April, 2015				
	Total	Amortised Cost	At cost	FVTPL	Total	Amortised Cost	At cost	FVTPL	
Financial assets									
i. Trade receivables	52.97	52.97	-	-	110.79	110.79	-	-	19.47
ii. Cash and cash equivalents	85.55	85.55	-	-	325.58	325.58	-	-	2,856.83
iii. Other financial assets	22,326.61	22,326.61	-	-	4,191.41	4,191.41	-	-	4,204.62
Total financial assets	22,465.13	22,465.13	-	-	4,627.78	4,627.78	-	-	7,080.92
Financial liabilities									
i. Borrowings	91,184.00	91,184.00	-	-	38,969.23	38,969.23	-	-	38,847.62
ii. Trade Payables	93.48	93.48	-	-	73.96	73.96	-	-	19.06
iii. Other financial liabilities	1,246.52	1,246.52	-	-	15,313.60	15,313.60	-	-	12,802.31
Total financial liabilities	92,524.00	92,524.00	-	-	54,356.79	54,356.79	-	-	51,668.99

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



Parsvnath Estate Developers Private Limited
Notes to the financial statements for the year ended 31 March, 2017

40. The holder of fully convertible debentures and fully convertible debentures 'Series B' and Series 'C' and the Company by way of board's resolution had decided that interest on these debentures will accrue on the date on which the Company achieves the target sale and if sales target is not achieved by the specified date or such other date as unanimously approved, no interest shall be paid to the debenture holders. Accordingly, the Company had not accrued any interest liability on these debentures for the year. These debentures have been fully redeemed during the year and no liability exists as on date.

41. 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:

	<u>Year ended</u> <u>31 March, 2017</u> Rs. in lakhs	<u>Year ended</u> <u>31 March, 2016</u> Rs. in lakhs
Licence fee		
a. Charged to statement of profit and loss	591.78	652.21
b. Capitalised in Intangible assets	322.58	458.59
	<u>914.36</u>	<u>1,110.80</u>
Other lease charges		
a. Charged to statement of profit and loss	-	-

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:

	<u>As at</u> <u>31 March, 2017</u> Rs. in lakhs	<u>As at</u> <u>31 March, 2016</u> Rs. in lakhs	<u>As at</u> <u>1 April, 2015</u> Rs. in lakhs
a. Not later than one year	672.00	672.00	516.00
b. Later than one year but not later than five years	3,239.04	3,024.00	2,889.60
c. Later than five years	31,232.59	32,119.63	32,926.03
	<u>35,143.63</u>	<u>35,815.63</u>	<u>36,431.63</u>

42. 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:

	<u>Year ended</u> <u>31 March, 2017</u> Rs. in lakhs	<u>Year ended</u> <u>31 March, 2016</u> Rs. in lakhs
Licence fee income		
a. Recognised in statement of profit and loss	5,729.25	3,974.16
	<u>5,729.25</u>	<u>3,974.16</u>

The total of future minimum lease receivables are as follows:

	<u>As at</u> <u>31 March, 2017</u> Rs. in lakhs	<u>As at</u> <u>31 March, 2016</u> Rs. in lakhs	<u>As at</u> <u>1 April, 2015</u> Rs. in lakhs
a. Not later than one year	4,579.31	4,684.97	2,735.68
b. Later than one year but not later than five years	5,987.73	9,487.16	11,659.52
c. Later than five years	1,193.88	-	-
	<u>11,760.92</u>	<u>14,172.13</u>	<u>14,395.20</u>



43. Financial Risk Management

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

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, 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:

	Carrying amount	Payable within 1 year	Payable in 1-3 years	Rs. in lacs Payable more than 3 years
As at 31 March, 2017				
Borrowings	91,184.00	47.62	25,397.07	65,739.31
Trade payables	93.48	93.48	-	-
Other financial liabilities	1,246.52	357.22	889.30	-
	92,524.00	498.32	26,286.37	65,739.31

As at 31 March, 2016

Borrowings	38,969.23	916.38	38,052.85	-
Trade payables	73.96	73.96	-	-
Other financial liabilities	15,313.60	14,215.89	1,097.71	-
	54,356.79	15,206.23	39,150.56	-

As at 01 April, 2015

Borrowings	38,847.62	794.77	38,052.85	-
Trade payables	19.06	19.06	-	-
Other financial liabilities	12,802.31	12,220.78	581.53	-
	51,668.99	13,034.60	38,634.38	-

Market risk

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

A. Interest rate risk

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



Parsvnath Estate Developers Private Limited
Notes to the financial statements for the year ended 31 March, 2017

Interest rate sensitivity analysis

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

	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
	Rs. in lacs	Rs. in lacs	Rs. in lacs
Variable rate borrowings			
Long Term	-	-	-
Short Term	-	-	-
Total Variable rate Borrowing	-	-	-
Fixed Rate Borrowings			
Long Term	91,184.00	38,052.85	38,052.85
Short Term	-	916.38	794.77
Total Fixed rate Borrowing	<u>91,184.00</u>	<u>38,969.23</u>	<u>38,847.62</u>
Total Borrowing	<u>91,184.00</u>	<u>38,969.23</u>	<u>38,847.62</u>

Sensitivity

Since the Company does not have any variable rate borrowings, there is no impact on profit and loss before tax due to change in interest rate.

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 customers deposits.

Customers credit risk is managed, generally by receipt of security deposit / advance rent from the lessee. The Company credit risk with respect to customers is diversified due to different customers.

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

	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
	Rs. in lacs	Rs. in lacs	Rs. in lacs
Outstanding for more than 6 months	52.03	-	-
Outstanding for 6 months or less	0.94	110.79	19.47
	<u>52.97</u>	<u>110.79</u>	<u>19.47</u>



Parsvnath Estate Developers Private Limited
Notes to the financial statements for the year ended 31 March, 2017

44. Capital Management

For the purpose of capital management, capital includes equity capital, share premium and retained earnings. The

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

	As at 31 March, 2017	As at 31 March, 2016	As at 1 April, 2015
	Rs. in lacs	Rs. in lacs	Rs. in lacs
Borrowings:			
- Long term	91,184.00	38,052.85	38,052.85
- Short term	-	916.38	794.77
- Current maturities of long term borrowings	-	-	-
Total borrowings - A	91,184.00	38,969.23	38,847.62
Equity			
- Share capital	500.00	500.00	500.00
- Other equity	(9,521.49)	(4,876.56)	(578.28)
Total Equity - B	(9,021.49)	(4,376.56)	(78.28)
Debt to equity ratio (A/B)	(10.11)	(8.90)	(496.26)



45 First time Ind AS adoption reconciliations:

A. Effect of Ind AS adoption on the balance sheet as at 31 March, 2016 and 1 April, 2015

Particulars	Notes	Balance sheet as at 1 April 2015			Balance sheet as at 31 March 2016		
		IGAAP	Effects of transition to Ind-AS	Ind AS	IGAAP	Effects of transition to Ind-AS	Ind AS
		Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs
Assets							
1 Non-current assets							
a. Property, plant and equipment	(a)	35,514.59	(35,514.59)		33,716.16	(33,716.16)	-
b. Capital work-in-progress	(b)	3,276.41	(3,276.41)		5,395.77	(5,395.77)	
c. Other intangible assets	(a)		35,514.59	35,514.59		33,716.16	33,716.16
d. Intangible assets under development	(b)		3,276.41	3,276.41		5,395.77	5,395.77
e. Financial assets							
i. Other financial assets		4,191.41	-	4,191.41	4,191.41	-	4,191.41
f. Deferred tax assets (net)					790.00	-	790.00
g. Other non-current assets		6,139.57	-	6,139.57	5,985.69	-	5,985.69
		49,121.98	(0.00)	49,121.98	50,079.03	0.00	50,079.03
2 Current assets							
a. Financial assets							
i. Trade receivables		19.47	-	19.47	110.79	-	110.79
ii. Cash and cash equivalents		2,856.83	-	2,856.83	325.58	-	325.58
iii. Other financial assets		13.21	-	13.21	-	-	-
b. Current tax assets (Net)		99.43	-	99.43	517.53	-	517.53
c. Other current assets		1,045.77	-	1,045.77	823.42	-	823.42
		4,034.71	-	4,034.71	1,777.32	-	1,777.32
Total assets		53,156.69	(0.00)	53,156.69	51,856.35	0.00	51,856.35
Equity and liabilities							
1 Equity							
a. Equity share capital		500.00	-	500.00	500.00	-	500.00
b. Other equity		(589.51)	11.23	(578.28)	(4,944.56)	68.00	(4,876.56)
Total equity		(89.51)	11.23	(78.28)	(4,444.56)	68.00	(4,376.56)
2 Non-current liabilities							
a. Financial liabilities							
i. Borrowings		38,052.85	-	38,052.85	38,052.85	-	38,052.85
ii. Other financial liabilities	(c), (d)	1,528.89	(947.36)	581.53	2,332.63	(1,234.92)	1,097.71
b. Other non-current liabilities	(c), (d)		936.13	936.13		1,166.92	1,166.92
		39,581.74	(11.23)	39,570.51	40,385.48	(68.00)	40,317.48
Current liabilities							
a. Financial liabilities							
i. Borrowings		794.77	-	794.77	916.38	-	916.38
ii. Trade Payables		19.06	-	19.06	73.96	-	73.96
iii. Other financial liabilities		12,220.78	-	12,220.78	14,215.90	-	14,215.90
b. Provisions		5.02	-	5.02	6.69	-	6.69
c. Other current liabilities		624.83	-	624.83	702.50	-	702.50
		13,664.46	-	13,664.46	15,915.42	-	15,915.42
Total liabilities		53,246.20	(11.23)	53,234.97	56,300.90	(68.00)	56,232.90
Total equity and liabilities		53,156.69	0.00	53,156.69	51,856.35	0.00	51,856.35



Parsvnath Estate Developers Private Limited
Notes to the financial statements for the year ended 31 March, 2017

B. Effect of Ind AS adoption on the Statement of Profit and loss for the year ended 31 March, 2016

Particulars	For the year ended 31 March, 2016		
	IGAAP	Effects of transition to Ind-AS	Ind AS
	Rs. In lakhs	Rs. In lakhs	Rs. In lakhs
I Revenue from operations	4,337.12	124.77	4,461.89
II Other income	56.58	-	56.58
III Total income	4,393.70	124.77	4,518.47
IV Expenses			
a. Cost of land / development rights	-	-	-
b. Cost of materials consumed	-	-	-
c. Contract cost, labour and other charges	-	-	-
d. Changes in inventories of finished goods and work-in-progress	-	-	-
e. Employee benefits expense	92.80	-	92.80
f. Finance costs	5,467.69	68.00	5,535.69
g. Depreciation and amortisation expense	1,926.41	-	1,926.41
h. Other expenses	2,051.85	-	2,051.85
Total expenses	9,538.75	68.00	9,606.75
V Profit before tax	(5,145.05)	56.77	(5,088.28)
VI Tax expenses			
a. Current tax	-	-	-
b. Tax adjustment for earlier years	-	-	-
c. Deferred tax	(790.00)	-	(790.00)
Total tax expenses	(790.00)	-	(790.00)
VII Profit for the year	(4,355.05)	56.77	(4,298.28)
VIII Other comprehensive income			
Items that will not be reclassified to profit or loss			
i. Re-measurement of defined benefit plans	-	-	-
ii. Income tax relating to items that will not be reclassified to profit or loss	-	-	-
Other comprehensive income for the year, net of tax	-	-	-
IX Total comprehensive income for the year	-4,355.05	56.77	-4,298.28

C. Effect of Ind AS adoption on statement of cash flow for the year ended 31 March, 2016

Particulars	For the year ended 31 March, 2016		
	IGAAP	Effects of transition to Ind-AS	Ind AS
Net cash flows from operating activities	3,179.53	-	3,179.53
Net cash flows from investing activities	(2,360.09)	-	(2,360.09)
Net cash flows from financing activities	(3,282.69)	(68.00)	(3,350.69)
Net increase (decrease) in cash and cash equivalent	(2,463.25)	(68.00)	(2,531.25)
Cash and cash equivalent at the beginning of the year	2,856.83	-	2,856.83
Cash and cash equivalent at the end of the year+C29	393.58	(68.00)	325.58

D. Analysis of cash and cash equivalents as at 31 March, 2016 and as at 1 April, 2015 for the purpose of statement of cash flow under Ind AS

	As at 1 April, 2015	As at 31 March, 2016
	Rs. In lakhs	Rs. In lakhs
Cash and cash equivalent for the purpose of statement of cash flows as per previous GAAP	325.58	2,856.83
Adjustment:		
Cash and cash equivalent for the purpose of statement of cash flows under Ind AS	325.58	2,856.83

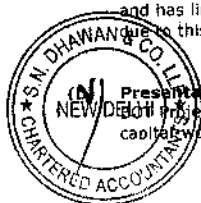
Notes to the reconciliations

(a) Presentation and disclosure of intangible assets

The Company has constructed buildings on leasehold land 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. Under previous GAAP, these assets were classified as tangible assets. 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 under Ind AS. There is no impact on profits to this reclassification.

Presentation and disclosure of intangible assets under development

Real estate projects under construction have been disclosed as 'Intangible assets under development'. As per previous GAAP, these were disclosed as capital work-in-progress.



(c) Non-current financial liabilities

Under Previous GAAP, long term financial liabilities are recorded at historical cost. Under Ind AS, these long term liabilities have been discounted at present value.

(d) Under previous GAAP, refundable security deposits received from tenants had been shown as non-current liabilities. As per Ind AS, these deposits have been discounted at present value. Unamortised portion of non-current deposits have been shown as prepaid under "Other non-current liabilities"

(e) Revenue from operations

Under previous GAAP, rental income was recognised as per contractual terms. Under Ind AS, interest free security deposits have been fair valued and difference between carrying cost and fair value is recognised as lease income over lease tenure.

(f) Finance cost

Under Ind AS, long-term financial liabilities have been measured at amortised cost (discounted value). Difference in amortised cost on reporting date has been recognised as finance cost.



46. Events after the reporting period

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

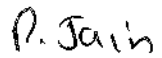
47. Approval of the financial statements

The financial statements were approved for issue by Board of Directors on 20 May, 2017.

For and on behalf of the Board of Directors




Vivek Garg
Director
DIN:01832495


Praveen Jain
Director
DIN:00855104

Place: Delhi
Date: 20.05.2017