Parsvnath Landmark Developers Private Limited
Balance Sheet as at 31 March, 2019

	Notes	As at 31-March-19	As at 31-March-18
		Rs. in lakhs	Rs. in lakhs
Assets			
1. Non-current assets			
a. Property, plant and equipment	5	12.42	18.91
b. Financial assets:			
i. Other financial assets	6	3,959.50	3,959.50
c. Deferred tax assets (net)	19	7,980.30	1,558.44
d. Other non-current assets	11	5.57	5.24
Total non-current assets		**11,957.79**	**5,542.09**
2. Current assets			
a. Inventories	7	59,653.89	17,279.49
b. Financial assets:			
i. Trade receivables	8	804.67	3,048.21
ii. Cash and cash equivalents	9	45.72	38.55
iii. Other financial assets	6	4.42	4.42
c. Current tax assets (net)	10	59.45	54.45
d. Other current assets	11	1,219.54	10,703.98
Total current assets		**61,787.69**	**31,129.10**
Total assets		**73,745.48**	**36,671.19**
Equity and Liabilities			
1. Equity			
a. Equity share capital	12	328.21	328.21
b. Other equity	13	(9,270.55)	9,008.77
Total Equity		**(8,942.34)**	**9,336.98**
2. Liabilities			
Non-current liabilities			
a. Financial liabilities:			
i. Borrowings	14	21,879.53	20,999.43
Total non-current liabilities		**21,879.53**	**20,999.43**
Current liabilities			
a. Financial liabilities:			
i. Trade Payables	15		
- Total outstanding dues of micro enterprises and small enterprises		4.23	4.23
- Total outstanding dues of creditors other than micro enterprises and small enterprises		1,229.17	1,187.44
ii. Other financial liabilities	16	7,690.32	4,838.91
b. Other current liabilities	17	51,884.20	303.84
c. Provisions	18	0.36	0.36
Total current liabilities		**60,808.28**	**6,334.78**
Total liabilities		**82,687.81**	**27,334.21**
Total equity and liabilities		**73,745.48**	**36,671.19**
See accompanying notes to the financial statements	**1-43**		

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

Vinesh Jain
Partner
Membership No. 087701

Place: Delhi
Dated: May 29, 2019

S. N. Dhawan & Co. LLP
Gurgaon
Chartered Accountants

For and on behalf of the Board of Directors

Atul Jain
Director
DIN: 00102555

Yogesh Jain
Director
DIN: 00088662

Parsvnath Landmark Developers Private Limited
Statement of Profit and Loss for the year ended 31 March, 2019

	PARTICULARS	Notes	Year ended 31 March, 2019	Year ended 31 March, 2018
			Rs. in lakhs	Rs. in lakhs
I	Revenue from operations	20	14.70	366.08
II	Other income	21	108.17	173.24
III	**Total income (I + II)**		**122.87**	**539.32**
IV	**Expenses**			
	a. Cost of materials consumed		124.02	145.53
	b. Contract cost, labour and other charges		124.87	272.24
	c. Purchases of stock-in-trade		(239.53)	(841.02)
	d. Changes in inventories of work-in-progress, stock-in-trade and finished goods	22	(36.04)	2,301.84
	e. Employee benefits expense	23	5.75	10.37
	f. Finance costs	24	2,124.34	2,111.70
	g. Depreciation and amortisation expense	25	6.49	6.49
	h. Other expenses	26	329.63	359.27
	Total expenses (IV)		**2,439.53**	**4,366.42**
V	**Profit/(loss) before tax (III-IV)**		**(2316.66)**	**(3827.10)**
VI	Tax expense/(benefit):			
	a. Current tax	27	-	-
	b. Tax adjustment for earlier years		-	16.18
	c. Deferred tax charge/(credit)	19	(601.78)	(896.84)
			(601.78)	(880.66)
VII	**Profit/(loss) for the year (V - VI)**		**(1,714.88)**	**(2,946.44)**
VIII	**Other comprehensive income**		-	-
IX	**Total comprehensive income for the year (VII + VIII)**		**(1,714.88)**	**(2,946.44)**
X.	Earnings per equity share (face value Rs. 10 per share)	35		
	a. Basic (in Rs.)		(52.25)	(89.77)
	b. Diluted (in Rs.)		(52.25)	(89.77)

See accompanying notes to the financial statements **1-43**

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

Vinesh Jain
Partner
Membership No. 087701

S. N. Dhawan & Co. LLP * Gurgaon * Chartered Accountants

Place: Delhi
Dated: May 29, 2019

For and on behalf of the Board of Directors

Atul Jain
Director
DIN: 00102555

Yogesh Jain
Director
DIN: 00088662

Parsvnath Landmark Developers Private Limited
Statement of changes in equity for the year ended 31 March, 2019

A. Equity Share Capital

Particulars	Rs. in lakhs
Balance as at 31 March, 2017	328.21
Changes in equity share capital during the year	-
Balance as at 31 March, 2018	328.21
Changes in equity share capital during the year	-
Balance as at 31 March, 2019	**328.21**

B Other Equity

Rs. in lakhs

	Reserves and surplus				
Particulars	**Securities premium**	**General Reserve**	**Debenture redemption reserve**	**Retained earnings**	**Total**
Balance as at 1 April, 2017	3,849.52	1,350.00	5,000.00	1,755.69	11,955.21
Profit/(Loss) for the year	-	-	-	(2,946.44)	(2,946.44)
Other comprehensive income for the year	-	-	-	-	-
Balance as at 31 March, 2018	**3,849.52**	**1,350.00**	**5,000.00**	**(1190.76)**	**9,008.77**
Profit/(Loss) for the year	-	-	-	(1714.88)	(1,714.88)
Other comprehensive income for the year	-	-	-	-	-
Ind AS 115 adjustment (see note 41)				(16564.43)	(16564.43)
Balance as at 31 March, 2019	**3,849.52**	**1,350.00**	**5,000.00**	**(19470.07)**	**(9270.55)**

Note:
The Company has issued redeemable debentures amounting to Rs. 20,000 lakhs during the financial year 2016-17. In accordance with 'The Companies (Share Capital and debenture) Rules, 2014', the Company has created "Debenture Redemption Reserves" equivalent to 25% of the value of debentures issued. Due to negative retained earnings, no further "Debenture Redemption Reserves" has been created.

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
Dated: May 29, 2019

S. N. Dhawan & Co. LLP * Gurgaon * Chartered Accountants

For and on behalf of the Board of Directors

Atul Jain
Director
DIN: 00102555

Yogesh Jain
Director
DIN: 00088662

Parsvnath Landmark Developers Private Limited
Statement of Cash Flows for the year ended 31 March, 2019

Particulars	Year ended 31 March, 2019 Rs. in lakhs	Year ended 31 March, 2018 Rs. in lakhs
A. Cash flows from operating activities		
Profit/(loss) before tax	(2,316.66)	(3,827.10)
Adjustments for :		
Finance costs	4,080.10	4,021.45
Depreciation and amortisation expense	6.49	6.49
	1,769.93	**200.84**
Adjustments for:		
(Increase)/decrease in inventories	(1,995.40)	370.51
(Increase)/decrease in trade receivables	491.98	(289.55)
(Increase)/decrease in other non-current financial assets	-	(959.50)
(Increase)/decrease in other non-current assets	(0.33)	(5.24)
(Increase)/decrease in other current assets	(3.48)	860.58
Increase/(decrease) in trade payables	41.73	63.64
Increase/(decrease) in other financial liabilities	(18.59)	215.79
Increase/(decrease) in other liabilities	56.34	103.67
Increase/(decrease) in provisions	(0.00)	(0.22)
Cash generated from operations	**342.17**	**560.51**
Income taxes paid (net)	5.00	5.21
Net cash flow from/(used in) operating activities	**337.17**	**555.30**
B. Cash flows from investing activities		
Purchase of property, plant and equipment	-	(7.15)
Net Cash flow from/(used in) investing activities	-	**(7.15)**
C. Cash flows from financing activities		
Proceeds from borrowings	880.10	821.45
Interest paid	(1,210.10)	(1,337.45)
Net Cash flow from/(used in) financing activities	**(330.00)**	**(516.00)**
Net increase in Cash and cash equivalents (A+B+C)	**7.17**	**32.15**
Cash and cash equivalents at the beginning of the year	38.55	6.40
Cash and cash equivalents at the end of the year	**45.72**	**38.55**

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

2) Figures in brackets indicate cash outflows.

See accompanying notes to the financial statements **1-43**

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
Dated: May 29, 2019

S. N. Dhawan & Co. LLP Gurgaon Chartered Accountants

For and on behalf of the Board of Directors

Atul Jain
Director
DIN:00102555

Yogesh Jain
Director
DIN:00088662

1. CORPORATE INFORMATION

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

2. Significant accounting policies

2.1 Basis of preparation

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

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

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

2.2 Basis of measurement and presentation

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

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

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

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

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

The principal accounting policies are set out below.

2.3 Revenue recognition

Revenue is recognised to the extent that it is probable that the Company will collect the consideration to which it will be entitled in exchange of goods or services that will be transferred to the customers taking into account contractually defined terms of payments. Revenue excludes taxes and duties collected on behalf of the Government and is net of customer returns, rebates, discounts and other similar allowances.

i. Revenue from real estate projects – The Company derives revenue, primarily from sale of properties comprising of both commercial and residential units. Revenue from sale of constructed properties is recognised at a 'Point of Time', when the Company satisfies the performance obligations, which generally coincides with completion/possession of the unit. To estimate the

S.N. DHAWAN & CO GURGAON CHARTERED ACCOUNTANTS transaction price in a contract, the Company adjusts the contracted amount of consideration to the time value of money if the contract includes a significant financing component.

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

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

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

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

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

2.4 Borrowing costs

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

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

2.5 Employee benefits

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

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

2.6 Taxation

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

Current tax

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

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding amounts used in the computation of taxable income. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, the carry forward of unused tax

S.N. DHAWAN & CO. GURGAON CHARTERED ACCOUNTANTS losses and unused tax credits. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

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

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

Current and deferred tax for the year

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

2.7 Property, plant and equipment

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

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

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

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

2.8 Depreciation on property, plant and equipment and investment property

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

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

2.9 Impairment of tangible assets

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

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

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

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

2.10 Inventories

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

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

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

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

2.11 Provisions

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

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

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

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

2.12 Contingent liabilities

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

2.13 Cash and cash equivalents

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

2.14 Cost of revenue

Cost of constructed properties includes cost of land/development rights, construction and development costs, borrowing costs and direct overheads, which is charged to the statement of profit and loss based on the corresponding revenue recognized from sale of unit on proportionate basis.

2.15 Earnings per share

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

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

2.16 Current/non-current classification

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

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

All other assets are classified as non-current

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

All other liabilities are classified as non-current.

2.17 Operating cycle

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

2.18 Financial instruments

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

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

2.19 Financial assets

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

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

Classification of financial assets

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

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

All other financial assets are subsequently measured at fair value.

Effective interest method

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

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

Impairment of financial assets

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

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

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

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

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

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

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

Derecognition of financial assets

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

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

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

2.20 Financial liabilities and equity instruments

Classification as debt or equity

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

S.N. DHAWAN & CO. LLP
GURGAON
CHARTERED ACCOUNTANTS

Equity instruments

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

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

Financial liabilities

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

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

Financial liabilities at FVTPL

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

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

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

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

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

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

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

Financial liabilities subsequently measured at amortised cost

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

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

Derecognition of financial liabilities

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

GURGAON
CHARTERED ACCOUNTANTS

3. Significant accounting judgements, estimates and assumptions

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

3.1 Revenue recognition

Recognition of revenue at a point in time based on satisfaction of performance obligation requires estimates and judgements regarding timing of satisfaction of performance obligation, allocation of cost incurred to segment/units and the estimated cost for completion of some final pending works

3.2 Net realisable value of inventory

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

3.3 Deferred tax assets

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

3.4 Others

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

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

4. Recent accounting pronouncements

a. Accounting Standard issued but not yet effective:

Ind AS 116 – Leases

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 116 Leases. Ind AS 116 will replace the existing leases Standard, Ind AS 17 Leases, and related Interpretations. The Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases for both parties to a contract i.e., the lessee and the lessor.

Ind AS 116 introduces a single lessee accounting model and requires a lessee to recognise assets and liabilities for all leases with a term of more than twelve months, unless the underlying asset is of low value. Currently, operating lease expenses are charged to the statement of Profit and Loss. The Standard also contains enhanced disclosure requirements for lessees. There is no significant change in accounting requirement for lessor. This accounting standard is applicable for accounting period commencing on or after 1 April 2019, the Company is evaluating the impact of this new accounting standard on the financial statements.

b. Amendments to existing accounting standards:

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

i. Ind AS 12 Appendix C - Uncertainty over Income Tax Treatments

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The Company is currently evaluating the effect of this amendment on the financial statements.

ii. Amendment to Ind AS 12 – Income taxes

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes.

The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events.

These amendments will be effective for accounting period beginning on or after April 1, 2019. These amendments are not expected to have any significant impact on the Company's financial statements.

5. Property, plant and equipment

	As at 31-March-19	As at 31-March-18
	Rs. in lakhs	Rs. in lakhs
Net Carrying amounts of :		
a. Plant and equipment	11.97	18.05
b. Furniture and fixture	-0.00	-0.00
c. Vehicles	0.45	0.86
Total	**12.42**	**18.91**

	Plant and equipment	Furniture and fixture	Vehicles	Total
	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs	Rs. in lakhs
Cost or deemed cost				
Balance as at 31 March, 2017	25.91	0.26	2.38	28.55
Additions	7.15	-	-	**7.15**
Disposals	-	-	-	-
Balance as at 31 March, 2018	**33.06**	**0.26**	**2.38**	**35.70**
Additions	-	-	-	-
Disposals	-	-	-	-
Balance as at 31 March, 2019	**33.06**	**0.26**	**2.38**	**35.70**
Accumulated depreciation				
Balance as at 31 March, 2017	8.99	0.19	1.12	10.30
Depreciation expense	6.01	0.07	0.41	6.49
Balance as at 31 March, 2018	**15.00**	**0.26**	**1.52**	**16.79**
Depreciation expense	6.08	-	0.41	6.49
Balance as at 31 March, 2019	**21.08**	**0.26**	**1.93**	**23.28**
Net Carrying amount				
Balance as at 31 March, 2017	**16.92**	**0.07**	**1.26**	**18.25**
Balance as at 31 March, 2018	**18.05**	**-0.00**	**0.86**	**18.91**
Balance as at 31 March, 2019	**11.97**	**-0.00**	**0.45**	**12.42**

S.N. Dhawan & Co. LLP * Gurgaon * Chartered Accountants

	As at 31-March-19 Rs. in lakhs	As at 31-March-18 Rs. in lakhs
6. Other financial assets		
Non-Current		
a. Security deposits to related party	3,959.50	3,959.50
	3,959.50	**3,959.50**
Current		
a. Security deposits	4.42	4.42
	4.42	**4.42**
7. Inventories (lower of cost and net realisable value)		
a. Work-in-progress	54,948.94	12,335.01
b. Finished goods - plots of land	4,704.95	4,944.48
	59,653.89	**17,279.49**

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

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

Less than 12 months	-	1,000.00
More than 12 months	59,653.89	16,279.49
	59,653.89	**17,279.49**

8. Trade receivable		
Current		
a. Unsecured, considered good	804.67	3,048.21
	804.67	**3,048.21**

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

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

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

9. Cash and cash equivalents		
a. Balances with banks	41.60	35.64
b. Cash on hand	4.12	2.91
	45.72	**38.55**
10. Current tax assets (net)		
a. Tax refund receivable	59.45	54.45
	59.45	**54.45**
11. Other assets		
Non-Current		
a. Fixed deposits under lien	4.95	4.95
b. Interest accrued on deposits	0.62	0.29
	5.57	**5.24**
Current		
a. Prepaid expenses	0.02	1.73
b. Balances with government authorities		
i. GST receivable	10.12	14.36
c. Mobilisation advance to contractors	101.14	101.14
d. Advances to suppliers	1,108.26	1,098.83
e. Unbilled receivables	-	9,487.92
	1,219.54	**10,703.98**

S.N. & Co. LLP Gurgaon Chartered Accountants

12. Equity Share Capital

	As at 31-March-19	As at 31-March-18
	Rs. in lakhs	Rs. in lakhs
Authorised Share Capital		
CLASS A - 27,20,101 fully paid equity shares of Rs. 10 each (as at 31 March, 2018: 27,20,101)	272.01	272.01
CLASS B - 7,40,000 fully paid equity shares of Rs. 10 each (as at 31 March, 2018: 7,40,000)	74.00	74.00
	346.01	**346.01**
Issued, subscribed and fully-paid share capital		
CLASS A - 27,20,101 fully paid equity shares of Rs. 10 each (as at 31 March, 2018: 27,20,101)	272.01	272.01
CLASS B - 5,61,951 fully paid equity shares of Rs. 10 each (as at 31 March, 2018: 5,61,951)	56.20	56.20
	328.21	**328.21**

12.1 - Reconciliation of share capital

	Number of Shares	Share Capital Rs. in Lakhs
Balance as at March 31, 2017	32,82,052	328.21
Movements during the year	-	-
Balance as at March 31, 2018	***32,82,052***	***328.21***
Movements during the year		
Balance as at March 31, 2019	**32,82,052**	**328.21**

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

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

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

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

	As at 31-March-19	As at 31-March-18
	No. of shares	No. of shares
Parsvnath Developers Limited, the Holding Company		
a. Class A Equity shares	27,20,101	27,20,101
b. Class B Equity Shares	5,61,951	5,61,951
	32,82,052	**32,82,052**
Subsidiaries of the holding Company	-	-
Associates of the holding company	-	-

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

	As at March 31, 2019		As at March 31, 2018	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
Fully paid equity shares				
Class A				
Parsvnath Developers Limited	27,20,101	100.00%	27,20,101	100.00%
Class B				
Parsvnath Developers Limited	5,61,951	100.00%	5,61,951	100.00%

S. N. Dhawan & Co. LLP
Gurgaon
Chartered Accountants

	As at 31-March-19 Rs. in lakhs	As at 31-March-18 Rs. in lakhs
13. Other equity		
a. General reserve	1,350.00	1,350.00
b. Securities premium reserve	3,849.52	3,849.52
c. Debenture redemption reserve	5,000.00	5,000.00
d. Retained earnings	(19,470.06)	(1,190.75)
	(9,270.55)	**9,008.77**
a. General reserve		
Balance at the beginning of the year	1,350.00	1,350.00
Movement during the year	-	-
Balance at the end of the year	1,350.00	1,350.00
b. Securities premium		
Balance at the beginning of the year	3,849.52	3,849.52
Movement during the year	-	-
Balance at the end of the year	3,849.52	3,849.52
c. Debenture redemption reserve		
Balance at the beginning of the year	5,000.00	5,000.00
Transferred from retained earnings	-	-
Balance at the end of the year	5,000.00	5,000.00
d. Retained earnings		
Balance at the beginning of the year	(1,190.75)	1,755.69
Adjustment due to application of Ind AS 115 (Refer Note 41)	(16,564.43)	
Profit/(loss) for the year	(1,714.88)	(2,946.44)
Balance at the end of the year	(19,470.06)	(1,190.75)

Nature and purpose of reserves:

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

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

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

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

S. N. Dhawan & Co. LLP
Gurgaon
Chartered Accountants

	As at 31-March-19 Rs. in lakhs	As at 31-March-18 Rs. in lakhs
14. Borrowings		
Non current		
Secured - at amortised cost		
a. 16% Non-convertible Debentures 2,000 (31 March, 2018: 2,000) Non-Convertible debentures of Rs. 10.00 lakhs each	21,879.53	20,999.43
	21,879.53	**20,999.43**

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

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

There is a moratorium period of 12 months from the date of issue on the payment of interest.

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

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

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

S. N. Dhawan & Co. LLP * Gurgaon * Chartered Accountants

Parsvnath Landmark Developers Private Limited
Notes to the financial statements for the year ended 31 March,2019

	As at 31-March-19 Rs. in lakhs	As at 31-March-18 Rs. in lakhs
15. Trade payables		
Current		
a. Trade Payables		
i. Total outstanding due to Micro and Small Enterprises	4.23	4.23
ii. Total outstanding due to other than Micro, Small and Medium Enterprises	1,229.17	1,187.44
	1,233.40	**1,191.67**

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

	As at 31-March-19 Rs. in lakhs	As at 31-March-18 Rs. in lakhs
16. Other financial liabilities		
Current		
a. Interest accrued:		
i. Interest accrued but not due on borrowings	7,044.41	4,174.41
b. Others:		
i. Refund due to customers	475.13	492.08
ii. Security deposits received	170.78	168.51
iii. Book overdrafts	-	3.91
	7,690.32	**4,838.91**
17. Other liabilities		
Current		
a. Advances from customers	51,675.62	151.60
b. Statutory dues (Withholding tax etc.)	208.58	152.24
	51,884.20	**303.84**
18. Provisions		
Current		
a. Employee benefits	0.36	0.36
	0.36	**0.36**

S. N. Dhawan & Co. LLP
Gurgaon
Chartered Accountants

	As at 31-March-19 Rs. In lakhs	As at 31-March-18 Rs. In lakhs
19. Deferred tax assets (net)		
Deferred tax assets	7,980.30	1,558.44
Deferred tax liabilities	-	-
Net	**7,980.30**	**1,558.44**

	Opening Balance	Recognised in Profit or loss	Recognised in retained earnings (see note 41)	Closing balance
Year ended 31 March, 2019				
Deferred tax (liabilities)/assets in relation to				
Property, Plant and Equipment	0.22	0.07	-	0.29
Defined benefit obligation	6.51	0.10	-	6.61
	6.73	0.17	-	6.90
Tax losses	1,551.71	601.61	-	2,153.32
Others - Revenue recognition deferred in books	-	-	5,820.08	5,820.08
	1,558.44	**601.78**	**5,820.08**	**7,980.30**
Year ended 31 March, 2018				
Deferred tax (liabilities)/assets in relation to				
Property, Plant and Equipment	0.36	(0.14)		0.22
Defined benefit obligation	7.93	(1.42)	-	6.51
	8.29	(1.56)	-	6.73
Tax losses	653.31	898.40		1,551.71
	661.60	**896.84**	-	**1,558.44**

Notes:

1. The Company has tax losses of Rs. 8,235.35 lakhs (31 March, 2018 - Rs. 5,921.50 lakhs) that are available for offsetting for eight years against future taxable income of the Company. The losses will expire as under:

	Rs. in lakhs
Year ending 31 March, 2022	129.35
Year ending 31 March, 2023	1,276.52
Year ending 31 March, 2024	28.85
Year ending 31 March, 2025	679.54
Year ending 31 March, 2026	3,807.23
Year ending 31 March, 2027	2,313.85

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

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

S. N. Dhawan & Co. LLP Gurgaon Chartered Accountants

		Year ended 31 March, 2019	Year ended 31 March, 2018
		Rs. in lakhs	Rs. in lakhs
20.	**Revenue from Operations**		
	a. Revenue from operations	-	361.69
	b. Other operating revenue:		
	i. Scrap Sales	7.66	4.31
	ii. Miscellaneous income	7.04	0.08
	Total	**14.70**	**366.08**

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

		31 March, 2019	31 March, 2018
21.	**Other income**		
	a. Interest income:		
	i. From customers	22.17	23.70
	ii. On fixed deposits with bank	0.37	0.33
	b. Excess provisions written back	4.32	25.85
	c. Recovery from customers	81.31	123.36
	Total	**108.17**	**173.24**
22.	**Changes in inventories of work-in-progress, stock-in-trade and finished goods**		
	a. Inventories at the beginning of the year		
	i. Work-in-progress	12,335.01	11,864.49
	ii. Finished goods	4,944.48	5,785.50
		17,279.49	**17,649.99**
	Add:Adjustment due to application of Ind AS 115 (Refer Note 41)	40,379.00	
	Adjusted opening inventory	**57,658.49**	**17,649.99**
	b. Add: Finance cost allocated to inventory of work-in-progress	1,959.36	1,931.34
	c. Inventories at the closing of the year		
	i. Work-in-progress	54,948.94	12,335.01
	ii. Finished goods	4,704.95	4,944.48
		59,653.89	**17,279.49**
	Net (incresse)/decrease	**(36.04)**	**2,301.84**
23.	**Employee benefits expense**		
	a. Salaries and Wages	5.75	10.37
		5.75	**10.37**
24.	**Finance costs**		
	a. Interest expenses:		
	i. On borrowings	4,080.10	4,021.45
	ii. On delayed payment of statutory dues	2.75	20.82
		4,082.85	4,042.27
	Less: Finance cost allocated to inventory of work-in-progress	1,959.36	1,931.34
	b. Other borrowing cost	0.85	0.77
		2,124.34	**2,111.70**
25.	**Depreciation and amortisation expense**		
	a. Depreciation on property, plant and equipment	6.49	6.49
		6.49	**6.49**
26.	**Other expenses**		
	a. Power and fuel	53.29	44.86
	b. Travelling and conveyance	0.59	0.51
	c. Repair and maintenance	1.43	2.52
	d. Insurance	1.77	8.88
	e. Rates and Taxes	32.20	75.47
	f. Postage and telegram	0.05	0.50
	g. Printing and stationery	0.66	0.54
	h. Compensation to customers	133.66	82.21
	i. Advertisement and publicity	0.52	1.75
	j. Payment to auditors (see note below)	7.00	7.00
	k. Legal and professional charges	62.81	64.02
	l. Project consultancy fee	0.11	0.26
	m. Miscellaneous expenses	35.55	70.75
		329.63	**359.27**
	Payment to auditors (exclusive of GST)		
	i. Statutory audit fee	7.00	7.00
	ii. Out of pocket expenses	-	-
		7.00	**7.00**

Dhawan & Co. Gurgaon Chartered Accountants

ALL!

	Year ended 31 March, 2019	Year ended 31 March, 2018
	Rs. in lakhs	**Rs. in lakhs**
27. Income taxes		
A. Income tax recognised in profit and loss		
Current tax		
In respect of the current year	-	-
Tax adjustment of previous year	-	16.18
	-	**16.18**
Deferred tax		
In respect of the current year	(601.78)	(896.84)
	(601.78)	**(896.84)**
Total income tax expense recognised in the Profit and loss	**(601.78)**	**(880.66)**
B. Reconciliation of income tax expense with accounting profit		
i. Profit/(loss) before tax	(2,316.66)	(3,827.10)
i. Income tax expense calculated at 26%	(602.33)	(995.05)
ii. Effect of expenses that are not deductible in determining taxable income	-	-
iii. Adjustments recognised in the current year in relation to the current tax of previous years	-	16.18
iv. Adjustments recognised in the current year in relation to the deferred tax of previous years	0.55	98.21
Total income tax expense recognised in the Statement of Profit and Loss (i to iv)	**(601.78)**	**(880.66)**

The tax rate used for the years 2018-2019 and 2017-2018 is corporate tax of 25% plus Cess of 4% on corporate tax rate, payable by corporate entities in India on taxable profits under the Indian tax law

S. N. Dhawan & Co. LLP
Gurgaon
Chartered Accountants

	As at 31 March, 2019	As at 31 March, 2018
	Rs. in lakhs	Rs. in lakhs
28. Contingent liabilities		
Claims against the Company not acknowledged as debts		
- Customers complaints pending in consumer court	9,597.72	13,757.37
	9,597.72	13,757.37

Note:

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

29 Commitments

The Company does not have any significant financial commitments.

30. The National Consumer Disputes Redressal Commission (NCDRC) vide its interim order passed on 19 July 2015 in connection with a complaint filed by Resident Welfare Association (RWA) for delay in handing over of possession of La-Tropicana project, has given interim relief to complainants by way of compensation as agreed in the flat buyer agreement. The company has paid the compensation in accordance with the interim order and the amount paid has been charged to the statement of profit and loss during the financial year 2017-18. Actual liability may vary on receipt of final order.

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

32. Details of borrowing cost capitalised during the year

	As at 31 March, 2019	Year ended 31 March, 2018
	Rs. in lakhs	Rs. in lakhs
Inventory	1,959.36	1,931.34

33. Employee benefit plan

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

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

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

	As at 31 March, 2019	As at 31 March, 2018
	Rs. in lakhs	Rs. in lakhs
Liability at the beginning of the year	0.30	0.31
Current service cost	-	(0.01)
Paid during the year	-	-
Liability at the end of the year	0.30	0.30
Expensed recognised in the Statement of Profit and Loss	-	(0.01)

34. Segment reporting

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

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 2018-19 and 2017-18.

S. N. Dhawan & Co. LLP * Gurgaon * Chartered Accountants

35. Earnings per share

			As at 31 March, 2019	As at 31 March, 2018
i.	Net loss for calculation of basic and diluted earnings per share	Rs. In lakhs	(1,714.88)	(2,946.44)
ii.	Weighted average number of equity shares outstanding during the year	Numbers	32,82,052	32,82,052
iii.	Basic and diluted earnings per share	Rs.	(52.25)	(89.77)
iv.	Nominal value of equity shares	Rs.	10	10

36. Corporate social responsibility

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

S. N. Dhawan & Co. LLP * Gurgaon * Chartered Accountants

37. Related party disclosures

a. List of related parties

i. Holding Company
- Parsvnath Developers limited (PDL)

ii. Fellow Subsidiary Company
The Company has no transaction with follow subsidiaries during the cutrrent and previous year

b. Balances outstanding/transactions with related parties

	Holding Company PDL Rs. in lakhs
i. Transactions during the year	
Short-term loan repaid	674.71 (127.46)
Advance received	674.71 (120.35)
Purchase return (including service tax)	239.53 (841.02)
Security Deposit given	- (959.50)
Purchase of goods	9.75 (8.06)
Sale of goods	4.16 (-)
ii. Balances at year-end	
Creditors	- (8.06)
Trade Receivables	781.32 (613.35)
Security Deposit	3,959.50 (3,959.50)
Financial Guarantees	20,000.00 (20,000.00)

Notes:

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

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

Terms and conditions of transactions with related parties
All related party transactions entered during the year were in ordinary course of business and are on arm's length basis. Loans given to wholly owned subsidiaries are unsecured and interest free. For the year ended 31 March, 2019, the Company has not recorded any impairment of receivables from related parties (31 March, 2018 - 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.

S. N. Dhawan & Co. LLP
Gurgaon
Chartered Accountants

38 Financial Instruments

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

Rs. in lakhs

		As at 31-March-19				As at 31-March-18			
		Total	**Amortised Cost**	**At cost**	**FVTPL**	**Total**	**Amortised Cost**	**At cost**	**FVTPL**
	Financial assets								
i.	Trade receivables	804.67	804.67	-	-	3,048.21	3,048.21	-	-
ii.	Cash and cash equivalents	45.72	45.72	-	-	38.55	38.55	-	-
iii.	Other financial assets	3,963.92	3,963.92	-	-	3,963.92	3,963.92	-	-
	Total financial assets	**4,814.31**	**4,814.31**	-	-	**7,050.68**	**7,050.68**	-	-
	Financial liabilities								
i.	Borrowings	21,879.53	21,879.53	-	-	20,999.43	20,999.43	-	-
ii.	Trade Payables	-	-	-		-	-	-	
iii.	Other financial liabilities	7,690.32	7,690.32	-		4,838.91	4,838.91	-	
	Total financial liabilities	**29,569.85**	**29,569.85**	-	-	**25,838.34**	**25,838.34**	-	-

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.

S. N. Dhawan & Co. LLP
Gurgaon
Chartered Accountants

39 Financial Risk Management

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

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

Liquidity Risk

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

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

Rs. in lakhs

	Carrying amount	Payable within 1 year	Payable in 1-3 years	Payable more than 3 years
As at 31 March, 2019				
Borrowings	21,879.53	-	21,879.53	-
Trade payables	-	-	-	-
Other financial liabilities	7,690.32	7,690.32	-	-
	29,569.86	**7,690.33**	**21,879.53**	**-**
As at 31 March, 2018				
Borrowings	20,999.43	-	20,999.43	-
Trade payables	-	-	-	-
Other financial liabilities	4,838.91	4,670.40	168.51	-
	25,838.35	**4,670.41**	**21,167.94**	**-**

Market risk

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

A. Interest rate risk

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

S. N. Dhawan & Co. LLP
Gurgaon
Chartered Accountants

Interest rate sensitivity analysis

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

	As at 31 March, 2019 Rs. in lakhs	As at 31 March, 2018 Rs. in lakhs
Variable rate borrowings		
Long Term	-	-
Short Term	-	-
Total Variable rate Borrowing	-	-
Fixed Rate Borrowings		
Long Term	21,879.53	20,999.43
Short Term	-	-
Total Fixed rate Borrowing	21,879.53	20,999.43
Total Borrowing	21,879.53	20,999.43

Sensitivity

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

	Year ended 31 March, 2019 Rs. in lakhs	Year ended 31 March, 2018 Rs. in lakhs
Increase in interest rate by 1 %	-218.80	-209.99
Decrease in interest rate by 1 %	218.80	209.99

B. Price risk

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

Credit Risk

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

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

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

	As at 31 March, 2019 Rs. in lakhs	As at 31 March, 2018 Rs. in lakhs
Outstanding for more than 6 months	804.67	2,431.43
Outstanding for 6 months or less		616.78
	804.67	**3,048.21**

40 Capital Management

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

S. N. Dhawan & Co. LLP
Gurgaon
Chartered Accountants

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

	As at 31 March, 2019 Rs. in lakhs	As at 31 March, 2018 Rs. in lakhs
Borrowings:		
- Long term	21,879.53	20,999.43
- Short term	-	-
- Current maturities of long term borrowings	-	-
Total borrowings - A	**21,879.53**	**20,999.43**
Equity		
- Share capital	328.21	328.21
- Other equity	(9,270.55)	9,008.77
Total Equity - B	**(8,942.35)**	**9,336.97**
Debt to equity ratio (A/B)	-2.45	2.25

41 First time adoption of Ind AS 115, Revenue from Contract with customers

Ind AS 115, Revenue from Contract with customers is effective from accounting period beginning on or after April 1, 2018, accordingly the Company has applied Ind AS 115 as on the transition date of April 1, 2018. The Company has applied modified retrospective approach to its real estate projects that were not completed as at April 1, 2018, accordingly profit recognised on such projects uptill March 1, 2018 amounting to Rs. 16,564.43 lakhs (Net of Deferred Tax Assets of Rs. 5,820.08 lacs), as per the existing revenue recognition standards has been de-recognised and debited to retained earnings as at April 1, 2018. 'Cost of goods sold' amounting to Rs. 40,379.00 lacs has been addded to opening inventory with correspoding adjustment of revenue recognised in earlier year to trade receivables/advances from customers.The comparatives have not been restated and hence the current period figures are not comparable to the previous period figures. Due to application of Ind AS 115, for the year ended 31 March, 2019, revenue from operations is lower by Rs. 688.64 lacs and loss before tax is lower by Rs. 1089.60 lacs, than it would have been if replaced standard was applicable

42. Events after the reporting period

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

43. Approval of the financial statements

The financial statements were approved for issue by Board of Directors on 29th May, 2019.

For and on behalf of the Board of Directors

S.N. DHAWAN & CO. LLP * GURGAON * CHARTERED ACCOUNTANTS

Atul Jain	**Yogesh Jain**
Director	Director
DIN: 00102555	DIN:00088662

Place: Delhi
Date: 29 May, 2019