

**BOARD'S REPORT**

Dear Shareholders,

Your Directors have pleasure in presenting the 7<sup>th</sup> Annual Report together with the Audited Financial Statements of the Company for the financial year ended March 31, 2018.

**1. FINANCIAL RESULTS**

Item	(Rs. in lakhs)	
	FY 2017-18	FY 2016-17
Total Revenue	247.60	310.88
Net Profit/(Loss) before Tax	(1,048.19)	(1,005.56)
Provision for Tax	-	-
Net Profit/ (Loss) after Tax	(1,048.19)	(1,005.56)

**2. DIVIDEND**

In view of the loss incurred during the year, no dividend is recommended for the year under review.

**3. TRANSFER OF AMOUNT TO RESERVES**

During the financial year 2017-18, your Company has not transferred any amount to reserves.

**4. REVIEW OF THE PROJECT AND THE STATE OF COMPANY'S AFFAIRS**

The Company had undertaken the development of a residential project at Sarai Rohilla-Kishanganj, Delhi on land to be leased by the Rail Land Development Authority (RLDA). The Company had executed a Development Agreement (DA) with RLDA and its holding company, Parsvnath Developers Ltd. Since the Company was unable to achieve the said financial close within the agreed timelines, the DA has been terminated. Pursuant to deemed termination of DA, the Company had requested RLDA to refund the amounts paid to RLDA towards lease premium along with interest thereon, after making necessary deductions as provided under the terms of DA. RLDA refused to refund the said amounts paid by the Company, alleging that the DA had terminated due to Developers' Event of Default thereby enabling RLDA to forfeit the entire amount paid by the Company. The dispute was referred to arbitration and the Arbitral Tribunal by its award dated November 25, 2017, asked RLDA to refund Rs. 1034,53,77,913/- (Rupees One Thousand Thirty Four Crores Fifty Three Lakhs Seventy Seven Thousand Nine Hundred Thirteen Only) along with the interest at the rate of 4% per annum from July 16, 2015 to the date of payment. RLDA appealed to the Delhi High Court against the decision. However, Delhi High Court upheld the decision of the Arbitral Tribunal. RLDA has filed another appeal before the Delhi High Court for which the decision of the Court is awaited.



**Parsvnath Rail Land Project Pvt. Ltd.**

**CIN:** U45203DL2011PTC227343

**Corporate Office:** 6th Floor, Arunachal Building, 19, Barakhamba Road, New Delhi - 110001, Ph. : 011-43006600, 43001800, Fax : 011-29315400

**Registered Office:** Parsvnath Tower, Near Shahdara Metro Station, Shahdara, Delhi - 110032, Ph. : 011-43050100, 43010500, Fax : 011-43050473

**E-mail :** secretarial@parsvnath.com

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

During the year under review, your Company earned other income of Rs. 247.60 lakhs as compared to income of Rs. 310.88 lakhs during the previous year. Your Company incurred a loss after tax of Rs. 1,048.19 lakhs as against loss after tax of Rs. 1,005.56 lakhs in the previous year 2016-17.

## MATERIAL CHANGES AND COMMITMENT

No other material changes and commitments occurred between the end of the financial year under review and the date of the report.

## 5. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

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

## 6. PUBLIC DEPOSITS

The Company has neither accepted nor renewed any public deposits during the year under review.

## 7. DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review and the period subsequent thereto, the Company has appointed Mr. Raj Kumar Jain as an Additional Director of the Company with effect from August 2, 2018 to hold office up to the date of the forthcoming Annual General Meeting. Further, Mr. Vivek Garg, Director of the Company resigned from the directorship with effect from August 3, 2018.

The Board at present comprises of two non-executive directors- Mr. Atul Jain and Mr. Raj Kumar Jain.

There are proposals for confirmation of appointment of Mr. Raj Kumar Jain and Mr. Atul Jain as Directors of the Company, subject to approval of members in the ensuing Seventh Annual General Meeting of the Company.

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

The Company being a listed company is required to appoint two Independent Directors on the Board of the Company pursuant to the provisions of section 149(4) of the Companies Act, 2013 and Rule 4 of the Companies (Appointment and Qualification of Directors) Rules, 2014. Efforts are being made to identify suitable persons for appointment as Independent Directors on the Board of the Company to comply with the statutory requirements.

**Parsvnath Rail Land Project Pvt. Ltd.**

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## 8. COMMITTEES OF THE BOARD

Pursuant to the provisions of Sections 177 and 178 of the Companies Act, 2013 and Rule 6 of the Companies (Meetings of the Board and its Powers) Rules, 2014, the Company has constituted two Board Level Committees, namely:

- I. Audit Committee
- II. Nomination and Remuneration Committee

The Company shall re-constitute the Audit Committee and the Nomination and Remuneration Committee after the appointment of Independent Directors since the Companies Act, 2013 requires that Independent Directors should form a majority in the constitution of these committees.

## 9. NUMBER OF MEETINGS OF THE BOARD AND ITS COMMITTEES

### Board Meeting

During the financial year 2017-18, the Board met five (5) times with adequate quorum on May 25, 2017, August 31, 2017, September 28, 2017, November 13, 2017, and March 12, 2018.

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

S. No.	Name of the Directors	Number of Meetings which director was entitled to attend	Number of Meetings attended
1.	Mr. Vivek Garg	5	5
2.	Mr. Pankaj Aggarwal	3	3
3.	Mr. Ashish Jain	4	4
4.	Mr. Atul Jain	1	1

### Audit Committee Meeting

During the financial year 2017-18, the Audit Committee of Board of Directors met four (4) times with adequate quorum on May 25, 2017, August 31, 2017, November 13, 2017, and March 12, 2018.

The attendance at the Audit Committee Meetings held during the year under review is as under:

S. No.	Name of the Members	Number of Meetings which member was entitled to attend	Number of Meetings attended
1.	Mr. Vivek Garg	4	4
2.	Mr. Pankaj Aggarwal	2	2

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3.	Mr. Ashish Jain	3	3
4.	Mr. Atul Jain	1	1

**Nomination and Remuneration Committee Meeting**

During the financial year 2017-18, the Nomination and Remuneration Committee of Board of Directors met once with adequate quorum on March 12, 2018.

The attendance at the Nomination and Remuneration Committee Meeting held during the year under review is as under:

S. No.	Name of the Members	Number of Meetings which member was entitled to attend	Number of Meetings attended
1.	Mr. Vivek Garg	1	1
2.	Mr. Pankaj Aggarwal	0	0
3.	Mr. Ashish Jain	0	0
4.	Mr. Atul Jain	1	1

**10. BOARD EVALUATION**

The Nomination and Remuneration Committee laid down the criteria for evaluating the performance of the Board, various Committees of the Board and of the individual Directors.

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

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

**11. POLICY ON DIRECTORS' APPOINTMENT, PAYMENT OF REMUNERATION AND OTHER DETAILS**

The Nomination and Remuneration policy adopted and followed by Parsvnath Developers Limited (holding company) is applicable to the Company. Salient features of the said policy are as follows:

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

The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Act and Rules made thereunder or any other enactment for the time being in force and the approvals obtained from the shareholders of the Company.



b) Remuneration to Non-Executive / Independent Directors:

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

c) Remuneration to Key Managerial Personnel and Senior Management:

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

**DIRECTORS' RESPONSIBILITY STATEMENT**

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

- (a) in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that year;
- (c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors have prepared the annual accounts on a going concern basis;
- (e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and



- (f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

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

## 12. RELATED PARTY TRANSACTIONS

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

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

## 13. AUDITORS

### (a) Statutory Auditors

M/s. S.N. Dhawan & Co. LLP, Chartered Accountants (Firm Registration No. 000050N), were appointed as Statutory Auditors to hold office for a term of five years from the conclusion of Fifth Annual General Meeting (AGM) held on September 30, 2016 until the conclusion of Tenth Annual General Meeting for conducting the audit for the financial years 2016-17 to 2020-21 at such remuneration as may be decided by the Board of Directors of the Company, subject to ratification of such appointment by members at each of the intervening Annual General Meeting. As per the amendment in the Companies Act, 2013 effective from May 7, 2018 ratification of the appointment is no longer required and hence, has not been included in the notice of the AGM.

The operations of the Company do not require maintenance of cost records and cost audit, in terms of the provisions of the Companies Act, 2013 read with the Rules made thereunder.

### Statutory Auditors Report

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

However, the Auditors have made certain observations in clauses (iii) and (vii) of the Annexure A to their Report to which response of your Directors are explained as under:

- *Unsecured Loan given by the Company prejudicial to the interest of the Company since the advance in the nature of unsecured loans did not bear any interest - The advance was given to Parsvnath Hotels Limited in connection with a proposed arrangement. Since the arrangement is no longer required, the Company has received refund of the advance during the year.*



- *Tax Deducted at source (TDS) not deposited and outstanding for a period of more than six months-* Due to the delay in the return of the amounts deposited with the RLDA consequent to the arbitration proceedings, the Company is facing shortage of funds and hence the TDS and interest thereon amounting to Rs. 597.96 lakhs as stated in the Audit Report could not be deposited.

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

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

1. The Company is in the process of identifying suitable persons to be appointed as Independent Directors and Woman Director on the Board of the Company in terms of Section 149 of the Companies Act, 2013.
2. The Company had constituted an Audit Committee and a Nomination and Remuneration Committee in the meeting of the Board of Directors held on May 21, 2015 but they did not have any Independent Directors. The Committees shall be re-constituted as per the requirements of Sections 177 and 178 of the Companies Act, 2013 after the appointment of Independent Directors.
3. The Company had appointed Mr. Santosh Kumar Jain, Chartered Accountant, as the Internal Auditor of the Company in the Board meeting held on May 24, 2016 and he continued to be the Internal Auditor of the Company for the financial year 2017-18.
4. Since the Company did not have Independent Directors, therefore the question of their Performance Evaluation does not arise. However, the provisions relating to Performance Evaluation of Independent Directors will be complied once Independent Directors are appointed.
5. The Company is in the process of identifying suitable persons to be appointed as the Managing Director / Chief Executive Officer/ Manager/ Whole-time Director and Chief Financial Officer as required in terms of the provisions of Section 203 of the Companies Act, 2013. The Company is facing severe liquidity problems, is incurring losses and does not have any project. Thus, the Company is finding it difficult to offer suitable remuneration to appoint the managerial personnel as per regulatory requirements.
6. The advance given by the Company to Parsvnath Developers Limited (PDL), holding company, was duly approved by the Board of Directors at its meeting held on September 28, 2017.
7. Meeting of Independent Directors will be convened once independent directors are appointed.
8. The contact information including email address of Compliance officer of the Company is available on the website of the Company for dealing with investor



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grievances. The Company presently has only two investors and during the year under review, the Company has not received any grievances from them.

#### 14. LISTING WITH STOCK EXCHANGE

During the year under review, the two series of Non-Convertible Debentures of the Company amounting to Rs. 360 crores and Rs. 244.39 crores respectively continued to be listed on BSE. The Company has paid the listing fee for the financial year 2018-19.

#### 15. DISCLOSURES

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

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

The Company has neither incurred any expenditure nor earned any income in foreign currency during the year under review.

##### 2. Particulars of Employees

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

- a) The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2017-18:  
Not applicable as no remuneration was paid to any director.
- b) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer and Company Secretary in the financial year:  
The Company had not paid any remuneration to any Director and it does not have any Chief Executive Officer/Managing Director/Whole-time Director or Chief Financial Officer during the year. There is no increase in remuneration paid to the Company Secretary.
- c) The percentage increase in the median remuneration of employees in the financial year:  
Not Applicable as there is only one employee in the Company.
- d) The number of permanent employees on the rolls of Company as on March 31, 2018:  
One employee.
- e) Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:  
Not applicable as there is no managerial remuneration paid by the Company during 2017-18.



ASL



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

Further, as per the notification of Ministry of Corporate Affairs (MCA) dated June 30, 2016 requiring the list of top ten employees, the required information about the only employee of the Company is furnished below:

S. No	Name	Designation/ Nature of duties	Qualifications	Remuneration (Rs.)	Experience (Years)	Date of Joining	Age (Years)	Last Employment held	Number & % of shares held in the Company as at March 31, 2018	
									Number	%
1.	Mr. Vipul Kumar Goel	Company Secretary	LL.B., FCS and FICWA	15,67,116	32	21.04.2013	58	Assotech Ltd.	Nil	Nil

**Notes:**

1. The Company had only 1 employee during the financial year ended March 31, 2018.
2. The nature of employment is contractual. Other terms and conditions of the employment are as per Company's policy.
3. The employee has adequate experience to discharge the responsibilities assigned to him and his designation is indicative of his nature of duties.
4. The employee is not a relative of any Director of the Company.

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

There were no loans, guarantees or investments made by the Company under Section 186 of the Companies Act, 2013 during the year under review.

**4. Extract of Annual Return**

Extract of the Annual Return in Form MGT-9 as required under section 92 of the Companies Act, 2013 is annexed herewith as **Annexure II** to this Report.

**16. RISK MANAGEMENT**

The Company has adopted a Risk Management Policy to identify the risk associated with the business of the Company, to review the risks and concerns and device measures to resolve them w.e.f. from July 30, 2015.

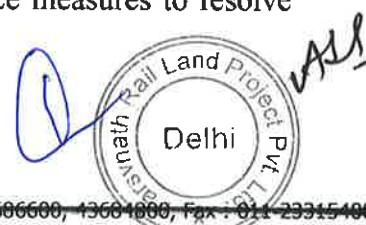
**Parsvnath Rail Land Project Pvt. Ltd.**

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## 17. VIGIL MECHANISM

The Company has established and adopted a Vigil Mechanism Policy in the meeting of the Audit Committee held on July 30, 2015. The Company through the Audit Committee oversees the genuine concerns expressed by the employees and other Directors.

This Policy mechanism intends to cover serious concerns that could have grave impact on the operations and performance of the business of the Company and malpractices and events which have taken place, suspected to have taken place, misuse or abuse of authority, fraud or suspected fraud, violation of company rules, manipulations, negligence causing danger to public health and safety, misappropriation of monies, and other matters or activity on account of which the interest of the Company is affected and formally reported by whistle blowers concerning its employees.

## 18. CORPORATE SOCIAL RESPONSIBILITY

The provisions of Section 135 of the Companies Act, 2013 regarding Corporate Social Responsibility are not applicable to the Company.

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

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

## 20. INTERNAL FINANCIAL CONTROLS AND SYSTEMS

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

## 21. COMPLIANCE OF SECRETARIAL STANDARDS

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

## 22. GENERAL

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

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

### ACKNOWLEDGEMENTS

Your Directors wish to place on record their sincere gratitude to the shareholders, debenture holders, bankers, financial institutions, vendors and all the other business associates for the continuous support provided by them to the Company.

By Order of the Board of Directors  
For Parsvnath Rail Land Project Pvt. Ltd.



  
Atul Jain  
Director

DIN: 00102555

Add: B-4 F/F, Guru Ram  
Dass Nagar, Laxmi Nagar,  
Delhi 110092

  
Raj Kumar Jain  
Director

DIN: 03342233

Add: House Number S-36C,  
2nd Floor Sunder Block,  
Shakarpur, Delhi 110092

Place: Delhi  
Date: September 4, 2018

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

The Members,  
Parsvnath Rail Land Project Private Limited  
Parsvnath Tower  
Near Shahdara Metro Station  
Shahdara Delhi 110032

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

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

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

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 55A; Not Applicable.
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; Not Applicable.
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015; Not Applicable
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014; Not Applicable
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;



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

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

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

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

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

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

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

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

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

1. The Company has not complied with the provisions of section 149 of the Companies Act 2013, relating to appointment of Independent Director and Woman Director.
2. The Company has not complied with the provisions of section 177 and 178 of the Companies act 2013, relating to Constitution of Audit Committee and Nomination and Remuneration Committee.
3. The Company has not complied with the provisions of section 138 of the Companies Act 2013, relating to appointment of Internal Auditors.
4. The Company has not complied with the provisions of section 203 of the Companies Act 2013 for the appointment of Whole Time Key managerial personnel except Company secretary.
5. The Company has not complied with the Provisions of section 134 of the Companies Act 2013, relating to Performance Evaluation Mechanism/Policy (Independent Directors)
6. The Company has made the transactions with related parties without approval of Audit Committee relating to Loan made by the Company to Parsvnath Developers Limited.
7. The Meeting of Independent Director was not convened during the period under review.
8. The Company has not complied with the Regulation 62 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, relating to maintenance of contact information including email address of designated officials dealing with investor grievances on the functional website.

We further report that

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



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

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

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

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

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

Shashikant Tiwar  
Partner



For Chandrasekaran Associates  
Company Secretaries  
Membership No. A 28994  
Certificate of Practice No. 13050

Date : 04-09-2018

Place : New Delhi

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

Annexure-A

To,

The Members  
Parsvnath Rail Land Project Private Limited  
Parsvnath Tower  
Near Shahdara Metro Station, Shahdara  
New Delhi 110032

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on the random test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on the random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

  
Shashikant Tiwari  
Partner



For Chandrasekaran Associates  
Company Secretaries  
Membership No. A 28994  
Certificate of Practice No. 13050

Date : 04-09-2018  
Place : New Delhi

**Annexure II**

**FORM NO. MGT-9**

**EXTRACT OF ANNUAL RETURN**

as on the financial year ended on March 31, 2018

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

**I. REGISTRATION AND OTHER DETAILS:**

i)	CIN	U45203DL2011PTC227343
ii)	Registration Date	11/11/2011
iii)	Name of the Company	Parsvnath Rail Land Project Private Limited
iv)	Category / Sub-Category of the Company	Private Company by its Articles/ Public Company being a subsidiary Public Company.
v)	Address of the Registered office and contact details	Parsvnath Tower, Near Shahdara Metro Station, Shahdara, Delhi - 110032. Telephone No. 011-43010500 Fax No. 011-43050473 Email Id- secretarial@parsvnath.com
vi)	Whether listed company (Yes/No)	Yes
vii)	Name, Address and Contact details of Registrar and Transfer Agent, if any	M/s Link Intime India Pvt. Ltd. C-13 Pannalal Silk Mills Compound, LBS Marg, Bhandup West, Mumbai 400 078. Telephone No. 022-25963838 Fax No. 022-25946969 Email Id: accounts@linkintime.co.in

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

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

Sl. No.	Name and Description of main products/Services	NIC Code of the Product/ Service	% to total turnover of the Company
	N.A.		

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

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/ Subsidiary /Associate	% of shares held	Applicable Section
	Parsvnath Developers Limited	L45201DL1990PLC040945	Holding Company	85.10%	2(87)(ii)





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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year				No. of Shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters:</b>									
(1) <b>Indian</b>									
a) Individual/HUF*		6	6			6	6		
b) Central Govt									
c) State Govt									
d) Bodies Corp.	1,19,994		1,19,994	85.10	1,19,994		1,19,994	85.10	
e) Banks/FI									
f) Any Other									
<b>Sub-total (A) (1):-</b>	<b>1,19,994</b>	<b>6</b>	<b>1,20,000</b>	<b>85.10</b>	<b>1,19,994</b>	<b>6</b>	<b>1,20,000</b>	<b>85.10</b>	
(2) <b>Foreign</b>									
a) NRIs - Individuals									
b) Other - Individuals									
c) Bodies Corp.									
d) Banks/FI									
e) Any Other									
<b>Sub-total (A) (2):-</b>									
<b>Total shareholding of Promoter</b>									
<b>(A) = (A)(1)+(A)(2)</b>	<b>1,19,994</b>	<b>6</b>	<b>1,20,000</b>	<b>85.10</b>	<b>1,19,994</b>	<b>6</b>	<b>1,20,000</b>	<b>85.10</b>	
<i>*Equity Shares held by 6 Individuals at A.(1)a) are held as nominee of the Body Corporate at A.(1)d).</i>									
<b>B. Public Shareholding</b>									
1 <b>Institutions</b>									
a) Mutual Funds									
b) Banks/FI									
c) Central Govt									
d) State Govt(s)									
e) Venture Capital Funds									
f) Insurance Companies									
g) FIs									
h) Foreign Venture Capital Funds									
i) Others (Specify)									
<b>Sub-total (B) (1):-</b>									
2 <b>Non-Institutions</b>									
a) Bodies Corp.									
Indian									
Overseas		21,011	21,011	14.90		21,011	21,011	14.90	
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs. 1 Lakh									
ii) Individual shareholders holding nominal share capital in excess of Rs. 1 Lakh									
iii) Others (Specify)									
<b>Sub-total (B) (2):-</b>		<b>21,011</b>	<b>21,011</b>	<b>14.90</b>		<b>21,011</b>	<b>21,011</b>	<b>14.90</b>	
<b>Total public shareholding</b>									
<b>(B) = (B)(1)+(B)(2)</b>		<b>21,011</b>	<b>21,011</b>	<b>14.90</b>		<b>21,011</b>	<b>21,011</b>	<b>14.90</b>	
<b>C Shares held by Custodian for GDRs &amp; ADRs</b>									
<b>Grand Total (A+B+C)</b>	<b>1,19,994</b>	<b>21,017</b>	<b>1,41,011</b>	<b>100.00</b>	<b>1,19,994</b>	<b>21,017</b>	<b>1,41,011</b>	<b>100.00</b>	



**(ii) Shareholding of Promoters**

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change during the year
		No. of shares	% of total shares of the Company	% of Shares Pledged/encumbered to total shares	No. of shares	% of total shares of the Company	% of Shares Pledged/encumbered to total shares	
1	Parsvnath Developers Ltd. (PDL)	1,19,994	85.10	59.93	1,19,994	85.10	59.93	
2	Pradeep Kumar Jain (Nominee of PDL)	1			1			-
3	Nutan Jain (Nominee of PDL)	1			1			-
4	Sanjeev Kumar Jain (Nominee of PDL)	1			1			-
5	Rajeev Jain (Nominee of PDL)	1			1			-
6	Yogesh Jain (Nominee of PDL)	1			1			-
7	Neelam Jain (Nominee of PDL)	1			1			-
	<b>Total</b>	<b>1,20,000</b>	<b>85.10</b>	<b>59.93</b>	<b>1,20,000</b>	<b>85.10</b>	<b>59.93</b>	-

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

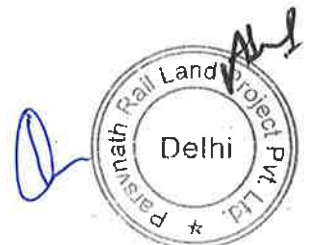
Sl. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	-	-	-	-
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/bonus/transfer/sweat equity etc.)	-	-	-	-
	At the end of the year	-	-	-	-

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

Sl. No.	For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	<b>Tango Investment Holdings Ltd.</b>				
	<b>At the beginning of the year</b>				
	Equity Shares	21,011	4.96	21,011	4.96
	Compulsorily Convertible Preference Shares	2,82,974	66.74	2,82,974	66.74
	<b>Total</b>	<b>3,03,985</b>	<b>71.7</b>	<b>3,03,985</b>	<b>71.7</b>
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/bonus/transfer/sweat equity etc.)				
	<b>At the end of the year (or date of seperation, if seperated during the year)</b>				
	Equity Shares	21,011	4.96	21,011	4.96
	Compulsorily Convertible Preference Shares	2,82,974	66.74	2,82,974	66.74
	<b>Total</b>	<b>3,03,985</b>	<b>71.7</b>	<b>3,03,985</b>	<b>71.7</b>

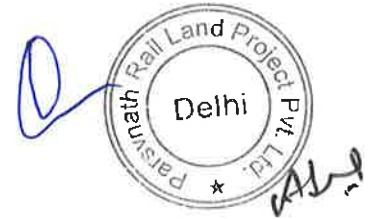
**(v) Shareholding of Directors and Key Managerial Personnel**

Sl. No.	For each of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the Company	No. of shares	% of total shares of the Company
	At the beginning of the year	-	-	-	-
	Date wise Increase/Decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/bonus/transfer/sweat equity etc.)	-	-	-	-
	At the end of the year	-	-	-	-



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

	Secured Loans excluding deposits (Rs.)	Unsecured Loans (Rs.)	Deposits (Rs.)	Total Indebtedness (Rs.)
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	6,59,39,00,000	2,57,70,19,360	-	9,17,09,19,360
ii) Interest due but not paid	0	0	-	0
iii) Interest accrued but not due	13,58,13,699	12,50,38,400	-	26,08,52,099
<b>Total (i+ii+iii)</b>	<b>6,72,97,13,699</b>	<b>2,70,20,57,760</b>	-	<b>9,43,17,71,459</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	20,00,00,000	-	-	20,00,00,000.00
Reduction	-4,02,87,699	-	-	-4,02,87,699.00
<b>Net Change</b>	<b>15,97,12,301</b>	-	-	<b>15,97,12,301.00</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	6,79,39,00,000	2,57,70,19,360	-	9,37,09,19,360
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	9,55,26,000	12,50,38,400	-	22,05,64,400
<b>Total (i+ii+iii)</b>	<b>6,88,94,26,000</b>	<b>2,70,20,57,760</b>	-	<b>9,59,14,83,760</b>



## VII. Remuneration of Directors and Key Managerial Personnel Personnel

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

Sl. No	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount (Rs.)
1	Gross Salary	NOT APPLICABLE	-
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961		-
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961		-
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961		-
2	Stock Option		-
3	Sweat Equity		-
4	Commission - as % of profit - others, specify		-
5	Others, please specify		-
	Ceiling as per the Act		-



**B. Remuneration to other directors:**

Sl. No	Particulars of Remuneration	Name of Directors		Total Amount (Rs.)
		Mr. Atul Jain	Mr. Vivek Garg	
<b>1</b>	<b>Independent Directors</b>	-	-	-
	Fee for attending board/committee meetings	-	-	-
	Commission	-	-	-
	Others, please specify	-	-	-
	<b>Total (1)</b>	-	-	-
<b>2</b>	<b>Other Non-Executive Directors</b>	-	-	-
	Fee for attending board/committee meetings	-	-	-
	Commission	-	-	-
	Others, please specify	-	-	-
	<b>Total (2)</b>	-	-	-
	<b>Total (B) - (1+2)</b>	-	-	-
	Total Managerial Remuneration (A+B)	-	-	-
	Overall Ceiling as per the Act	-	-	-

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD:**

Sl. No	Particulars of Remuneration	Key Managerial Personnel		Total Amount (Rs.)
		CEO	Company Secretary	
			<b>Mr. Vipul Kumar Goel</b>	
<b>1</b>	<b>Gross Salary</b>	Not Applicable		
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961		15,65,004	15,65,004
	(b) Value of perquisites u/s 17(2) Income Tax Act, 1961		2,112	2,112
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961		-	-
<b>2</b>	<b>Stock Option</b>		-	-
<b>3</b>	<b>Sweat Equity</b>		-	-
<b>4</b>	<b>Commission</b> - as % of profit - others, specify		-	-
<b>5</b>	<b>Others, please specify</b>		-	-
	<b>Total</b>		<b>15,67,116</b>	<b>15,67,116</b>
	<b>Ceiling as per the Act</b>			



Handwritten signature and initials in blue ink, including a large "Q" and "AMR".

**VIII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

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

By Order of the Board of Directors  
For Parsvnath Rail Land Project Pvt Ltd



Date: 04.09.2018  
Place: Delhi

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

*Raj Kumar Jain*  
Raj Kumar Jain  
Director  
DIN: 03342233  
H. No: S-36C, 2 Floor  
Sunder Block,  
Shakarpur, Delhi  
110092

**INDEPENDENT AUDITOR'S REPORT  
TO THE MEMBERS OF PARSVNATH RAIL LAND PROJECT  
PRIVATE LIMITED**

**Report on the Ind AS Financial Statements**

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

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

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

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

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

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

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

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

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Registered Office :

410 Ansal Bhawan, 16 Kasturba Gandhi Marg, New Delhi - 110 001, Tel: +91 11 43684444, 43008546

Gurgaon Office :

2nd Floor, 421 Udyog Vihar, Phase IV, Gurgaon 122016, Haryana, Tel: +91 124 481 4444

## **Opinion**

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

## **Emphasis of Matter**

We draw attention to Note 20 to Ind As financial statements, which indicates material uncertainty related to the outcome of the legal dispute.

Our report is not modified in respect of this matter

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"/"CARO 2016") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Ind AS Financial Statements dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.
  - e) On the basis of the written representations received from the directors as on 31 March, 2018 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.
  - f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 20 to the Ind AS financial statements;
    - ii. The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses – Refer Note 19 to the Ind AS financial statements;

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

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



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

Place: Delhi  
Date: 28 May, 2018

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

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

- i. The Company does not have any fixed assets and hence reporting under clause (i) of CARO 2016 is not applicable.
- ii. The Company does not have any inventory at year-end and hence reporting under clause (ii) of the CARO 2016 is not applicable.
- iii. According to the information and explanations given to us, the Company had granted unsecured loan to a Company covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:
  - a. In our opinion, unsecured loan given to this Company was, *prima facie*, prejudicial to the interests of the Company since the advance in the nature of unsecured loans do not bear any interest.
  - b. The schedule of repayment of principal had not been stipulated, however the loan amount has been fully received back during the year.
  - c. There is no amount remaining outstanding as at the balance sheet date.
- iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans. The Company has not made any investments and as explained to us, has not provided any guarantees or securities.
- v. According to the information and explanations given to us, the Company has not accepted any deposits from the public.
- vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.
- vii. According to the information and explanations given to us in respect of statutory dues:
  - a. Other than for delays in deposit of Income Tax, the Company has generally been regular in depositing undisputed statutory dues including Service Tax, Goods and Service Tax and other material statutory dues applicable to it with the appropriate authorities during the year. We are informed that the provisions of the Employees Provident Funds and Miscellaneous Act, 1952 and Employees State Insurance Act, 1948 are not applicable to the Company and that the operations of the Company during the year, did not give rise to any liability for Sales Tax, Value Added Tax, Excise Duty and Customs Duty.
  - b. There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Value Added Tax, Goods and Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31 March, 2018 for a period of more than six months from the date they became payable, except for Tax Deducted as Source (TDS) and interest thereon amounting to Rs. 597.96 lakhs which has remained outstanding as at 31 March, 2018 for a period of more than six months from the date they became payable..
  - c. There are no dues in respect of Income Tax, Value Added Tax, Sales Tax, Service Tax, Customs Duty and Excise Duty which have not been deposited as on 31 March, 2018 on account of any dispute.
- viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to debenture holders. The Company has not taken any loans or borrowings from banks, financial institutions and government.

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- ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purpose for which they were raised, other than temporary deployment pending application.
- x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. The Company has not paid / provided any managerial remuneration and hence reporting under clause (xi) of the CARO 2016 is not applicable.
- xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.
- xiii. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.
- xiv. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.
- xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.
- xvi. The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

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



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

Place: Delhi  
Date: 2 May, 2018

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

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

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

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

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

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

#### **Auditors' Responsibility**

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

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

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over

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

### **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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

### **Opinion**

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

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



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

Place: Delhi  
Date: 28 May, 2018

**Parsvnath Rail Land Project Private Limited**  
**Balance Sheet as at 31 March, 2018**

	Notes	As at 31-March-18 Rs. In lakhs	As at 31-March-17 Rs. In lakhs
<b>Assets</b>			
<b>1. Non-current assets</b>			
a. Financial assets			
i. Other financial assets	3	1,29,472.18	1,29,472.18
b. Tax assets	5	91.72	66.96
c. Other non-current assets	6	4,222.79	4,292.52
Total non-current assets		<u>1,33,786.69</u>	<u>1,33,831.66</u>
<b>2. Current assets</b>			
a. Financial assets			
i. Cash and cash equivalents	4	0.72	22.10
ii. Other financial assets	3	1,106.69	-
b. Other current assets	6	20.83	311.86
Total current assets		<u>1,128.24</u>	<u>333.96</u>
<b>Total assets</b>		<u><b>1,34,914.93</b></u>	<u><b>1,34,165.62</b></u>
<b>Equity and Liabilities</b>			
<b>1. Equity</b>			
a. Equity share capital	7	14.10	14.10
b. Convertible preference share capital	8	28.30	28.30
c. Other equity	9	1,800.50	2,848.69
Total Equity		<u>1,842.90</u>	<u>2,891.09</u>
<b>2. Liabilities</b>			
<b>Non-current liabilities</b>			
a. Financial liabilities			
i. Borrowings	10	86,209.19	86,209.19
Total non-current liabilities		<u>86,209.19</u>	<u>86,209.19</u>
<b>Current liabilities</b>			
a. Financial liabilities			
i. Borrowings	10	7,500.00	5,500.00
ii. Trade Payables	11	91.30	24.73
iii. Other financial liabilities	12	38,549.22	39,021.83
b. Other current liabilities	13	719.65	516.86
c. Provisions	14	2.67	1.93
Total current liabilities		<u>46,862.84</u>	<u>45,065.35</u>
<b>Total liabilities</b>		<u><b>1,33,072.03</b></u>	<u><b>1,31,274.53</b></u>
<b>Total equity and liabilities</b>		<u><b>1,34,914.93</b></u>	<u><b>1,34,165.62</b></u>

See accompanying notes to the financial statements

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For and on behalf of the Board of Directors

In terms of our report attached

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

  
**Vinesh Jain**  
Partner  
Membership No. 087701

  
**Vivek Garg**  
Director  
DIN: 01832495

  
**Atul Jain**  
Director  
DIN - 00102555

  
**Vipul Kumar Goel**  
Company Secretary

Place: Delhi  
Date: 28 May, 2018

Place: Delhi  
Date: 28 May, 2018

**Parsvnath Rail Land Project Private Limited**  
**Statement of Profit and Loss account for the year ended 31 March, 2018**

	Notes	Year ended	Year ended
		31 March, 2018	31 March, 2017
		Rs. In lakhs	Rs. In lakhs
I Other income	15	247.60	310.88
II <b>Total income</b>		<b>247.60</b>	<b>310.88</b>
III <b>Expenses</b>			
a. Employee benefits expense	16	17.54	27.22
b. Finance costs	17	1,207.36	1,270.84
c. Other expenses	18	70.89	18.38
<b>Total expenses (III)</b>		<b>1,295.79</b>	<b>1,316.44</b>
IV <b>Profit/(loss) before tax (II-III)</b>		<b>(1,048.19)</b>	<b>(1,005.56)</b>
V Tax expense/(benefit):		-	-
VI <b>Profit/(loss) for the year (IV - V)</b>		<b>(1,048.19)</b>	<b>(1,005.56)</b>
VII <b>Other comprehensive income</b>		-	-
VIII <b>Total comprehensive income for the year (VI+VII)</b>		<b>(1,048.19)</b>	<b>(1,005.56)</b>
IX Earnings per equity share (face value Rs. 10 per share)	25		
(1) Basic (in ₹)		(743.34)	(713.11)
(2) Diluted (in ₹)		(743.34)	(713.11)

See accompanying notes to the financial statements

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In terms of our report attached

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

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

Place: Delhi  
Date: 28 May, 2018

For and on behalf of the Board of Directors

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

*Atul Jain*  
**Atul Jain**  
Director  
DIN -00102555

*Vipul Kumar Goel*  
**Vipul Kumar Goel**  
Company Secretary

Place: Delhi  
Date: 28 May, 2018

**Parsvnath Rail Land Project Private Limited**  
**Statement of Changes in Equity for the year ended 31 March, 2018**

**a Equity Share Capital**

Particulars	Rs. In lakhs
<b>Balance as at 31 March, 2016</b>	14.10
Changes in equity share capital during the year	-
<b>Balance as at 31 March, 2017</b>	14.10
Changes in equity share capital during the year	-
<b>Balance as at 31 March, 2018</b>	14.10

**b Preference share capital**

Particulars	Rs. In lakhs
<b>Balance as at 31 March, 2016</b>	28.30
Changes in preference share capital during the year	-
<b>Balance as at 31 March, 2017</b>	28.30
Changes in preference share capital during the year	-
<b>Balance as at 31 March, 2018</b>	28.30

**c Other Equity**

Particulars	Reserves and Surplus		
	Securities premium reserve	Retained earnings	Total
	Rs. In lakhs	Rs. In lakhs	Rs. In lakhs
<b>Balance as at 31 March, 2016</b>	4,264.05	(409.80)	3,854.25
Profit for the year	-	(1,005.56)	-
<b>Balance as at 31 March, 2017</b>	<b>4,264.05</b>	<b>(1,415.36)</b>	<b>2,848.69</b>
Profit for the year	-	(1,048.19)	(1,048.19)
Other comprehensive income for the year	-	-	-
<b>Balance as at 31 March, 2018</b>	<b>4,264.05</b>	<b>(2,463.55)</b>	<b>1,800.50</b>

See accompanying notes to the financial statements

In terms of our report attached

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

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

Place: Delhi  
Date: 28 May, 2018

For and on behalf of the Board of Directors

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

*Atul Jain*  
**Atul Jain**  
Director  
DIN -00102555

*Vipul Kumar Goel*  
**Vipul Kumar Goel**  
Company Secretary

Place: Delhi  
Date: 28 May, 2018



**Parsvnath Rail Land Project Private Limited**  
**Statement of Cash Flows for the year ended 31 March, 2018**

Notes	Year ended 31 March, 2018 Rs. In lakhs	Year ended 31 March, 2017 Rs. In lakhs
<b>Cash flows from operating activities</b>		
Profit/(loss) for the year	(1,048.19)	(1,005.56)
Adjustments for :		
Finance costs recognised in profit or loss	1,207.36	1,270.84
Interest income recognised in profit or loss	(247.60)	(304.73)
	(88.43)	(39.45)
<b>Movements in working capital:</b>		
(Increase)/decrease in other non current financial assets		2,893.25
(Increase)/decrease in other current financial assets	(1,106.69)	
(Increase)/decrease in other current assets	291.03	(20.03)
Increase/(decrease) in trade payables	66.57	(110.56)
Increase/(decrease) in provisions	0.74	(0.07)
Increase/(decrease) in other financial liabilities	(244.30)	244.30
Increase/(decrease) in other current liabilities	202.79	118.17
<b>Cash generated from operations</b>	(878.29)	3,085.60
Income tax paid (net)	(24.75)	3.76
<b>Net cash (used in)/generated by operating activities</b>	(903.04)	3,089.36
<b>Cash flows from investing activities</b>		
Decrease/(increase) in deposits under lien not considered as cash and cash equivalents	109.12	31.81
Interest received	208.21	297.02
<b>Net Cash (used in) /generated by investing activities</b>	317.33	328.83
<b>Cash flows from financing activities</b>		
Interest paid	(1,435.67)	(1,698.77)
Proceeds from borrowings	2,000.00	
Repayment of borrowings		(1,717.86)
<b>Net Cash (used in)/generated by financing activities</b>	564.33	(3,416.63)
<b>Net increase in Cash and cash equivalents</b>	(21.38)	1.56
<b>Cash and cash equivalents at the beginning of the year</b>	22.10	20.54
<b>Cash and cash equivalents at the end of the year</b>	4 0.72	22.10

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

See accompanying notes to the financial statements

In terms of our report attached

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

  
**Vinesh Jain**  
Partner  
Membership No. 087701

Place: Delhi  
Date: 28 May, 2018

1-32

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

  
**Vivek Garg**  
Director  
DIN: 01832495

  
**Atul Jain**  
Director  
DIN -00102555

  
**Vipul Kumar Goel**  
Company Secretary

Place: Delhi  
Date: 28 May, 2018

**Parsvnath Rail Land Project Private Limited**  
**Notes to the financial statements for the year ended 31 March, 2018**

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## **1. Corporate Information**

Parsvnath Rail Land Project Private Limited ('the Company') was incorporated on 11 November, 2011 as a wholly owned Subsidiary Company of Parsvnath Developers Limited. The Company has been set up for the business of promotion, construction and development of residential projects.

The company is engaged in the business of promotion, construction and development of a residential project.

## **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.

### **2.3 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.

### **2.4 Employee benefits**

#### **Short-term employee benefits**

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

### **2.5 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.

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### **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.

### **2.6 Inventories**

Inventory comprises property under construction (work-in-progress) and is valued at lower of cost and net realisable value. Cost includes cost of land, development rights, materials, services, overhead related to projects under construction and apportioned borrowing costs.

### **2.7 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. Provisions are determined based on management estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimate.

### **2.8 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 notes to the financial statements.

### **2.9 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.

### **2.10 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.

**Parsvnath Rail Land Project Private Limited**  
**Notes to the financial statements for the year ended 31 March, 2018**

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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.

### **2.11 Current/non-current classification**

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

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period;
- Cash and cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current

A liability is treated as current when :

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

All other liabilities are classified as non-current.

### **2.12 Operating cycle**

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

### **2.13 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.

### **2.14 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 :

- 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.

## **2.15 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 measured at amortised cost at the end of subsequent accounting period.

## **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. This standard will not have any impact on the Company's financial statements.

### **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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**Parsvnath Rail Land Project Private Limited**  
**Notes to the financial statements for the year ended 31 March, 2018**

	<u>As at</u> <u>31-March-18</u> <u>Rs. In lakhs</u>	<u>As at</u> <u>31-March-17</u> <u>Rs. In lakhs</u>
<b>3 . Other financial assets</b>		
<b>Non-Current</b>		
a. Claim with RLDA on deemed cancellation of project (see note 20)	1,29,472.18	1,29,472.18
	<u>1,29,472.18</u>	<u>1,29,472.18</u>
<b>Current</b>		
a. Security deposits to related party	1,100.00	-
b. Advances to related parties	6.69	-
	<u>1,106.69</u>	<u>-</u>
<b>4 . Cash and cash equivalents</b>		
a. Balances with banks in current account	0.72	22.10
b. Cash on hand	0.00	-
	<u>0.72</u>	<u>22.10</u>
<b>5. Tax assets (net)</b>		
a. Tax refund receivable	91.72	66.96
	<u>91.72</u>	<u>66.96</u>
<b>6. Other assets</b>		
<b>Non-Current</b>		
a. Deposits with bank held as margin money	4,175.69	4,284.81
b. Interest accrued on deposits	47.10	7.71
	<u>4,222.79</u>	<u>4,292.52</u>
<b>Current</b>		
a. Advances to related parties	-	277.02
b. Prepaid expenses	20.53	34.54
c. Advances to suppliers	0.30	0.30
	<u>20.83</u>	<u>311.86</u>

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**Parsvnath Rail Land Project Private Limited**  
**Notes to the financial statements for the year ended 31 March, 2018**

**7. Equity Share Capital**

	<u>As at</u> <u>31-March-18</u> Rs. in lakhs	<u>As at</u> <u>31-March-17</u> Rs. in lakhs
<b>Authorised Share Capital</b>		
2,90,50,000 fully paid equity shares of Rs. 10 each (as at 31 March, 2017: 2,90,50,000;)	2,905.00	2,905.00
<b>Issued, subscribed and fully paid share capital</b>		
1,41,011 fully paid equity shares of Rs 10 each (as at 31 March, 2017: 1,41,011)	14.10	14.10
	<b>14.10</b>	<b>14.10</b>

**7.1- Reconciliation of share capital**

	<u>Number of</u> <u>Shares</u>	<u>Share</u> <u>Capital</u> Rs. In lakhs
Balance as at 31 March, 2016	1,41,011	14.10
Movements during the year	-	-
Balance as at 31 March, 2017	1,41,011	14.10
Movements during the year	-	-
Balance as at 31 March, 2018	1,41,011	14.10

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

The Company has issued only one class of equity shares having a par value of ₹ 10 per share. Each shareholder is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

**7.3- Details of share held by the holding company, its subsidiaries and associates**

	<u>As at</u> <u>31-March-18</u> No. of shares	<u>As at</u> <u>31-March-17</u> No. of shares
<b>Holding company</b>		
Parsvnath Developers Limited	1,20,000	1,20,000

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

	<u>As at March 31, 2018</u>		<u>As at March 31, 2017</u>	
	<u>Number of</u> <u>shares held</u>	<u>% holding</u>	<u>Number of</u> <u>shares held</u>	<u>% holding</u>
<b>Fully paid equity shares</b>				
Parsvnath Developers Limited	1,20,000	85%	1,20,000	85%
Tango Investment Holdings Ltd.	21,011	15%	21,011	15%

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**Parsvnath Rail Land Project Private Limited**  
**Notes to the financial statements for the year ended 31 March, 2018**

**8. Convertible preference share capital**

	As at 31-March-18	As at 31-March-17
	Rs.in lakhs	Rs.in lakhs
<b>Authorised share capital</b>		
3,00,000 Class A -Cumulative convertible preference share of Rs. 10 each (as at 31 March, 2017: 300,000 shares)	30.00	30.00
<b>Issued and subscribed capital</b>		
282,974 Class A -Cumulative convertible preference share of Rs. 10 each (as at 31 March, 2017: 282,974 shares)	28.30	28.30
	<b>28.30</b>	<b>28.30</b>

**8.1- Reconciliation of share capital**

	Number of shares	Share Capital Rs. In lakhs
	Balance as at 31 March, 2016	2,82,974
Movements during the year	-	-
Balance as at 31 March, 2017	2,82,974	28.30
Movements during the year	-	-
Balance as at 31 March, 2018	<b>2,82,974</b>	<b>28.30</b>

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

Each CCPS shall compulsorily convert at the Conversion Price of the CCPS at the end of 18 years from the allotment, date into equity shares as per terms of the Amended and Restated Investors and Security Holders Agreement dated 21 August 2013. The holders of Class A CCPS can also seek conversion into Equity shares prior to the end of the term as set out in the agreement.

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

	As at 31-March-18		As at 31-March-17	
	Number of Shares held	% holding of this class of shares	Number of Shares held	% holding of this class of shares
Tango Investment Holdings Ltd	2,82,974	100%	2,82,974	100%

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**Parsvnath Rail Land Project Private Limited**  
**Notes to the financial statements for the year ended 31 March,2018**

	<u>As at</u> <u>31-March-18</u> <u>Rs. In lakhs</u>	<u>As at</u> <u>31-March-17</u> <u>Rs. In lakhs</u>
<b>9. Other equity</b>		
a. Securities premium reserve	4,264.05	4,264.05
b. Retained earnings	<u>(2,463.55)</u>	<u>(1,415.36)</u>
	<u>1,800.50</u>	<u>2,848.69</u>
<b>a. Securities premium reserve</b>		
Balance at the beginning of the year	4,264.05	4,264.05
Movements	-	-
Balance at the end of the year	<u>4,264.05</u>	<u>4,264.05</u>
<b>b. Retained earnings</b>		
Balance at the beginning of the year	(1,415.36)	(409.81)
Profit/(Loss) for the year	<u>(1,048.19)</u>	<u>(1,005.56)</u>
Balance at the end of the year	<u>(2,463.55)</u>	<u>(1,415.36)</u>

**Nature and purpose of reserves:**

- a. Securities premium reserve - The amount received in excess of the face value of the equity shares and convertible preference shares issued by the Company is recognised in securities premium reserve.
- b. Retained earnings - Retained earnings are profits of the Company earned till date.

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**Parsvnath Rail Land Project Private Limited**  
**Notes to the financial statements for the year ended 31 March,2018**

	As at 31-March-18 Rs. In lakhs	As at 31-March-17 Rs. In lakhs
<b>10. Borrowings</b>		
<b>Non current</b>		
<b>Unsecured - at amortised cost</b>		
a. 0.1% Optionally convertible debentures Series X of Rs. 1 lakh each (31 March,2018: 6,550; 31 March 2017: 6,550; optionally convertible debentures of Rs 1 lakh each)	6,550.00	6,550.00
b. 0.1% Optionally convertible debentures Series Y of Rs. 1 lakh each ( 31 March,2018: 16,000; 31 March 2017:16,000; optionally convertible debentures of Rs 1 lakh each)	16,000.00	16,000.00
<p>Series X and Y holders have right but not obligation at any time prior to 12 months from the allotment date to convert in secured rated, redeemable, cumulative, non-convertible debentures of the Company on identical terms and rights as the NCD B series debentures or into equity shares on the expiry of the tenure or in case of EOD both X and Y OCD shall be compulsorily and obligatorily converted into equity shares as set out in the Optionally Convertible debentures Subscription agreements dated August 21, 2013.</p> <p>All Series X and Series Y OCD are compulsorily and obligatorily to be redeemed on expiry of 10 years term or earlier at a premium as set out in the Optionally Convertible Debenture subscription agreement dated August 21, 2013.</p> <p>Interest on Series X and Series Y OCDs is cumulative and is payable within 5 days from the date of conversion / date of redemption as applicable.</p>		
c. 17.50% Optionally convertible debentures Series B of Rs. 1040 each (31 March, 2018: 3,09,634; 31 March 2017:3,09,634; optionally convertible debentures of Rs 1,040 each)	3,220.19	3,220.19
<p>The Series B OCDs are redeemable at par value on or prior to the maximum term of 20 (twenty) years, or shall compulsorily stand converted into one equity share each in order to give effect to the terms of the Amended and Restated Investors and Security Holders Agreement dated 21 August 2013.</p> <p>Interest is compounded annually and payable on 31 March every year subject to availability of surplus operating cash flow or before redemption, anytime out of operating surplus cash flows or on redemption date.</p>		
<b>Secured - at amortised cost</b>		
a. 15% Redeemable non convertible debentures Series A of Rs. 1 lakh each (31 March,2018: 360; 31 March 2017: 360; redeemable non convertible debentures of Rs 1 lakh each)	36,000.00	36,000.00
b. 15% Redeemable non convertible debentures Series B of Rs. 1 lakh each (31 March,2018: 24,439; 31 March 2017:24,439 debentures)	24,439.00	24,439.00
	<b>86,209.19</b>	<b>86,209.19</b>

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**Parsvnath Rail Land Project Private Limited**  
**Notes to the financial statements for the year ended 31 March, 2018**

Both redeemable NCD are secured by first and second charge respectively by way of hypothecation of assets, contracts receivables, all present and future book debts, outstandings, monies receivables, claims and receivables together with all and any interest accruing thereon and exclusive charge respectively in favour of the Debenture Trustee in respect of the leasehold rights of the Company over such site parcels leased by the RLDA to the Company upon payment of the second lease instalment and in respect of the remaining site parcels by execution of the subsequent Indenture of mortgage.

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

Debentures are redeemable after the expiry of a period of 36 months but before the expiry of 120 months from the date of allotment i.e. 20 December, 2012 and 21 August, 2013 respectively.

	<b>As at 31-March-18 Rs. In lakhs</b>	<b>As at 31-March-17 Rs. In lakhs</b>
<b>Borrowings</b>		
<b>Current</b>		
<b>Secured - at amortised Cost</b>		
a. Loans from other parties	7,500.00	5,500.00
	<b>7,500.00</b>	<b>5,500.00</b>
<b>Security details</b>	<b>As at 31-March-18</b>	<b>As at 31-March-17</b>

- a.
- i. Pledge of 51% of shareholding of the company held by the holding company with Non-Disposal Undertaking for balance shareholding by its shareholders
  - ii. First exclusive charge on the current assets & fixed assets (including hypothecation of all the book debts, operating cash flows, receivables, etc.) of the company
  - iii. First pari passu charge/assignment/mortgage of leasehold rights of the RLDA project, project contracts, rights, goodwill and other intangible assets; mortgage of immovable assets; hyp of movable assets including receivables of the company
  - iv. Corporate guarantee of holding company
  - v. Personal guarantee of Sh. Pradeep Kumar Jain
  - vi. Pledge of 16.79 mn shares of holding company on pari passu basis
  - vii. Mortgage & hypothecation of receivables (on pari passu basis) of the following properties
    1. Hotel plot situated in Jodhpur owned by PHL
    2. Rohtak township project
    3. Land situated in Indore owned by holding company
    4. City Centre Bhiwadi owned by holding company
    5. School land at Sonapat

7,500.00

Interest is payable monthly @ 16.00% plus IBR increase. Loan is repayable on 05 October, 2018.

- b. Secured by exclusive mortgage of 5 hectares of group housing land of holding company, hypothecation of holding company's share of cash flows from a residential project, pledge of 51% shareholding in the company held by holding company, Pari passu charge on Assignment of leasehold rights for the RLDA project Hypothecation of entire movable assets, assignment of all book debts, operating cash flows, receivables, commissions, Corporate Guarantee of holding company and personal guarantee of Mr. Pradeep Jain.

5,500.00

Interest is payable monthly @ 16.00% plus IBR increase.

**Parsvnath Rail Land Project Private Limited**  
**Notes to the financial statements for the year ended 31 March, 2018**

	As at 31-March-18 Rs. In lakhs	As at 31-March-17 Rs. In lakhs
<b>11. Trade Payables</b>		
<b>Current</b>		
Trade Payables	91.30	24.73
	<u>91.30</u>	<u>24.73</u>
Note:		
As per the information available with the Company, trade payables do not include any amount due to Micro and Small Enterprises as defined under 'Micro, Small and Medium Enterprises Developments Act, 2006' (MSMED Act, 2006) and no interest has been paid or payable in terms of MSMED Act, 2006.		
<b>12. Other Financial Liabilities</b>		
<b>Current</b>		
a. Interest accrued but not due on debenture	2,124.02	2,124.02
b. Interest accrued but not due on borrowings	81.62	484.50
c. Interest accrued and due on borrowings	174.57	-
d. Security deposit received	0.10	0.10
e. Payables on assignment	36,168.91	36,168.91
f. Bank overdrafts	-	244.30
	<u>38,549.22</u>	<u>39,021.83</u>
<b>13. Other liabilities</b>		
<b>Current</b>		
a. Statutory liabilities	719.65	516.86
	<u>719.65</u>	<u>516.86</u>
<b>14. Provisions</b>		
<b>Current</b>		
Employee benefits	2.67	1.93
	<u>2.67</u>	<u>1.93</u>

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**Parsvnath Rail Land Project Private Limited**  
**Notes to the financial statements for the year ended 31 March, 2018**

	<b>Year ended 31 March, 2018 Rs. In lakhs</b>	<b>Year ended 31 March, 2017 Rs. In lakhs</b>
<b>15. Other income</b>		
a. Interest Income :		
i. on fixed deposit from bank	247.60	303.03
ii. on income tax refund	-	1.70
b. Unclaimed balances written back	-	6.15
	<b>247.60</b>	<b>310.88</b>
<b>16. Employee benefits expense</b>		
a. Salaries and Wages	17.54	27.22
	<b>17.54</b>	<b>27.22</b>
<b>17. Finance costs</b>		
a. Interest expenses:		
i. on term loans	1,005.33	880.00
ii. on delayed payment of statutory dues	107.32	67.91
b. Other borrowing costs	94.71	322.93
	<b>1,207.36</b>	<b>1,270.84</b>
<b>18. Other expenses</b>		
a. Insurance	0.07	0.17
b. Rates and taxes	54.24	1.37
c. Bank charges	0.54	0.48
d. Printing and stationery	0.02	0.02
e. Advertisement and business promotion	0.44	0.74
f. Legal and professional charges	12.14	12.62
g. Payment to auditors	2.45	2.00
h. Miscellaneous expenses	0.99	0.98
	<b>70.89</b>	<b>18.38</b>
<b>Payment to auditors</b>		
i. Statutory audit fee	2.00	2.00
ii. GST on above	0.36	-
iii. Out of pocket expenses	0.09	-
	<b>2.45</b>	<b>2.00</b>

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**Parsvnath Rail Land Project Private Limited**  
**Notes to the financial statements for the year ended 31 March, 2018**

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19. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
20. Parsvnath Developers Limited (PDL), the holding Company was selected as bidder for grant of lease for development of residential, commercial and other related infrastructure facilities on plot of land at Sarai Rohilla, Kishanganj by Rail Land Development Authority (RLDA) vide its 'Letter of Acceptance' (LOA) dated 26 November, 2010. Parsvnath Promoters and Developers Private Limited (PPDPL) was formed as a Special Purpose Vehicle (SPV) for the purposes of development of the project and RLDA accorded approval on 7 February, 2011 adopting PPDPL as SPV.

Subsequently as per the requirement of RLDA and their subsequent approvals vide letter dated 3 August, 2012, PDL incorporated a new SPV Parsvnath Rail Land Project Private Limited (PRLPPL) for development and implementation of the project and accordingly all assets and liabilities were transferred by PPDPL to the company.

Due to multifarious reasons, including the lack of statutory approvals of lay out and building plans from NDMC, due to discrepancies noticed by the NDMC in the title of the Project Land, the Company was not able to achieve 'Financial Closure' as per Article 7 of the agreement, which resulted in deemed termination of the agreement. The PRLPPL has invoked the arbitration clause in the development agreement for recovery of amount paid to RLDA together with interest thereon on deemed termination of agreement by way of instituting two Arbitration proceedings namely Arbitration I & II. The Arbitral Tribunal has announced its award in respect of the Arbitration II dated 25th November, 2017 directing RLDA to refund the amount of Rs.10,34,53.78 lacs along with 4% interest per annum payable with effect from the 15th July, 2015 till the date of recovery.

RLDA preferred an appeal to the Hon'ble Delhi High Court, which upheld the decision of the Arbitral Tribunal vide its order dated 3 April, 2018.

The Arbitration proceeding in respect of Arbitration I is pending adjudication before the Arbitral Tribunal. The proceedings in the arbitration is with respect to RLDA's liability for payment of interest to the Company on installments received in advance pending delay in passing the necessary legislation for the execution of the Development agreement. The amount claimed is Rs. 41,946.79 lacs.

Advance amount paid to RLDA for allotment of project including amount spent on development of the said project as been shown as recoverable from RLDA and accordingly reflected in Note 3 : "other non current financial assets".

Considering the facts and based on discussions with legal counsel, the management is confident of recovering the full amount from RLDA, as reflected in the books of account.

21. The holders of non convertible debentures and the Company by way of board's resolution have decided that interest on these debentures will accrue on the date on which the Company achieves the target sale and if sales target is not achieved by the specified date or such other date as unanimously approved, no interest shall be paid to the debenture holders. Accordingly, the Company has not accrued any liability for interest on these debentures for the year.

The holder of optionally convertible debentures Series B has also accorded its approval for moratorium in the accrual and payment of debenture interest from 1 April, 2017 to 31 March, 2018. The Board of Directors of the Company has also approved the waiver of interest for the said period. Accordingly, the Company has not accrued any liability for interest on these debentures.

**22. Deferred Tax assets**

The Company has carried out its tax computation in accordance with mandatory Ind AS -12. There has been a net deferred tax asset on account of accumulated losses. However as a principle of prudence, and as there is no virtual certainty as on the date of the balance sheet that there will be sufficient taxable income available to realize such assets in near future, the Company has not provided for deferred tax assets.

**23. 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.

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**Parsvnath Rail Land Project Private Limited**  
**Notes to the financial statements for the year ended 31 March, 2018**

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

	<b>As at . 31 March, 2018</b>	<b>As at 31 March, 2017</b>
	<b>Rs. in lakhs</b>	<b>Rs. in lakhs</b>
Liability at the beginning of the year	1.58	1.57
Current service cost	0.63	0.78
Paid during the year	-	0.77
Liability at the end of the year	2.21	1.58
Expensed recognised in the Statement of Profit and Loss	0.63	0.78

**24. Segment reporting**

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

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

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

**25. Earnings per share**

		<b>Year ended 31 March, 2018</b>	<b>Year ended 31 March, 2017</b>
i. Net loss for calculation of basic and diluted earnings per share	Rs. in lakhs	(1,048.19)	(1,005.56)
ii. Weighted average number of equity shares outstanding during the year	Numbers	1,41,011	1,41,011
iii. Basic and diluted earnings per share	Rs.	(743.34)	(713.11)
iv. Nominal value of equity shares	Rs.	10.00	10.00

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**Parsvnath Rail Land Project Private Limited**  
**Notes to the financial statements for the year ended 31 March, 2018**

**26. Related party disclosures**

**i. List of related parties (with whom the Company has transactions during the year)**

**(a) Holding Company**

- Parsvnath Developers Limited (PDL)

**(b) Fellow subsidiaries**

- Parsvnath Promoters and Developers Private Limited (PPDPL)  
- Parsvnath Hotels Ltd (PHL)  
- Parsvnath Landmark Developers P Ltd ( PLDPL)

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

	PDL ₹	PPDPL ₹	PHL ₹	PLDPL ₹
<b>(a) Transactions during the year</b>				
Security deposit paid	1,100.00 (-)	-	-	-
Advances paid	106.11 (-)	0.18 (-)	-	-
Short-term borrowings received	566.13 (1,198.94)	-	-	-
Short term borrowings repaid	566.13 (2,916.80)	-	-	-
Guarantees issued for loan	-	-	-	-
Security deposits received back	-	-	-	-
Advances received back	99.60 (-)	-	275.00 (-)	2.02 (-)
Transfer of balances	-	-	-	-
Financial quarantees	-	-	-	-
	2,000.00 (-)	-	-	-
<b>(b) Balances at year-end</b>				
Optionally convertible debenture - Series B	3,220.19 (3,220.19)	-	-	-
Interest accrued but not due on OCD's	712.90 (712.90)	-	-	-
Short-term Advances	6.51 (-)	0.18 (-)	-	-
Security deposit (assets)	1,100.00 (-)	-	-	-
Payables	-	36,168.91 (36,168.91)	-	-
Guarantees issued for loan	7,500.00 (5,500.00)	-	-	-

**Notes:**

- 1 Related party transactions entered during the year were in ordinary course of business and are on arm's length basis
- 2 Figures in brackets represent figures as at and for the year ended 31 March, 2017.

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

All related party transactions entered during the year were in ordinary course of business and are on arm's length basis. For the year ended 31 March, 2018, the 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.

**27. 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).

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**Parsvnath Rail Land Project Private Limited**  
**Notes to the financial statements for the year ended 31 March, 2018**

**28 Financial Instruments**

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

	Rs. in lakhs						
	As at 31-March-18		As at 31-March-17		FVTPL		
	Total	Amortised Cost	At cost	FVTPL		Total	Amortised Cost
<b>Financial assets</b>							
ii. Cash and cash equivalents	0.72	0.72	-	-	22.10	22.10	-
iii. Other financial assets	1,30,578.87	1,30,578.87	-	-	1,29,472.18	1,29,472.18	-
<b>Total financial assets</b>	<b>1,30,579.59</b>	<b>1,30,579.59</b>	-	-	<b>1,29,494.28</b>	<b>1,29,494.28</b>	-
<b>Financial liabilities</b>							
i. Borrowings	93,709.19	93,709.19	-	-	91,709.19	91,709.19	-
ii. Trade Payables	91.30	91.30	-	-	24.73	24.73	-
iii. Other financial liabilities	38,549.22	38,549.22	-	-	39,021.83	39,021.83	-
<b>Total financial liabilities</b>	<b>1,32,349.71</b>	<b>1,32,349.71</b>	-	-	<b>1,30,755.75</b>	<b>1,30,755.75</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 Rail Land Project Private Limited**  
**Notes to the financial statements for the year ended 31 March, 2018**

**29. 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 claim receivable from RLDA and deposit with related party.

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

**Liquidity Risk**

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

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

	<b>Rs. in lakhs</b>			
	<b>Carrying amount</b>	<b>Payable within 1 year</b>	<b>Payable in 1-3 years</b>	<b>Payable more than 3 years</b>
<b>As at 31 March, 2018</b>				
Borrowings	93,709.19	7,500.00	-	86,209.19
Trade payables	91.30	91.30	-	-
Other financial liabilities	38,549.22	38,549.22	-	-
	<b>1,32,349.71</b>	<b>46,140.52</b>	<b>-</b>	<b>86,209.19</b>

**As at 31 March, 2017**

Borrowings	91,709.19	5,500.00	-	86,209.19
Trade payables	24.73	24.73	-	-
Other financial liabilities	39,021.83	39,021.83	-	-
	<b>1,30,755.75</b>	<b>44,546.56</b>	<b>-</b>	<b>86,209.19</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 balanced portfolio of fixed and variable rate borrowings. The Company does not enter into any interest rate swaps.

**Interest rate sensitivity analysis**

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

	<b>As at 31 March, 2018 Rs. in lakhs</b>	<b>As at 31 March, 2017 Rs. in lakhs</b>
<b>Variable rate borrowings</b>		
Long Term	-	-
Short Term	-	-
	<b>-</b>	<b>-</b>

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**Parsvnath Rail Land Project Private Limited**  
**Notes to the financial statements for the year ended 31 March, 2018**

**Total Variable rate Borrowing**

**Fixed Rate Borrowings**

Long Term	86,209.19	86,209.19
Short Term	7,500.00	5,500.00
<b>Total Fixed rate Borrowing</b>	<b>93,709.19</b>	<b>91,709.19</b>
<b>Total Borrowing</b>	<b>93,709.19</b>	<b>91,709.19</b>

**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 has no trade receivables, hence the credit risk is not material.

**30. Capital Management**

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

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

	<u>As at 31 March, 2018</u> Rs. in lakhs	<u>As at 31 March, 2017</u> Rs. in lakhs
<b>Borrowings:</b>		
- Long term	86,209.19	86,209.19
- Short term	7,500.00	5,500.00
- Current maturities of long term borrowings		
<b>Total borrowings - A</b>	<b>93,709.19</b>	<b>91,709.19</b>
<b>Equity</b>		
- Share capital	14.10	14.10
- Other equity	1,800.50	2,848.69
<b>Total Equity - B</b>	<b>1,814.60</b>	<b>2,862.79</b>
Debt to equity ratio (A/B)	51.64	32.03

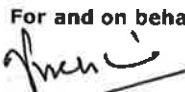
**31. Events after the reporting period**

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

**32. Approval of the financial statements**

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

For and on behalf of the Board of Directors

  
Vivek Garg

Director  
DIN: 01832495

  
Atul Jain

Director  
DIN -00102555

  
Vipul Kumar Goel  
Company Secretary

Place: Delhi  
Date: 28 May, 2018