

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

|                                     | Notes | As at<br>31-March-18<br>Rs in lakhs | As at<br>31-March-17<br>Rs in lakhs |
|-------------------------------------|-------|-------------------------------------|-------------------------------------|
| <b>Assets</b>                       |       |                                     |                                     |
| <b>1. Non-current assets</b>        |       |                                     |                                     |
| a.                                  |       |                                     |                                     |
| a.                                  | 3     | 29,897.53                           | 31,823.09                           |
| b.                                  | 3     | 8,512.20                            | 6,812.56                            |
| c.                                  |       |                                     |                                     |
| c.                                  |       |                                     |                                     |
| i.                                  | 4     | 3,835.01                            | 3,833.01                            |
| d.                                  | 8     | 1,555.86                            | 1,047.56                            |
| e.                                  | 17    | 1,282.00                            | 1,280.00                            |
| f.                                  | 9     | 11,360.89                           | 13,276.45                           |
|                                     |       | <b>56,443.49</b>                    | <b>58,072.67</b>                    |
| <b>2. Current assets</b>            |       |                                     |                                     |
| a.                                  | 5     | 7,300.83                            | 6,580.32                            |
| b.                                  |       |                                     |                                     |
| i.                                  | 6     | 107.42                              | 52.97                               |
| ii.                                 | 7     | 149.28                              | 85.55                               |
| iii.                                | 4     | 16,605.23                           | 18,493.60                           |
| c.                                  | 9     | 3,311.76                            | 2,871.17                            |
|                                     |       | <b>27,474.52</b>                    | <b>28,083.61</b>                    |
| <b>Total assets</b>                 |       | <b>83,918.01</b>                    | <b>86,156.28</b>                    |
| <b>Equity and Liabilities</b>       |       |                                     |                                     |
| <b>1. Equity</b>                    |       |                                     |                                     |
| a.                                  | 10    | 500.00                              | 500.00                              |
| b.                                  | 11    | (20,112.16)                         | (9,521.49)                          |
|                                     |       | <b>(19,612.16)</b>                  | <b>(9,021.49)</b>                   |
| <b>2. Liabilities</b>               |       |                                     |                                     |
| <b>Non-current liabilities</b>      |       |                                     |                                     |
| a.                                  |       |                                     |                                     |
| i.                                  | 12    | 85,079.90                           | 91,184.00                           |
| ii.                                 | 14    | 2,299.14                            | 889.30                              |
| b.                                  | 15    | 2,537.56                            | 1,046.11                            |
|                                     |       | <b>89,916.60</b>                    | <b>93,119.41</b>                    |
| <b>Current liabilities</b>          |       |                                     |                                     |
| a.                                  |       |                                     |                                     |
| i.                                  | 13    | 875.82                              | 93.48                               |
| ii.                                 | 14    | 9,083.50                            | 357.23                              |
| b.                                  | 15    | 3,644.96                            | 1,599.54                            |
| c.                                  | 16    | 9.29                                | 8.11                                |
|                                     |       | <b>13,613.57</b>                    | <b>2,058.36</b>                     |
| <b>Total liabilities</b>            |       | <b>1,03,530.17</b>                  | <b>95,177.77</b>                    |
| <b>Total equity and liabilities</b> |       | <b>83,918.01</b>                    | <b>86,156.28</b>                    |

See accompanying notes forming part of the financial statements

1-43

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

*Vinesh Jain*

**Vinesh Jain**  
Partner  
Membership No. 087701

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

*Vivek Garu*

**Vivek Garu**  
Director  
DIN:01832495

*Praveen Jain*

**Praveen Jain**  
Director  
DIN:00855104

*Ankit Kumar Katta*

**Ankit Kumar Katta**  
Company Secretary

Place: Delhi  
Date: 22 May, 2018

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

|  | Notes       | Year ended<br>31 March, 2018<br>Rs in lakhs | Year ended<br>31 March, 2017<br>Rs in lakhs |
|--|-------------|---|---|
| I Revenue from operations  | 18          | 7,239.58                                    | 6,245.28                                    |
| II Other Income  | 19          | 27.27                                       | 25.98                                       |
| III <b>Total Income (I + II)</b>                                       |             | <b>7,266.85</b>                             | <b>6,271.27</b>                             |
| IV <b>Expenses</b>   |             |   |   |
| (a) Purchase of property   |             | -   | 4,376.36                                    |
| (b) Changes in inventories of finished goods and work-in-progress      | 20          | -   | (4,376.36)                                  |
| (c) Employee benefits expense  | 21          | 56.14                                       | 48.61                                       |
| (d) Finance costs  | 22          | 14,195.76                                   | 7,819.05                                    |
| (e) Depreciation and amortisation expense                              | 23          | 1,937.15                                    | 1,934.84                                    |
| (f) Other expenses   | 24          | 1,670.47                                    | 1,143.54                                    |
| <b>Total expenses (IV)</b>   |             | <b>17,859.52</b>                            | <b>10,946.04</b>                            |
| V <b>Profit/(loss) before tax (III-IV)</b>                             |             | <b>(10,592.67)</b>                          | <b>(4,674.78)</b>                           |
| VI Tax expense/(benefit):  |             |   |   |
| (a) Deferred tax charge/(credit)                                       |             | (2.00)                                      | (490.00)                                    |
|  |             | (2.00)                                      | (490.00)                                    |
| VII <b>Profit/(loss) for the year (V - VI)</b>                         |             | <b>(10,590.67)</b>                          | <b>(4,184.78)</b>                           |
| VIII <b>Other comprehensive income</b>                                 |             | -   | -   |
| IX <b>Total comprehensive income for the year (VII + VIII)</b>         |             | <b>(10,590.67)</b>                          | <b>(4,184.78)</b>                           |
| X Earnings per equity share (face value Rs. 10 per share)              | 32          |   |   |
| (1) Basic (in Rs)  |             | (211.81)                                    | (83.70)                                     |
| (2) Diluted (in Rs)  |             | (211.81)                                    | (83.70)                                     |
| <b>See accompanying notes forming part of the financial statements</b> | <b>1-43</b> |   |   |

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

*Vinesh Jain*

**Vinesh Jain**  
Partner  
Membership No. 087701

Place: Delhi  
Date: 22 May, 2018

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

*Vivek Garg*  
**Vivek Garg**  
Director  
DIN:01832495

*P. Jain*  
**Praveen Jain**  
Director  
DIN:00855104

*Ankit Kumar Katta*  
**Ankit Kumar Katta**  
Company Secretary

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

**A. Equity Share Capital**


|   | Rs in lakhs |
|---|-------------|
| <b>Balance as at 31 March, 2016</b>             | 500.00      |
| Changes in equity share capital during the year | -           |
| <b>Balance as at 31 March, 2017</b>             | 500.00      |
| Changes in equity share capital during the year | -           |
| <b>Balance as at 31 March, 2018</b>             | 500.00      |

**B. Other Equity**

|   | Reserves and Surplus |                   |             |
|---|----------------------|-------------------|-------------|
|   | Share warrants       | Retained earnings | Total       |
| <b>Balance as at 31 March, 2016</b>     | 460.15               | (5,336.71)        | (4,876.56)  |
| Profit/(loss) for the year              | -                    | (4,184.78)        | (4,184.78)  |
| Redemption during the year              | 460.15               |                   |             |
| <b>Balance as at 31 March, 2017</b>     | -                    | (9,521.49)        | (9,521.49)  |
| Profit/(loss) for the year              | -                    | (10,590.67)       | (10,590.67) |
| Other comprehensive income for the year | -                    | -                 | -           |
| <b>Balance as at 31 March, 2018</b>     | -                    | (20,112.16)       | (20,112.16) |

See accompanying notes forming part of the financial statements 1-43

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

  
**Vinesh Jain**  
 Partner  
 Membership No. 087701

Place: Delhi  
 Date: 22 May, 2018

For and on behalf of the Board of Directors

  
**Vivek Garg**  
 Director  
 DIN:01832495

  
**Ankit Kumar Katta**  
 Company Secretary

  
**Praveen Jain**  
 Director  
 DIN:00855104

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

| Notes  | Year ended<br>31 March, 2018<br>Rs in lakhs | Year ended<br>31 March, 2017<br>Rs in lakhs |
|--|---|---|
| <b>Cash flows from operating activities</b>                    |   |   |
| Profit/(loss) for the year                                     | (10,592.67)                                 | (4,674.78)                                  |
| Adjustments for :  |   |   |
| Finance costs recognised in profit or loss                     | 14,195.76                                   | 7,819.05                                    |
| Interest income recognised in profit or loss                   | (26.27)                                     | (25.98)                                     |
| Provision for employee benefit                                 | 1.18  | 1.42  |
| Depreciation and amortisation expense                          | <u>1,937.15</u>                             | <u>1,934.84</u>                             |
|  | 5,515.16                                    | 5,054.55                                    |
| Movements in working capital:                                  |   |   |
| (Increase)/decrease in trade and other receivables             | (54.45)                                     | 57.82                                       |
| (Increase)/decrease in inventories                             | (720.51)                                    | (6,580.32)                                  |
| (Increase)/decrease in other non current financial assets      | (2.00)                                      | 358.40                                      |
| (Increase)/decrease in other non current assets                | 1,914.26                                    | (7,292.45)                                  |
| (Increase)/decrease in other current financial assets          | 1,900.91                                    | (18,486.35)                                 |
| (Increase)/decrease in other current assets                    | 496.53                                      | (2,047.75)                                  |
| Increase/(decrease) in trade payables                          | 782.34                                      | 19.52                                       |
| Increase/(decrease) in other non current financial liabilities | 1,409.84                                    | (208.41)                                    |
| Increase/(decrease) in other non current liabilities           | 1,491.45                                    | (120.81)                                    |
| Increase/(decrease) in other current financial liabilities     | 0.06  | (989.34)                                    |
| Increase/(decrease) in other current liabilities               | 2,045.38                                    | 897.00                                      |
|  | <u>14,778.97</u>                            | <u>(29,338.13)</u>                          |
| <b>Cash generated from operations</b>                          | (508.30)                                    | (530.03)                                    |
| Income Taxes paid (net)  | <u>14,270.66</u>                            | <u>(29,868.16)</u>                          |
| <b>Net cash (used in)/generated by operating activities</b>    |   |   |
| <b>Cash flows from investing activities</b>                    |   |   |
| Interest received  | 13.75                                       | 18.72                                       |
| Capital expenditure on property, plant and equipment           | (1,640.39)                                  | (1,286.80)                                  |
|  | <u>(1,626.65)</u>                           | <u>(1,268.08)</u>                           |
| <b>Net Cash (used in) /generated by investing activities</b>   |   |   |
| <b>Cash flows from financing activities</b>                    |   |   |
| Repayment of current borrowings                                | -   | (916.38)                                    |
| Proceeds from non current borrowings                           | 8,689.82                                    | 91,184.00                                   |
| Repayment of non current borrowings                            | (6,104.10)                                  | (38,052.85)                                 |
| Redemption of share warrants                                   | -   | (460.15)                                    |
| Finance costs paid   | <u>(15,166.01)</u>                          | <u>(20,858.42)</u>                          |
| <b>Net Cash (used in)/generated by financing activities</b>    | <u>(12,580.29)</u>                          | <u>30,896.20</u>                            |
|  | <u>63.73</u>                                | <u>(240.04)</u>                             |
| <b>Net increase in Cash and cash equivalents</b>               |   |   |
| <b>Cash and cash equivalents at the beginning of the year</b>  | 85.55                                       | 325.58                                      |
| <b>Cash and cash equivalents at the end of the year</b>        | <u>149.28</u>                               | <u>85.55</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 1-43

In terms of our report attached  
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*Vinesh Jain*

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Director  
DIN:00855104

*Ankit Kumar Katta*  
**Ankit Kumar Katta**  
Company Secretary

Place: Delhi  
Date: 22 May, 2018

## **1. CORPORATE INFORMATION**

**PARSVNATH ESTATE DEVELOPERS PRIVATE LIMITED** ("the Company") was incorporated on 24<sup>th</sup> July, 2007 under the name Farhat Developers Private Limited and became a subsidiary of Parsvnath Developers Limited with effect from 27<sup>th</sup> 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'). The date of transition to Ind AS is 1 April, 2015.

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

### **2.2 Basis of measurement and presentation**

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

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

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

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

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

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

### **2.3 Revenue recognition**

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

- i 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**

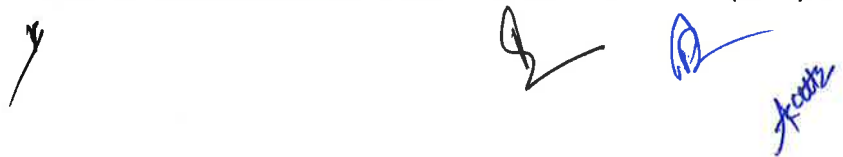
Income tax expense for the year comprises of current tax and deferred tax.

### **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 Service Concession Arrangements**

The Company has received licence rights on land, from Delhi Metro Rail Corporation (DMRC) on Build-Operate-Transfer (BOT) basis for specified period mentioned in the Licence Agreement. The Company has right for construction of infrastructural facilities and use it to earn revenue during the licence period. The cost relating to construction of such infrastructure facilities is recognised as Intangible Asset. The Cost of construction is considered as fair value of these intangible assets i.e no margin is recognised on construction services. The Company does not recognise any revenue from construction services. Once the infrastructure is in operations, revenue from these Intangible Assets is recognised in terms of contract with the customers.

#### **2.9 Property, plant and equipment**

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

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

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

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

#### **2.10 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.



### 2.11 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.

### 2.12 Impairment of tangible and intangible assets

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

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

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

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

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

### 2.13 Inventories

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

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

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

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

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charges), internal development cost, external development charges, materials, services, overhead related to projects under construction and apportioned borrowing costs.

#### **2.14 Provisions**

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

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

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

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

#### **2.15 Contingent liabilities**

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognised because it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount cannot be made. The Company does not recognise a contingent liability, but discloses its existence in the financial statements.

#### **2.16 Cash and cash equivalents**

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

#### **2.17 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.

#### **2.18 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;

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

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- 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.

### **2.19 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.

### **2.20 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.

### **2.21 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

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**Notes to the financial statements for the year ended 31 March, 2018**

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

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

#### **Impairment of financial assets**

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

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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.

## **2.22 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:

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**Notes to the financial statements for the year ended 31 March, 2018**

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

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

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

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

#### **Financial liabilities subsequently measured at amortised cost**

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

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

#### **Derecognition of financial liabilities**

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

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### **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

#### **Recent accounting pronouncements**

- a. Standard issued but not yet effective:

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

- b. Amendments to Existing standards:

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

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

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



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Notes to the financial statements for the year ended 31 March, 2018

**3. Other intangibles and intangible assets under development**

|   | As at<br>31-March-18 | As at<br>31-March-17 |
|---|----------------------|----------------------|
|   | Rs in lakhs          | Rs in lakhs          |
| <b>Net Carrying amounts of :</b>                    |                      |                      |
| <b>Assets on build-operate-transfer (BOT) basis</b> |                      |                      |
| Building on leasehold land                          |                      |                      |
| Given under operating lease                         | 22,815.07            | 23,855.92            |
| Plant and equipment                                 | 2,588.62             | 2,961.31             |
| Plant and equipment                                 | 3,520.95             | 3,520.95             |
| Furniture and fixture                               | 998.24               | 998.24               |
| Office Equipment                                    | 16.53                | 24.62                |
| Computers   | 349.58               | 462.05               |
| <b>Sub-total</b>                                    | <b>29,897.53</b>     | <b>31,823.09</b>     |

Intangible assets under development

|              |                  |                  |
|--------------|------------------|------------------|
|              | 8,512.20         | 6,812.56         |
| <b>Total</b> | <b>38,409.72</b> | <b>38,635.66</b> |

|                                 | 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 | Rs in lakhs                         | Rs in lakhs |
| <b>Cost or deemed cost</b>      |                             |                 |                     |                 |                       |               |                  |                 |             |             |                         |             |                                     |             |
| Balance as at 31 March, 2016    | 25,918.03                   | 3,694.69        | 4,059.31            | 1,234.57        | 38.09                 | 697.90        | 35,642.58        | 5,395.77        |             |             |                         |             |                                     |             |
| Additions                       | 17.65                       | 6.60            | 5.74                | 10.00           | 1.78                  | -             | 41.76            | 1,416.80        |             |             |                         |             |                                     |             |
| Balance as at 31 March, 2017    | 25,935.67                   | 3,701.29        | 4,065.05            | 1,244.57        | 39.86                 | 697.90        | 35,684.34        | 6,812.56        |             |             |                         |             |                                     |             |
| Additions                       | -                           | 5.78            | -                   | -               | -                     | 5.81          | 11.59            | 1,699.63        |             |             |                         |             |                                     |             |
| Balance as at 31 March, 2018    | <b>25,935.67</b>            | <b>3,701.29</b> | <b>4,070.83</b>     | <b>1,244.57</b> | <b>39.86</b>          | <b>703.71</b> | <b>35,695.93</b> | <b>8,512.20</b> |             |             |                         |             |                                     |             |
| <b>Accumulated amortisation</b> |                             |                 |                     |                 |                       |               |                  |                 |             |             |                         |             |                                     |             |
| Balance as at 31 March, 2016    | 1,039.14                    | 367.69          | 271.85              | 122.37          | 7.45                  | 117.91        | 1,926.41         | -               |             |             |                         |             |                                     |             |
| Amortisation expense            | 1,040.62                    | 372.30          | 272.24              | 123.96          | 7.79                  | 117.94        | 1,934.84         | -               |             |             |                         |             |                                     |             |
| Balance as at 31 March, 2017    | 2,079.76                    | 739.98          | 544.09              | 246.33          | 15.24                 | 235.85        | 3,861.25         | -               |             |             |                         |             |                                     |             |
| Amortisation expense            | 1,040.85                    | 372.69          | 272.79              | 124.46          | 8.09                  | 118.27        | 1,937.15         | -               |             |             |                         |             |                                     |             |
| Balance as at 31 March, 2018    | <b>3,120.61</b>             | <b>1,112.67</b> | <b>816.88</b>       | <b>370.79</b>   | <b>23.33</b>          | <b>354.12</b> | <b>5,798.40</b>  | <b>-</b>        |             |             |                         |             |                                     |             |
| <b>Net Carrying amount</b>      |                             |                 |                     |                 |                       |               |                  |                 |             |             |                         |             |                                     |             |
| Balance as at 31 March, 2017    | 23,855.92                   | 2,951.31        | 3,520.95            | 998.24          | 24.62                 | 462.05        | 31,823.09        | 6,812.56        |             |             |                         |             |                                     |             |
| Balance as at 31 March, 2018    | <b>22,815.07</b>            | <b>2,588.62</b> | <b>3,253.94</b>     | <b>873.79</b>   | <b>16.53</b>          | <b>349.58</b> | <b>29,897.53</b> | <b>8,512.20</b> |             |             |                         |             |                                     |             |


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

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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'

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

|  | <u>As at</u><br><u>31-March-18</u><br><u>Rs in lakhs</u> | <u>As at</u><br><u>31-March-17</u><br><u>Rs in lakhs</u> |
|--|--|--|
| <b>4. Other financial assets</b>   |  |  |
| <b>Non-Current</b>   |  |  |
| a. Security deposit to holding company   | 3,600.00   | 3,600.00   |
| b. Security deposits to others   | 33.41  | 31.41  |
| c. Margin money to holding company   | 201.60   | 201.60   |
|  | <u>3,835.01</u>  | <u>3,833.01</u>  |
| <b>Current</b>   |  |  |
| a. Security deposit to holding company   | 16,585.44  | 18,486.35  |
| b. Interest accrued on deposits  | 19.79  | 7.25   |
|  | <u>16,605.23</u>   | <u>18,493.60</u>   |
| <b>5. Inventories</b><br>(lower of cost and net realisable value)  |  |  |
| a. Work-in-progress  | 7,300.83   | 6,580.32   |
|  | <u>7,300.83</u>  | <u>6,580.32</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  | 7,300.83   | 6,580.32   |
|  | <u>7,300.83</u>  | <u>6,580.32</u>  |
| <b>6. Trade Receivable</b>   |  |  |
| <b>Current</b>   |  |  |
| a. Unsecured, considered good  | 107.42   | 52.97  |
|  | <u>107.42</u>  | <u>52.97</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. |  |  |
| <b>7. Cash and cash equivalents</b>  |  |  |
| a. Balances with banks   |  |  |
| i. in current accounts   | 145.76   | 83.34  |
| ii. in deposit accounts  | -  | -  |
| b. Cash on hand  | 3.52   | 2.21   |
|  | <u>149.28</u>  | <u>85.55</u>   |
| <b>8. Tax assets (net)</b>   |  |  |
| a. Tax Refund receivable   | 1,555.86   | 1,047.56   |
|  | <u>1,555.86</u>  | <u>1,047.56</u>  |
| <b>9. Other assets</b>   |  |  |
| <b>Non-Current</b>   |  |  |
| a. Capital Advances  | 103.70   | 105.00   |
| b. Advances to vendors   | 2.13   | 9.50   |
| c. Upfront fees (unamortised)  | 11,255.06  | 13,161.95  |
|  | <u>11,360.89</u>   | <u>13,276.45</u>   |
| <b>Current</b>   |  |  |
| a. Prepaid expenses  | 1,174.97   | 70.68  |
| b. CENVAT credit receivable  | -  | 76.03  |
| c. Upfront fees (unamortised)  | 2,126.79   | 2,714.46   |
| d. Others  | 10.00  | 10.00  |
|  | <u>3,311.76</u>  | <u>2,871.17</u>  |

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

**10 .Equity Share Capital**

|   | <b>As at<br/>31-March-18<br/>Rs in lakhs</b> | <b>As at<br/>31-March-17<br/>Rs in lakhs</b> |
|---|--|--|
| Equity share capital  | 500.00                                       | 500.00                                       |
|   | <b>500.00</b>                                | <b>500.00</b>                                |
| <b>Authorised Share Capital</b>   |  |  |
| <b>Class A</b>  |  |  |
| 37,75,000 (as at 31 March, 2017: 37,75,000) fully paid Class A equity shares of Rs. 10 each | 377.50                                       | 377.50                                       |
| <b>Class B</b>  |  |  |
| 12,25,000 (as at 31 March, 2017: 12,25,000) fully paid Class B equity shares of Rs. 10 each | 122.50                                       | 122.50                                       |
|   | <b>500.00</b>                                | <b>500.00</b>                                |
| <b>Issued, subscribed and fully paid up capital</b>   |  |  |
| <b>Class A</b>  |  |  |
| 37,75,000 (as at 31 March, 2017: 37,75,000) fully paid Class A equity shares of Rs. 10 each | 377.50                                       | 377.50                                       |
| <b>Class B</b>  |  |  |
| 12,25,000 (as at 31 March, 2017: 12,25,000) fully paid Class B equity shares of Rs. 10 each | 122.50                                       | 122.50                                       |
|   | <b>500.00</b>                                | <b>500.00</b>                                |

**10.1- Reconciliation of share capital**

|                              | <b>Class A</b>                 |                                    | <b>Class B</b>                 |  |
|------------------------------|--------------------------------|------------------------------------|--------------------------------|--|
|                              | <b>Number of<br/>Shares in</b> | <b>Share Capital<br/>Rs./lakhs</b> | <b>Number of<br/>Shares in</b> | <b>Share<br/>Capital<br/>Rs./lakhs</b> |
| 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                                 |
| Movements during the year    | -                              | -                                  | -                              | -                                      |
| Balance as at March 31, 2018 | <b>37,75,000</b>               | <b>377.50</b>                      | <b>12,25,000</b>               | <b>122.50</b>                          |

**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**

|   | <b>As at<br/>31-March-18<br/>No of shares</b> | <b>As at<br/>31-March-17<br/>No of shares</b> |
|---|---|---|
| Parsvnath Developers Limited, the holding company |   |   |
| Class A Share                                     | 37,75,000                                     | 37,75,000                                     |
| Class B shares                                    | 12,15,000                                     | 12,15,000                                     |

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

|                              | <b>As at March 31, 2018</b>      |                                       | <b>As at March 31, 2017</b>      |   |
|------------------------------|----------------------------------|---------------------------------------|----------------------------------|---|
|                              | <b>Number of<br/>shares held</b> | <b>% holding of<br/>equity shares</b> | <b>Number of<br/>shares held</b> | <b>% holding<br/>of equity<br/>shares</b> |
| i. <b>Class A</b>            |                                  |                                       |                                  |   |
| Parsvnath Developers Limited | 37,75,000                        | 100.00%                               | 37,75,000                        | 100.00%                                   |
| ii. <b>Class B</b>           |                                  |                                       |                                  |   |
| Parsvnath Developers Limited | 12,15,000                        | 100.00%                               | 12,15,000                        | 100.00%                                   |

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

|                                       | <u>As at</u><br><u>31-March-18</u><br>Rs in lakhs | <u>As at</u><br><u>31-March-17</u><br>Rs in lakhs |
|---------------------------------------|---|---|
| <b>11. Other equity</b>               |   |   |
| a. Retained earnings                  | (20,112.16)                                       | (9,521.49)  |
| b. Share warrants                     | -   | -   |
|                                       | <u>(20,112.16)</u>                                | <u>(9,521.49)</u>                                 |
| <b>a. Retained Earnings</b>           |   |   |
| Balance at the beginning of the year  | (9,521.49)  | (5,336.71)  |
| Profit/(loss) for the year            | (10,590.67)                                       | (4,184.78)  |
| <b>Balance at the end of the year</b> | <u>(20,112.16)</u>                                | <u>(9,521.49)</u>                                 |
| <b>b. Share warrants</b>              |   |   |
| Balance at the beginning of the year  | -   | 460.15  |
| Redeemed during the year              | -   | (460.15)  |
| <b>Balance at the end of the year</b> | <u>-</u>  | <u>-</u>  |

**Nature and purpose of reserves:**

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

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

|                                    | <b>As at<br/>31-March-18</b> | <b>As at<br/>31-March-17</b> |
|------------------------------------|------------------------------|------------------------------|
|                                    | <b>Rs in lakhs</b>           | <b>Rs in lakhs</b>           |
| <b>12. Borrowings</b>              |                              |                              |
| <b>Non current</b>                 |                              |                              |
| <b>Secured - at amortised cost</b> |                              |                              |
| b. Term loan                       |                              |                              |
| -from Others                       | 85,079.90                    | 91,184.00                    |
|                                    | <b>85,079.90</b>             | <b>91,184.00</b>             |

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

e. Cross collateralization of some other assets owned by holding company and its associates

f. Term loan of upto Rs. 32,810 lakhs is repayable in monthly instalments commencing from April, 2017; of upto Rs. 14200 lakhs in monthly instalments commencing from May, 2018 ; Rs. 47,800 lakhs in monthly instalments commencing from June, 2018; and of upto Rs. 12500 lakhs is repayable in monthly instalments commencing from August, 2017

g. Interest is ranging from 13.00% pa. to 15.27% p.a.

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

|  | <b>As at<br/>31-March-18<br/>Rs in lakhs</b> | <b>As at<br/>31-March-17<br/>Rs in lakhs</b> |
|--|--|--|
| <b>13. Trade Payables</b>  |  |  |
| <b>Current</b>   |  |  |
| a. Trade payables  | 875.82                                       | 93.48  |
|  | <b>875.82</b>                                | <b>93.48</b>                                 |
| <p>Note:<br/> 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.</p> |  |  |
| <b>14. Other financial liabilities</b>   |  |  |
| <b>Non current</b>   |  |  |
| a. Security deposits received  | 2,299.14                                     | 889.30                                       |
|  | <b>2,299.14</b>                              | <b>889.30</b>                                |
| <b>Current</b>   |  |  |
| a. Current maturities of long term debt  | 8,689.82                                     | -  |
| b. Interest accrued but not due  | -  | 33.13  |
| c. Security deposit received   | 52.48  | 52.42  |
| d. Payables on purchase of fixed assets  | 341.20                                       | 271.68                                       |
|  | <b>9,083.50</b>                              | <b>357.23</b>                                |
| <b>15. Other liabilities</b>   |  |  |
| <b>Non current</b>   |  |  |
| a. Rent received in advance  | 2,537.56                                     | 1,046.11                                     |
|  | <b>2,537.56</b>                              | <b>1,046.11</b>                              |
| <b>Current</b>   |  |  |
| a. Statutory liabilities   | 3,644.96                                     | 1,599.54                                     |
|  | <b>3,644.96</b>                              | <b>1,599.54</b>                              |
| <b>16. Provisions</b>  |  |  |
| <b>Current</b>   |  |  |
| a. Employee benefits   | 9.29   | 8.11   |
|  | <b>9.29</b>                                  | <b>8.11</b>                                  |

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

|  | <u>As at</u><br><u>31-March-18</u><br>Rs in lakhs | <u>As at</u><br><u>31-March-17</u><br>Rs in lakhs |                        |
|--|---|---|------------------------|
| <b>17. Deferred tax assets (net)</b>   |   |   |                        |
| Deferred tax assets  | 3,985.00  | 4,113.00  |                        |
| Deferred tax liabilities   | <u>(2,703.00)</u>                                 | <u>(2,833.00)</u>                                 |                        |
| <b>Net</b>   | <u><b>1,282.00</b></u>                            | <u><b>1,280.00</b></u>                            |                        |
|  | <u>Opening balance</u>                            | <u>Recognised in Profit or loss</u>               | <u>Closing balance</u> |
| <b>Year ended 31 March,2018</b>  |   |   |                        |
| Deferred Tax (liabilities)/assets in relation to Property, Plant and Equipment | <u>(2,833.00)</u>                                 | <u>130.00</u>                                     | <u>(2,703.00)</u>      |
| Tax losses   | <u>(2,833.00)</u>                                 | <u>130.00</u>                                     | <u>(2,703.00)</u>      |
|  | <u>4,113.00</u>                                   | <u>(128.00)</u>                                   | <u>3,985.00</u>        |
|  | <u><b>1,280.00</b></u>                            | <u><b>2.00</b></u>                                | <u><b>1,282.00</b></u> |
| <b>Year ended 31 March,2017</b>  |   |   |                        |
| 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>      |
| Tax losses   | <u>(2,490.00)</u>                                 | <u>(343.00)</u>                                   | <u>(2,833.00)</u>      |
|  | <u>3,280.00</u>                                   | <u>833.00</u>                                     | <u>4,113.00</u>        |
|  | <u><b>790.00</b></u>                              | <u><b>490.00</b></u>                              | <u><b>1,280.00</b></u> |

**Notes:**

- The Company has tax losses of Rs.15,326.22 lakhs ( 31 March, 2017 - Rs. 13,208.76 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 | 2,176.22     |
| Year ending 31 March, 2026 | 2,117.46     |
- 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.

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

|  | Year ended<br>31 March, 2018<br>Rs in lakhs | Year ended<br>31 March, 2017<br>Rs in lakhs |
|--|---|---|
| <b>18. Revenue from Operations</b>                                       |   |   |
| a. Lease income received   | 6,577.44                                    | 5,729.25                                    |
| b. Maintenance charges income  | 662.14                                      | 516.03                                      |
|  | <u>7,239.58</u>                             | <u>6,245.28</u>                             |
| <b>19. Other income</b>  |   |   |
| a. Interest income:  |   |   |
| i. on deposits with bank   | 1.71  | -   |
| ii. on deposits with others  | 13.93                                       | 25.98                                       |
| iii. on income tax refund  | 10.63                                       | -   |
| b. Sale of scrap   | 1.00  | -   |
|  | <u>27.27</u>                                | <u>25.98</u>                                |
| <b>20. Changes in inventories of finished goods and work-in-progress</b> |   |   |
| a. Inventories at the beginning of the year                              |   |   |
| i. Work-in-progress  | 6,580.32                                    | -   |
| b. Add : Finance costs allocated to inventory of work-in-progress        | 720.51                                      | 2,203.96                                    |
| c. Inventories at the end of the year                                    |   |   |
| i. Work-in-progress  | 7,300.83                                    | 6,580.32                                    |
| d. Net (increase) /decrease (a+b-c)                                      | <u>-</u>                                    | <u>(4,376.36)</u>                           |
| <b>21. Employee Benefit expense</b>                                      |   |   |
| a. Salaries and Waqes  | 56.14                                       | 48.61                                       |
|  | <u>56.14</u>                                | <u>48.61</u>                                |
| <b>22. Finance Costs</b>   |   |   |
| a. <b>Interest expenses:</b>   |   |   |
| i. on borrowings   | 14,239.86                                   | 8,805.87                                    |
| ii. on loans from related parties  | -   | 104.61                                      |
| iii. on debentures from related parties                                  | -   | 59.19                                       |
| iv. debentures   | -   | 800.99                                      |
| v. others  | 254.86                                      | 94.82                                       |
| vi. on delayed payment of statutory liabilities                          | 405.84                                      | 137.62                                      |
| Total interest expenses  | <u>14,900.56</u>                            | <u>10,003.10</u>                            |
| Less: Finance cost allocated to inventory                                | 720.51                                      | 2,203.96                                    |
| vii. Other Borrowing Cost  | 14,180.05                                   | 7,799.14                                    |
| <b>Total</b>   | <u>15.71</u>                                | <u>19.91</u>                                |
|  | <u>14,195.76</u>                            | <u>7,819.05</u>                             |
| <b>23. Depreciation and amortisation expense</b>                         |   |   |
| a. Amortisation of intangible assets                                     | 1,937.15                                    | 1,934.84                                    |
|  | <u>1,937.15</u>                             | <u>1,934.84</u>                             |
| <b>24. Other expenses</b>  |   |   |
| a. Power and fuel  | 220.91                                      | 190.86                                      |
| b. Lease rentals   | 595.15                                      | 591.78                                      |
| c. Repair and maintenance - Building                                     | 37.63                                       | 32.74                                       |
| d. Repair and maintenance - Others                                       | 29.48                                       | 28.02                                       |
| e. Insurance   | 6.06  | 6.69  |
| f. Rates and Taxes   | 0.06  | 1.40  |
| g. Printing and stationery   | 0.14  | 0.38  |
| h. Brokerage   | 497.03                                      | -   |
| i. Security and housekeeping expenses                                    | 250.64                                      | 207.48                                      |
| j. Legal and professional charges  | 17.49                                       | 61.40                                       |
| k. Payment to auditors - statutory audit fee                             | 4.00  | 4.40  |
| l. Miscellaneous expenses  | 11.89                                       | 18.39                                       |
|  | <u>1,670.47</u>                             | <u>1,143.54</u>                             |

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

|   | Year ended<br>31 March, 2018<br>Rs. in lakhs | Year ended<br>31 March, 2017<br>Rs. in lakhs |
|---|--|--|
| <b>25 Income tax</b>  |  |  |
| i. Income tax expense/(benefit) recognised in Statement of Profit and Loss  |  |  |
| <b>Current tax</b>  |  |  |
| In respect of the current year  | -  | -  |
| Tax adjustment for earlier years  | -  | -  |
| <b>Deferred tax</b>   |  |  |
| In respect of the current year  | (2.00)                                       | (490.00)                                     |
|   | (2.00)                                       | (490.00)                                     |
| <b>Total income tax expense recognised</b>  | <b>(2.00)</b>                                | <b>(490.00)</b>                              |
| ii. Income tax expense/(benefit) reconciliation with effective tax rate on accounting profit:   |  |  |
| Profit/(loss) before tax  | (10,592.67)                                  | (4,674.78)                                   |
| Income tax expense calculated at 26.0% (2016-17: 30.9%)   | (3,273.13)                                   | (1,444.51)                                   |
| Effect of expenses that are not deductible in determining taxable profit  | 3,064.13                                     | 954.51                                       |
| Effect of change in tax rate  | 207.00                                       | -  |
| Income tax expense/(benefit) recognised in statement of profit and loss   | <b>(2.00)</b>                                | <b>(490.00)</b>                              |
| The tax rate used for the year 2017-18 is the corporate tax rate of 25% plus cess of 4% on corporate tax rate and for the year 2016-2017 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  | -  | -  |
| <b>Total income tax recognised in other comprehensive income</b>  | <b>-</b>                                     | <b>-</b>                                     |

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

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 previous 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 25<sup>th</sup> May 2016.

## 29. Commitments

### i. Capital Commitments

|  | <u>As at 31 March,<br/>2018</u> | <u>As at 31 March,<br/>2017</u> |
|--|---------------------------------|---------------------------------|
|  | Rs in lakhs                     | Rs in lakhs                     |
| Estimated amount of contracts remaining to be capital account (net of advances and not provided for) | 1,004.35                        | 401.40                          |

## 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:

|   | <u>As at<br/>31 March, 2018</u> | <u>As at<br/>31 March, 2017</u> |
|---|---------------------------------|---------------------------------|
|   | Rs. in lakhs                    | Rs. in lakhs                    |
| Liability at the beginning of the year                  | 3.21                            | 1.77                            |
| Current service cost                                    | 0.45                            | 1.45                            |
| Paid during the year                                    | -                               | -                               |
| Liability at the end of the year                        | 3.66                            | 3.21                            |
| Expensed recognised in the Statement of Profit and Loss | 0.45                            | 1.45                            |




## 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 2017-18.

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**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,<br/>2018</u> | <u>As at 31 March,<br/>2017</u> |
|--|--------------|---------------------------------|---------------------------------|
| i. Net loss for calculation of basic and diluted earnings per share      | Rs. In lakhs | (10,590.67)                     | (4,184.78)                      |
| 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.          | (211.81)                        | (83.70)                         |
| 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<br/>31 March, 2018<br/>Rs. in lakhs</u> | <u>Year ended<br/>31 March, 2017<br/>Rs. in lakhs</u> |
|-----------------------------------|---|---|
| a. Legal and professional charges | 13.91   | 63.19   |
| b. Licence fee                    | 321.70  | 322.59  |
|                                   | <u>335.61</u>   | <u>385.78</u>   |

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

|  | <u>Year ended<br/>31 March, 2018<br/>Rs. in lakhs</u> | <u>Year ended<br/>31 March, 2017<br/>Rs. in lakhs</u> |
|--|---|---|
| a. Intangible assets under development | 1,165.34  | 660.52  |
| b. Inventory of work-in-progress       | 720.51  | 2,203.96  |
|  | <u>1,885.85</u>                                       | <u>2,864.48</u>                                       |

**35. 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).

**36. 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

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

|  | <u>Holding<br/>Company<br/>Rs. In lakhs</u> | <u>Fellow<br/>subsidiary<br/>company<br/>Rs. In lakhs</u> |
|--|---|---|
| <b>(a) Transactions during the year</b>    |   |   |
| Redemption of fully convertible debentures | (17,052.85)                                 | (-)   |
| Interest on debentures (capitalised)       | (4.00)                                      | (-)   |
| Interest on debentures (expensed)          | (59.20)                                     | (-)   |
| Interest income on deposits                | 13.93                                       | -   |
|  | (25.98)                                     | (-)   |

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

|   | <b>Holding<br/>Company</b> | <b>Fellow<br/>subsidiary<br/>company</b> |
|---|----------------------------|--|
|   | Rs. In lakhs               | Rs. In lakhs                             |
| Short-term borrowings received          | (822.66)                   | (-)                                      |
| Short-term borrowings repaid            | (1,739.44)                 | (-)                                      |
| Interest on borrowings (capitalised)    | (7.07)                     | (-)                                      |
| Interest on borrowings (expensed)       | (104.61)                   | (-)                                      |
| Margin money paid                       | (201.60)                   | (-)                                      |
| Margin money repaid                     | (560.00)                   | (-)                                      |
| Security deposit paid                   | (17,850.00)                | (-)                                      |
| Security deposit received back          | 3,998.66<br>(17,944.10)    | (-)                                      |
| Security deposit paid                   | 2,097.75<br>(23,883.81)    | (-)                                      |
| Receipt of unamortised upfront interest | (5,303.36)                 | (-)                                      |
| Financial guarantees issued by          | 12,500.00<br>(74,872.00)   | 12,500.00<br>(78,800.00)                 |
| <b>(b) Balances at year-end</b>         |                            |  |
| Security deposits (asset)               | 20,185.44<br>(22,086.35)   | (-)                                      |
| Margin money (asset)                    | 201.60<br>(201.60)         | (-)                                      |
| Interest accrued on deposits            | 19.79<br>(7.25)            | (-)                                      |
| Financial guarantees Issued by          | 1,07,700.00<br>(95,200.00) | 1,07,700.00<br>(95,200.00)               |

**Notes:**

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

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

**37 Financial Instruments**

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

|                                    | As at<br>31-March-18 |                  | As at<br>31-March-17 |       | Rs. in lakhs     |                  |                |         |       |
|------------------------------------|----------------------|------------------|----------------------|-------|------------------|------------------|----------------|---------|-------|
|                                    | Total                | Amortised Cost   | At cost              | FVTPL |                  | Total            | Amortised Cost | At cost | FVTPL |
| <b>Financial assets</b>            |                      |                  |                      |       |                  |                  |                |         |       |
| i. Trade receivables               | 107.42               | 107.42           | -                    | -     | 52.97            | 52.97            | -              | -       |       |
| ii. Cash and cash equivalents      | 149.28               | 149.28           | -                    | -     | 85.55            | 85.55            | -              | -       |       |
| iii. Other financial assets        | 20,440.24            | 20,440.24        | -                    | -     | 22,326.61        | 22,326.61        | -              | -       |       |
| <b>Total financial assets</b>      | <b>20,696.95</b>     | <b>20,696.95</b> | -                    | -     | <b>22,465.13</b> | <b>22,465.13</b> | -              | -       |       |
| <b>Financial liabilities</b>       |                      |                  |                      |       |                  |                  |                |         |       |
| i. Borrowings                      | 85,079.90            | 85,079.90        | -                    | -     | 91,184.00        | 91,184.00        | -              | -       |       |
| ii. Trade Payables                 | 875.82               | 875.82           | -                    | -     | 93.48            | 93.48            | -              | -       |       |
| iii. Other financial liabilities   | 11,382.63            | 11,382.63        | -                    | -     | 1,246.52         | 1,246.52         | -              | -       |       |
| <b>Total financial liabilities</b> | <b>97,338.35</b>     | <b>97,338.35</b> | -                    | -     | <b>92,524.00</b> | <b>92,524.00</b> | -              | -       |       |

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.

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

**38. 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><br><u>31 March, 2018</u><br>Rs. in lakhs | <u>Year ended</u><br><u>31 March, 2017</u><br>Rs. in lakhs |
|--|--|--|
| Licence fee                                |  |  |
| a. Charged to statement of profit and loss | 590.15   | 591.78   |
| b. Capitalised in Intangible assets        | 321.69   | 322.58   |
|  | <u>911.84</u>  | <u>914.36</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><br><u>31 March, 2018</u><br>Rs. in lakhs | <u>As at</u><br><u>31 March,</u><br><u>2017</u><br>Rs. in lakhs |
|--|---|---|
| a. Not later than one year                           | 739.20  | 672.00  |
| b. Later than one year but not later than five years | 3,467.52  | 3,239.04  |
| c. Later than five years                             | 30,264.91   | 31,232.59   |
|  | <u>34,471.63</u>                                      | <u>35,143.63</u>  |

**39. 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><br><u>31 March, 2018</u><br>Rs. in lakhs | <u>Year ended</u><br><u>31 March,</u><br><u>2017</u><br>Rs. in lakhs |
|---|--|--|
| Licence fee income                            |  |  |
| a. Recognised in statement of profit and loss | 6,577.44   | 5,729.25   |
|   | <u>6,577.44</u>  | <u>5,729.25</u>  |

The total of future minimum lease receivables are as follows:

|  | <u>As at</u><br><u>31 March, 2018</u><br>Rs. in lakhs | <u>As at</u><br><u>31 March,</u><br><u>2017</u><br>Rs. in lakhs |
|--|---|---|
| a. Not later than one year                           | 6,285.81  | 4,579.31  |
| b. Later than one year but not later than five years | 6,625.08  | 5,987.73  |
| c. Later than five years                             | 930.14  | 1,193.88  |
|  | <u>13,841.03</u>                                      | <u>11,760.92</u>  |

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**40. 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:

|                             | <b>Carrying amount</b> | <b>Payable within 1 year</b> | <b>Payable in 1-3 years</b> | <b>Rs. in lakhs<br/>Payable more than 3 years</b> |
|-----------------------------|------------------------|------------------------------|-----------------------------|---|
| <b>As at 31 March, 2018</b> |                        |                              |                             |   |
| Borrowings                  | 85,079.90              | -                            | 26,029.43                   | 59,050.47   |
| Trade payables              | 875.82                 | 875.82                       | -                           | -   |
| Other financial liabilities | 11,382.63              | 9,083.49                     | 2,299.14                    | -   |
|                             | <b>97,338.35</b>       | <b>9,959.31</b>              | <b>28,328.57</b>            | <b>59,050.47</b>                                  |
| <b>As at 31 March, 2017</b> |                        |                              |                             |   |
| Borrowings                  | 91,184.00              | -                            | 25,397.07                   | 65,786.93   |
| Trade payables              | 93.48                  | 93.48                        | -                           | -   |
| Other financial liabilities | 1,246.52               | 357.21                       | 889.30                      | -   |
|                             | <b>92,524.00</b>       | <b>450.69</b>                | <b>26,286.37</b>            | <b>65,786.93</b>                                  |

**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, 2018**

**Interest rate sensitivity analysis**

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

|                                      | <b>As at 31<br/>March, 2018</b> | <b>As at 31<br/>March, 2017</b> |
|--------------------------------------|---------------------------------|---------------------------------|
|                                      | <b>Rs. in lacs</b>              | <b>Rs. in lacs</b>              |
| <b>Variable rate borrowings</b>      |                                 |                                 |
| Long Term                            | -                               | -                               |
| Short Term                           | -                               | -                               |
| <b>Total Variable rate Borrowing</b> | -                               | -                               |
| <b>Fixed Rate Borrowings</b>         |                                 |                                 |
| Long Term                            | 85,079.90                       | 91,184.00                       |
| Short Term                           | -                               | -                               |
| <b>Total Fixed rate Borrowing</b>    | 85,079.90                       | 91,184.00                       |
| <b>Total Borrowing</b>               | 85,079.90                       | 91,184.00                       |

**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:

|                                    | <b>As at 31<br/>March, 2018</b> | <b>As at 31<br/>March, 2017</b> |
|------------------------------------|---------------------------------|---------------------------------|
|                                    | <b>Rs. in lakhs</b>             | <b>Rs. in lakhs</b>             |
| Outstanding for more than 6 months | 46.48                           | 52.03                           |
| Outstanding for 6 months or less   | 60.94                           | 0.94                            |
|                                    | <b>107.42</b>                   | <b>52.97</b>                    |

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

**41. Capital Management**

For the purpose of capital management, capital includes equity capital, share premium and retained earnings. The debt-equity ratio at the end of the reporting period is as follows:

|  | <b>As at 31<br/>March, 2018<br/>Rs. in lacs</b> | <b>As at 31<br/>March, 2017<br/>Rs. in lacs</b> |
|--|---|---|
| <b>Borrowings:</b>                           |   |   |
| - Long term                                  | 85,079.90                                       | 91,184.00                                       |
| - Short term                                 |   |   |
| - Current maturities of long term borrowings | 8,689.82  | -   |
| <b>Total borrowings - A</b>                  | <b>93,769.72</b>                                | <b>91,184.00</b>                                |
| <b>Equity</b>                                |   |   |
| - Share capital                              | 500.00  | 500.00  |
| - Other equity                               | (20,112.16)                                     | (9,521.49)                                      |
| <b>Total Equity - B</b>                      | <b>(19,612.16)</b>                              | <b>(9,021.49)</b>                               |
| Debt to equity ratio (A/B)                   | (4.78)  | (10.11)   |

**42. Events after the reporting period**


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

**43. Approval of the financial statements**

The financial statements were approved for issue by Board of Directors on

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

  
**Vivek Garg**  
Director  
DIN:01832495

  
**Praveen Jain**  
Director  
DIN:00855104

  
**Ankit Kumar Katta**  
Company Secretary

Place: Delhi  
Date: 22 May, 2018