

Parsvnath Buildwell Private Limited
Balance Sheet as at 31 March, 2020

	Notes	As at 31-March-20	As at 31-March-19
		Rs. / Lakhs	Rs. / Lakhs
ASSETS			
Non-current assets			
(a) Property, plant and equipment	5	2.04	3.13
(b) Financial assets			
(i) Investments	6	-	1.00
(ii) Loans	10	-	4,237.67
(iii) Other financial assets	7	14.89	13.74
(c) Deferred tax assets (net)	20	593.48	593.48
(d) Tax assets (Net)	12	-	14.03
(e) Other non-current assets	13	50.00	50.00
Total non-current assets		660.41	4,913.05
Current assets			
(a) Inventories	8	28,716.88	28,831.32
(b) Financial assets			
(i) Trade receivables	9	18.47	18.47
(ii) Cash and cash equivalents	11	13.51	10.80
(iii) Bank balances other than (ii) above	11	18.01	17.18
(iv) Other financial assets	7	0.26	0.26
(c) Other current assets	13	1,982.60	2,181.34
Total current assets		30,749.73	31,059.37
Total assets		31,410.14	35,972.42
EQUITY AND LIABILITIES			
1. Equity			
(a) Equity share capital	14	119.10	119.10
(b) Equity component of compound financial instruments	14	9,834.59	9,834.59
(c) Other equity	15	6,729.78	7,483.48
Total Equity		16,683.47	17,437.17
2. Liabilities			
Non-current liabilities			
(a) Financial liabilities			
(i) Borrowings	16	399.15	412.93
Total non-current liabilities		399.15	412.93
Current liabilities			
(a) Financial liabilities			
(i) Trade Payables:	17		
a. Total outstanding dues of micro enterprises and small enterprises			
b. Total outstanding dues of creditors other than micro enterprises and small enterprises		1,278.50	4,681.79
(b) Provisions	19	1.35	-
(c) Other current liabilities	18	13,047.67	13,440.53
Total current liabilities		14,327.52	18,122.32
Total liabilities		14,726.67	18,535.25
Total equity and liabilities		31,410.14	35,972.42

See accompanying notes forming part of the financial statements

1-44

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. 08770

Place: Delhi
Date: 07 July 2020



For and on behalf of the Board of Directors

Atul Jain
Atul Jain
Director
DIN: 00102555

Surva Mani Pandey
Surva Mani Pandey
Director
DIN: 08250346

Parsvnath Buildwell Private Limited
Statement of Profit and Loss for the year ended 31 March, 2020

	Notes	Year ended 31-March-2020	Year ended 31-March-2019
		Rs. / Lakhs	Rs. / Lakhs
I Revenue from operations	21	-	-
II Other income	22	214.33	96.66
III Total income (I + II)		214.33	96.66
IV Expenses			
(a) Cost of materials consumed		10.35	0.17
(b) Contract cost, labour and other charges		1.61	0.66
(c) Changes in inventories of work-in-progress	23	114.44	7.16
(d) Employee benefit expense	24	10.44	1.36
(e) Finance cost	25	32.98	214.44
(f) Depreciation and amortisation expense	26	1.09	1.25
(g) Other expenses	27	780.71	146.96
Total expenses (IV)		951.62	372.00
V Profit/(loss) before tax (III-IV)		(737.29)	(275.34)
VI Tax expense/(benefit):			
(i) Current tax	28	-	-
(ii) Tax adjustment for earlier years	28	16.41	-
(iii) Deferred tax	20	-	(71.59)
		16.41	(71.59)
VII Profit/(loss) for the year (V - VI)		(753.70)	(203.75)
VIII Other comprehensive income		-	-
IX Total comprehensive income for the year (VII + VIII)		(753.70)	(203.75)
X Earnings per equity share (face value Rs. 10 per share)	37		
(1) Basic (in Rs)		(63.28)	(17.11)
(2) Diluted (in Rs)		(63.28)	(17.11)

See accompanying notes to the financial statements

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

For and on behalf of the Board of Directors


Vinesh Jain
Partner
Membership No. 087701




Atul Jain
Director
DIN: 00102555


Surya Mani Pandey
Director
DIN: 08250346

Place: Delhi
Date: 07 July 2020

Parsvnath Buildwell Private Limited
Statement of changes in Equity for the year ended 31 March, 2020

		<u>Amount</u>		
		<u>Rs. / Lakhs</u>		
A	Equity Share Capital			
	Balance as at 31 March, 2018	119.10		
	Changes in equity share capital during the year	-		
	Balance as at 31 March, 2019	119.10		
	Changes in equity share capital during the year	-		
	Balance as at 31 March, 2020	119.10		
B	Equity component of compound financial instruments			
	Balance as at 31 March, 2018	9,834.59		
	Changes during the year	-		
	Balance as at 31 March, 2019	9,834.59		
	Changes during the year	-		
	Balance as at 31 March, 2020	9,834.59		
C	Other Equity	Rs. / Lakhs		
		Reserves and Surplus		
		Securities	General	Retained
	Particulars	premium reserve	Reserve	earnings
				Total
	Balance as at 31 March, 2018	9,562.13	-	(205.69)
	Profit / (loss) for the year	-	-	(203.75)
	Other comprehensive income	-	-	-
	Add: Adjustment due to application of Ind AS 115 (see note 42)	-	-	(1,669.21)
	Balance as at 31 March, 2019	9,562.13	-	(2,078.65)
	Profit / (loss) for the year	-	-	(753.70)
	Other comprehensive income	-	-	-
	Balance as at 31 March, 2020	9,562.13	-	(2,832.35)
				6,729.78

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Director
DIN: 08250346

Place: Delhi
Date: 07 July 2020

Parsvnath Buildwell Private Limited
Statement of Cash Flows for the year ended 31 March, 2020

Particulars	Notes	Year ended 31-March-2020 Rs. / Lakhs	Year ended 31-March-2019 Rs. / Lakhs
Cash flows from operating activities			
Profit/(loss) for the year		(737.29)	(275.34)
Adjustments for:			
Finance Costs recognised in statement of profit and loss		32.98	214.44
Interest Income recognised in statement of profit and loss		(1.13)	(1.06)
Depreciation and amortisation expense		1.09	1.25
		(704.35)	(60.71)
Movements in working capital:			
(Increase)/decrease in inventories		114.44	7.15
(Increase)/decrease in other non-current loans		4,236.52	652.05
(Increase)/decrease in other current assets		198.74	10.38
Increase/(decrease) in trade payables		(3,403.29)	2,826.97
Increase/(decrease) in other liabilities		(392.86)	(1,148.03)
Cash generated from operations		49.20	2,287.81
Income tax (paid)/refund		(1.03)	(0.23)
Net cash flow from/(used in) operating activities		48.17	2,287.58
Cash flows from investing activities			
Interest received		1.12	2.34
Decrease/(increase) in bank balances not considered as Cash and cash equivalents		(0.82)	(1.09)
Net Cash flow from/(used in) investing activities		0.30	1.25
Cash flows from financing activities			
Proceeds/(repayment) from/of borrowings		(13.78)	(15.66)
Proceeds on disposal of interest in a subsidiary that does not involve loss of control		1.00	-
Finance cost paid		(32.98)	(2,271.09)
Net Cash flow from/(used in) financing activities		(45.76)	(2,286.75)
Net increase in Cash and cash equivalents		2.71	2.08
Cash and cash equivalents at the beginning of the year	18	10.80	8.72
Cash and cash equivalents at the end of the year	18	13.51	10.80

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

1-44

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Chartered Accountants

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For and on behalf of the Board of Directors

Vinesh Jain
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Place: Delhi
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1. CORPORATE INFORMATION

Parsvnath Buildwell Private Limited was incorporated on 21 May, 2008 as Aadarshini Buildwell Private Limited. The name of the Company was subsequently changed with effect from 02 November, 2010. The Company was a subsidiary of Parasnath and Associates Private Limited (PAPL). Pursuant to Investment agreement dated 21 December, 2010 the Company made allotment of shares to Parsvnath Developers Limited (PDL) and two overseas investment entities and thereby ceased to be subsidiary of PAPL with effect from 7 January, 2011. Subsequently PDL acquired shares from PAPL increasing its voting rights in excess of 50%, consequently the Company became subsidiary of PDL with effect from 1 July, 2011 as per Accounting Standard AS-21.

The Company became subsidiary of Parsvnath Developers Limited with effect from September 12, 2013 pursuant to notification of new definition of subsidiary company under section 2(87) of the Companies Act, 2013. During the previous year, PDL acquired securities held by the investors, and the Company become subsidiary of PDL as per the provisions of the Companies Act, 2013 as well.

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.

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 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 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
Office equipment	5 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 reliable value. Cost of inventories are determined by including cost of land (including development rights), internal development cost, external development charges, materials, services, related overheads and apportioned borrowing costs.
- ii. Work in progress is valued at lower of cost and net reliable value. Work-in-progress represents costs incurred in respect of unsold area of the real estate projects or costs incurred on projects where the revenue is yet to be recognised. Cost comprises cost of land (including development charges), internal development cost, external development charges, materials, services, overhead related to projects under construction and apportioned borrowing costs.

2.11 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.

Investments in equity instruments at FVTOCI

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs.



Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

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

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

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

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

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

Impairment of financial assets

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

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



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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.

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

Recent accounting pronouncements

During the year and subsequent to year end, the Ministry of Corporate Affairs ("MCA") has not notified new standard or amendments to the existing standards which may have material impact on the financial statements in current year and in subsequent financial year.



Parsvnath Buildwell Private Limited
Notes to the financial statements for the year ended 31 March, 2020

5. Property, plant and equipment

	As at 31-March-20	As at 31-March-19	
	Rs. / Lakhs	Rs. / Lakhs	
Carrying amounts of :			
Plant and equipment	2.04	3.13	
Office equipment	0.00	0.00	
Total	2.04	3.13	
	Plant and equipment	Office equipment	Total
	Rs. / Lakhs	Rs. / Lakhs	Rs. / Lakhs
Cost or deemed cost			
Balance as at 31 March, 2018	6.95	0.44	7.39
Additions	-	-	-
Disposals	-	-	-
Balance as at 31 March, 2019	6.95	0.44	7.39
Additions	-	-	-
Disposals	-	-	-
Balance as at 31 March, 2020	6.95	0.44	7.39
Accumulated depreciation			
Balance as at 31 March, 2018	2.74	0.28	3.02
Depreciation expense	1.08	0.16	1.25
Balance as at 31 March, 2019	3.82	0.44	4.26
Depreciation expense	1.09	0.00	1.09
Balance as at 31 March, 2020	4.90	0.44	5.35
Carrying amount			
Balance as at 31 March, 2019	3.13	0.00	3.13
Balance as at 31 March, 2020	2.04	0.00	2.04



Parsvnath Buildwell Private Limited
Notes to the financial statements for the year ended 31 March, 2020

	As at 31-March-20		As at 31-March-19	
	Qty.	Amount Rs. / Lakhs	Qty.	Amount Rs. / Lakhs
6. Non-current investment				
Trade-Unquoted				
Investments in equity shares of subsidiary company				
Equity instruments		-	10,000	1.00
Parsvnath Realcon Private Limited				
Nil (31 March, 2019: 10,000) equity shares of				
Rs.10 each fully paid				
	-	-	10,000	1.00
	-	-	10,000	1.00



Parsvnath Buildwell Private Limited
Notes to the financial statements for the year ended 31 March, 2020

	As at 31-March-20 Rs. / Lakhs	As at 31-March-19 Rs. / Lakhs
7. Other financial assets		
Non-Current		
a. Security deposits to related party	14.89	13.74
	14.89	13.74
Current		
a. Interest receivable	0.26	0.26
	0.26	0.26
8. Inventories (lower of cost and net realisable value)		
a. Work-in-progress	28,716.88	28,831.32
	28,716.88	28,831.32
Note: The Company has classified its inventory of work-in-progress as current.		
Details of inventory expected to be realised after more than 12 months from the reporting date is as under:		
Less than 12 months	-	-
More than 12 months	28,716.88	28,831.32
	28,716.88	28,831.32
9. Trade receivable		
Current		
a. Unsecured, considered good	18.47	18.47
	18.47	18.47
Notes:		
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.		
10 Loans		
Non-Current		
a. Loan to related party	-	4,237.67
	-	4,237.67
11. Cash and cash equivalents		
A. Cash and cash equivalents		
a. Balances with banks	10.83	7.76
b. Cash on hand	2.68	3.04
	13.51	10.80
B. Other bank balances		
i. Deposits with banks under lien with government authorities	18.01	17.18
	18.01	17.18
12. Tax assets (net)		
a. Tax refund receivable	-	14.03
	-	14.03



Parsvnath Buildwell Private Limited
Notes to the financial statements for the year ended 31 March, 2020

	As at 31-March-20 Rs. / Lakhs	As at 31-March-19 Rs. / Lakhs
13. Other assets		
Non-Current		
a. Security deposit-others	50.00	50.00
	50.00	50.00
Current		
a. Advances to suppliers	1,982.60	1,848.86
b. Balances with government authorities		
i. GST credit receivable	-	275.10
ii. VAT credit receivable	-	57.38
	1,982.60	2,181.34



Parsvnath Buildwell Private Limited
Notes to the financial statements for the year ended 31 March, 2020

14 Share Capital	As at 31-March-20		As at 31-March-19	
	Number	Rs. / Lakhs	Number	Rs. / Lakhs
Authorised Share Capital				
(a) Equity shares of Rs. 10 each				
Class A with voting rights	10,00,000	100.00	10,00,000	100.00
Class B with differential voting rights	1,00,000	10.00	1,00,000	10.00
Class C with differential voting rights	91,000	9.10	91,000	9.10
(b) Preference Shares of Rs. 100 each	4,84,170	484.17	4,84,170	484.17
		603.27		603.27
Issued, subscribed and paid-up capital				
Equity Shares of Rs. 10 each fully paid				
Equity share capital				
Class A with voting rights	10,00,000	100.00	10,00,000	100.00
Class B without voting rights	1,00,000	10.00	1,00,000	10.00
Class C without voting rights	91,000	9.10	91,000	9.10
		119.10		119.10

Notes:

(a) Rights, preferences and restrictions attached to equity shares

- i. Class A equity shares are entitled to *pari passu* voting rights i.e. one vote per share. Shares are entitled for dividend in accordance with Investment Agreement dated December 21, 2010.
- ii. Class B equity shares are not entitled for any voting rights. Class B shares are entitled for dividend in preference to Class A Shares until the holders have received the aggregate return as provided in the Investment Agreement dated December 21, 2010.
- iii. Class C equity shares are not entitled for any voting rights. Shares are entitled for dividend in accordance with Investment Agreement dated December 21, 2010

(b) Reconciliation of equity share capital

	Number of Shares in	Rs./lacs
Balance as at March 31, 2018	11,91,000	119.10
Movement during the year	-	-
Balance as at March 31, 2019	11,91,000	119.10
Movement during the year	-	-
Balance as at March 31, 2020	11,91,000	119.10

(c) Details of equity share held by the holding company, its subsidiaries and associates

	As at 31-March-20	As at 31-March-19
	No of shares	No of shares
CLASS A		
Parsvnath Developers Limited, the holding company	9,91,000	9,91,000
Associates of the holding company	9,000	9,000
Class B		
Parsvnath Developers Limited, the holding company	1,00,000	1,00,000
CLASS C		
Parsvnath Developers Limited, the holding company	90,000	90,000

(d) Details of equity shares held by each shareholder holding more than 5%

	As at 31-March-20		As at 31-March-19	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
Class A with voting rights				
(a) Parsvnath Developers Limited	9,91,000	99.10%	9,91,000	99.10%
Class B without voting rights				
(a) Parsvnath Developers Limited	1,00,000	100.00%	1,00,000	100.00%
Class C without voting rights				
(a) Parsvnath Developers Limited	90,000	98.90%	90,000	98.90%

(e) Aggregate number and class of shares allotted as fully paid up pursuant to contract without payment being received in cash for the period of 5 years immediately preceding the balance sheet date.

i. Equity shares	As at 31-March-20	As at 31-March-19
	No of shares	No of shares
Class A with voting rights	5,00,000	5,00,000
Class C without voting rights	90,000	90,000



Parsvnath Buildwell Private Limited
Notes to the financial statements for the year ended 31 March, 2020

Equity component of compound financial instruments

	As at 31-March-20	As at 31-March-19
	Rs. / Lakhs	Rs. / Lakhs
i. 15.50% Convertible Debentures-Series A, 87,51,000 (31 March, 2019: 87,51,000) Fully convertible debentures of Rs. 100 each.	8,751.00	8,751.00
ii. 15.50% -Convertible Debentures-Series B, 10,83,593 (31 March, 2019: 10,83,593) Fully convertible debentures of Rs. 100 each.	1,083.59	1,083.59
	9,834.59	9,834.59

Note:

Detail of conversion terms of debentures

Series A debentures are convertible into Class B equity shares at the option of the debenture holders at a price of Rs. 200 per Class B share, that is Rs. 10 par value and a premium of Rs. 190 per Class B share subject to Reserve Bank of India (RBI) pricing guidelines. In case no such option is exercised by the investor, these shall mandatorily be converted by the Company into Class B shares on expiry of twenty years after the date of issue of debentures.

Series B debentures are convertible into Class C equity shares at the option of the debenture holders at a price of Rs. 35.30 per Class C share, that is Rs. 10 par value and a premium of Rs. 25.30 per Class C share subject to Reserve Bank of India (RBI) pricing guidelines. In case no such option is exercised by the investor, these shall mandatorily be converted by the Company into Class C shares on expiry of twenty years after the date of issue of debentures.



Parsvnath Buildwell Private Limited
Notes to the financial statements for the year ended 31 March, 2020

	As at 31-March-20 Rs. / Lakhs	As at 31-March-19 Rs. / Lakhs
15. Other equity		
a. Securities premium	9,562.13	9,562.13
b. Retained earnings	(2,832.35)	(2,078.65)
	6,729.78	7,483.48
a. Securities premium		
Balance at the beginning of the year	9,562.13	9,562.13
Movement during the year	-	-
Balance at the end of the year	9,562.13	9,562.13
b. Retained earnings		
Balance at the beginning of the year	(2,078.65)	(205.69)
Adjustment due to application of Ind AS 115 (Refer Note 42)		(1,669.21)
Profit/(loss) for the year	(753.70)	(203.75)
Balance at the end of the year	(2,832.35)	(2,078.65)

Nature and purpose of reserves:

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



Parsvnath Buildwell Private Limited
Notes to the financial statements for the year ended 31 March, 2020

	As at 31-March-20	As at 31-March-19
	Rs. / Lakhs	Rs. / Lakhs
16. Borrowings		
Non current		
Unsecured		
Redeemable preference share capital	101.52	87.86
Unamortised interest on preference share capital	297.63	325.07
	399.15	412.93

0.000001% - 484,170 (As at 31 March, 2019: 484,170:
optionally convertible Preference shares of Rs. 100 each.

Notes:

(a) Rights, preferences and restrictions attached to preference shares

Preference shares have a preferential dividend rate of 0.000001%. Dividend is cumulative. Preference shares are convertible at the option of the holder at any time before the expiry of 20 years from the date of issue into such number of fully paid Class C shares in the ratio and manner defined in the investment Agreement. In the event of Winding-up of the Company, each preference share would convert into one Class C equity share.

Preference shares shall mandatorily be redeemed by the Company on expiry of 20 years from the date of issue. Preference shares do not carry any voting rights.

(b) Details of preference shares held by the holding company, its subsidiaries and associates

	As at 31-March-20	As at 31-March-19
	No of shares	No of shares
Parsvnath Developers Limited, the holding company	4,84,170	4,84,170

(c) Details of equity shares held by each shareholder holding more than 5%

Parsvnath Developers Limited, the holding company	4,84,170	4,84,170
Percentage holding of preference shares	100%	100%

	As at 31-March-20	As at 31-March-19
	No of shares	No of shares
(d) Aggregate number and class of shares allotted as fully paid up pursuant to contract without payment being received in cash for the period of 5 years immediately preceding the balance sheet date.	3,49,982	3,49,982

(e) Arrears of fixed cumulative dividend on Preference Shares as at 31 March, 2020 is Rs. 1 (As at 31 March, 2019 - Rs.1)



Parsvnath Buildwell Private Limited
Notes to the financial statements for the year ended 31 March, 2020

	As at 31-March-20	As at 31-March-19
	Rs. / Lakhs	Rs. / Lakhs
17. Trade payables		
Current		
Trade Payables	1,278.50	4,681.79
	1,278.50	4,681.79
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.		
18. Other liabilities		
Current		
a. Advances from customers	13,035.69	13,421.28
b. Statutory dues (Withholding tax, GST etc.)	11.98	19.25
	13,047.67	13,440.53
19. Provisions		
Current		
a. Income-tax payable	1.35	-
	1.35	-



Parsvnath Buildwell Private Limited
Notes to the financial statements for the year ended 31 March, 2020

	As at 31-March-20	As at 31-March-19	
	Rs. / Lakhs	Rs. / Lakhs	
20. Deferred tax assets (net)			
Deferred tax assets	593.48	593.48	
Deferred tax liabilities	-	-	
Total	593.48	593.48	
	Opening Balance	Recognised in Profit or loss	Closing balance
Year ended 31 March, 2020			
Tax losses	593.48	-	593.48
Others	-	-	-
	593.48	-	593.48
Year ended 31 March, 2019			
Tax losses	521.89	71.59	593.48
Others	-	-	-
	521.89	71.59	593.48

Notes:

- 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. Revenue in respect of such sale agreements will get recognised in future years on completion method. Based on these sale agreements, the Company has certainty as on the date of the balance sheet, that there will be sufficient taxable income available to realise such assets in the near future. Accordingly, the Company has created deferred tax assets on its carried forward unabsorbed depreciation and business losses.
- The recognition of deferred tax assets on tax losses is based on detailed budgets prepared by the Company and have been approved by the board of directors.
- The Company has not created deferred tax assets on current year losses on prudence basis.
- The Company has tax losses of Rs. 2,708.32 lakhs (31 March, 2019 - Rs. 1,964.00 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, 2024	563.29
Year ending 31 March, 2025	107.58
Year ending 31 March, 2026	1018.13
Year ending 31 March, 2027	275.00
Year ending 31 March, 2028	744.32



Parsvnath Buildwell Private Limited
Notes to the financial statements for the year ended 31 March, 2020

	Year ended 31-March-2020	Year ended 31-March-2019
	Rs. / Lakhs	Rs. / Lakhs
21. Other income		
a. Interest income:		
i. Bank Deposits at amortised Cost	1.13	1.06
ii. Interest on other deposits	41.62	3.45
iii. On income tax refund	0.79	
iv. Other financial liabilities at amortised cost	27.44	27.44
b. Others		
i. Miscellaneous income	143.35	64.71
	214.33	96.66
22. Changes in inventories of work-in-progress		
a. Work-in-progress at beginning of the year	28,831.32	21,725.73
Less: Interest reversal	-	2,255.72
Add: Adjustment due to application of Ind AS 115 (Refer Note 42)	-	9,368.47
Adjusted opening work-in-progress	28,831.32	28,838.48
b. Work-in-progress at end of the year	28,716.88	28,831.32
Net (increase)/decrease in inventories	114.44	7.16
23 Employee benefits expense		
a. Salaries and wages	10.44	1.36
	10.44	1.36
24. Finance cost		
a. Interest expenses:		
i. to customers / others	13.66	206.28
ii. on delayed payment of statutory dues	19.32	8.16
	32.98	214.44
25. Depreciation and amortisation expense		
a. Depreciation on property, plant and equipment	1.09	1.25
	1.09	1.25



Parsvnath Buildwell Private Limited
Notes to the financial statements for the year ended 31 March, 2020

	Year ended 31-March-2020 Rs. / Lakhs	Year ended 31-March-2019 Rs. / Lakhs
26. Other expenses		
a. Travelling and conveyance	0.46	0.29
b. Rent	0.36	-
c. Repair and maintenance	0.13	0.09
d. Insurance	-	2.83
e. Rates and Taxes	6.13	43.19
f. Postage and telegram	0.00	0.01
g. Printing and stationery	0.16	0.16
h. Sales commission	17.43	8.09
i. Compensation to customers	371.97	-
j. Legal and professional charges	31.60	44.98
k. Payment to auditors (see note below)	3.00	3.00
l. Balances written off	337.51	-
m. Miscellaneous expenses	11.96	44.32
	780.71	146.96
Payment to auditors (net of GST credit)		
i. Statutory audit fee	3.00	3.00
	3.00	3.00



Parsvnath Buildwell Private Limited
Notes to the financial statements for the year ended 31 March, 2020

	Year ended 31-March-2020	Year ended 31-March-2019
	Rs. / Lakhs	Rs. / Lakhs
27. Income tax		
A. Income tax recognised in profit and loss		
Current tax		
In respect of the current year	-	-
In respect of the previous years	16.41	-
	16.41	-
Deferred tax		
In respect of the current year	-	(71.59)
	-	(71.59)
Total income tax expense/(benefit) recognised in the Statement of Profit and loss	16.41	(71.59)
B. Reconciliation of income tax expense with accounting profit		
i. Profit/(loss) before tax	(737.29)	(275.34)
i. Income tax expense calculated at 22%/26%	(162.20)	(71.59)
ii. Income tax adjustment of earlier years	16.41	-
iii. Deferred tax assets not recognised on prudence	162.20	-
Total income tax expense recognised in the Statement of Profit and Loss (i to iii)	16.41	(71.59)

The tax rate used for the years 2019-2020 reconciliations above is the corporate tax rate of 22% (previous year tax rate of 25% plus education cess @4% thereof), payable by corporate entities in India on taxable profits under the Indian tax laws.



Parsvnath Buildwell Private Limited
Notes to the financial statements for the year ended 31 March, 2020

	As at 31-March-2020 Rs. / Lakhs	As at 31-March-19 Rs. / Lakhs
28 Contingent liabilities		
Claims against the Company not acknowledged as debts		
- Customers complaints pending in consumer court	12,902.06	6,262.35
	12,902.06	6,262.35

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/courts.

Due to delay in construction of the project, some allottees of the project had approached the National Consumer Disputes Redressal Commission (NCDRC) for refund of their booking amount. The NCDRC vide Order dated 06.05.2016 directed the Company to refund the amount paid by 70 allottees. The Company preferred appeal before the Hon'ble Supreme Court of India. Since the Hon'ble Supreme Court upheld the decision of the NCDRC for refund, the Company deposited Rs. 2.230.00 lakhs with the Court Registrar towards Principal amount to be refunded as per the order of the Hon'ble Supreme Court. Interest paid was charged to the statement of profit and loss during the financial year 2017-18.

29. Commitments

The Company does not have any significant financial commitments.

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

31. Status of the Project

Pursuant to Investment Agreement dated 21 December, 2010 entered into with Parsvnath Developers Limited (PDL), Parasnath And Associates Private Limited and two overseas Investment entities viz. Anuradha SA Investments LLC, Mauritius (ASA) and Anuradha Ventures Limited, Cyprus (AVL), PDL had transferred and assigned developments rights in relation to its ongoing project, namely Parsvnath Exotica located in Ghaziabad (on land admeasuring 31 acres) situated at village Arthala, Ghaziabad (the Project) to the Company at a consideration of Rs. 7,500.00 lakhs on terms and condition contained therein.

The project has been delayed due to non-receipt of approval for the revised building plans and certain disputes with the collaborators (land owners). PBPL invoked the arbitration clause and the Sole arbitrator has fixed timelines for completion of pleadings and also fixed 30.11.2020 as the date for framing of issues.

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

32. Pursuant to Investment Agreement dated 21 December, 2010 entered into with Parsvnath Developers Limited (PDL), Parasnath And Associates Private Limited and two overseas Investment entities viz. Anuradha SA Investments LLC, Mauritius (ASA) and Anuradha Ventures Limited, Cyprus (AVL), PDL had transferred and assigned developments rights in relation to its ongoing project, namely Parsvnath Exotica located in Ghaziabad (on land admeasuring 31 acres) situated at village Arthala, Ghaziabad (the Project) to the Company at a consideration of Rs. 7,500.00 lakhs on terms and condition contained therein.

In lieu of consideration of Rs. 7,500.00 lakhs, the Company had allotted 500,000 Class A Equity Shares of Rs. 10 each at par, 90,000 Class B Equity Shares (not carrying any voting rights) of Rs. 10 each at a premium of Rs. 190 per share, 250,145 fully convertible debentures of Rs. 100 each at par and 349,892 convertible Preference Shares of Rs. 100 each at a premium of Rs. 1,900 each during the year ended 31 March, 2011 and has allotted 22,015 Series A Fully Convertible debentures of Rs. 100 each against the outstanding balance during the year ended 31 March, 2012.

Pursuant to the Settlement Agreement with the Investors and subsequent litigation initiated by the Investors before the Hon'ble Delhi High Court, the dispute with the Investors has been settled and PDL has acquired 4,90,000 Class A and 1,00,000 Class B, Equity shares held by Anuradha SA Investments LLC and 87,51,000 Series A and 10,83,593 Series B, Fully Convertible Debentures (FCD) held by Anuradha Ventures Ltd., on 21st June 2018, resulting in PDL now holding 99.83 % of total share capital of the Company.

33. Transfer pricing

As per the Transfer Pricing Rules of the Income tax Act, 1961 every company is required to get a transfer pricing study conducted to determine whether the transactions with associated enterprises were undertaken at an arm's length basis for each financial year end. Transfer pricing study for the transactions during the year ended 31 March, 2020 is currently in progress and hence adjustments if any which may arise there have not been taken into account in these financial statements and will be effective in the financial statements for the year ended 31 March, 2021. However in the opinion of the Company's management, adjustments, if any, are not expected to be material.

34. 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) for financial year 2019-20.



Parsvnath Buildwell Private Limited
Notes to the financial statements for the year ended 31 March, 2020

35. 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, 2020	As at 31 March, 2019
	Rs. in lakhs	Rs. in lakhs
Liability at the beginning of the year	-	-
Liability at the end of the year	-	-
Expensed recognised in the Statement of Profit and Loss	-	-

36. 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 who contributed 10% or more to the Company's revenue during the year 2019-20 and 2018-19.

37. Earnings per share

		Year ended 31-Mar-2020	Year ended 31-Mar-2019
		Rs./Lakhs	Rs./Lakhs
i. Net loss for calculation of basic and diluted earnings per share	Rs. in lakhs	(753.70)	(203.75)
ii. Weighted average number of equity shares outstanding during the year	Numbers	11,91,000	11,91,000
iii. Basic earnings per share	Rs.	(63.28)	(17.11)
iv. Weighted average number of diluted shares (anti dilutive)	Numbers	9,83,45,930	9,83,45,930
v. Diluted earnings per share	Rs.	(63.28)	(17.11)
vi. Nominal value of equity shares	Rs.	10.00	10.00



Parsvnath Buildwell Private Limited
Notes to the financial statements for the year ended 31 March, 2020

38. Financial Instruments

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

	Rs. / Lakhs							
	As at 31-March-20				As at 31-March-19			
	Total	Amortised Cost	At cost	FVTPL	Total	Amortised Cost	At cost	FVTPL
Financial assets								
i. Investments	-	-	-	-	1.00	1.00	-	-
ii. Loans	-	-	-	-	4,237.67	4,237.67	-	-
iii. Trade receivables	18.47	18.47	-	-	18.47	18.47	-	-
iv. Cash and cash equivalents	13.51	13.51	-	-	10.80	10.80	-	-
v. Bank balances other than (iv) above	18.01	18.01	-	-	17.18	17.18	-	-
vi. Other financial assets	15.16	15.16	-	-	14.00	14.00	-	-
Total financial assets	65.15	65.15	-	-	4,299.12	4,299.12	-	-
Financial liabilities								
i. Borrowings	399.15	399.15	-	-	412.93	412.93	-	-
ii. Trade Payables	1,278.50	1,278.50	-	-	4,681.79	4,681.79	-	-
iii. Other financial liabilities	-	-	-	-	-	-	-	-
Total financial liabilities	1,677.65	1,677.65	-	-	5,094.72	5,094.72	-	-

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.



39. 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) Subsidiary Company

- Parsvnath Realcon Private Limited (PRPL) (upto 02.08.2019)

(c) Fellow subsidiary Company (with whom the Company had transactions during the year)

- Parsvnath Realcon Private Limited (PRPL) (From 03.08.2019)

ii. Balances outstanding/transactions with related parties

	<u>PDL</u> Rs. / Lakhs	<u>PRPL</u> -
(a) Transactions during the year		
Expenses incurred on their behalf (net)	(12.92)	(-)
Loan received back	(-)	4,237.67 (1.15)
Advances given (net)	(2868.88)	(-)
Interest on debentures	(167.96)	(-)
Interest income	1.27 (1.27)	(-)
Rent paid	0.36 (-)	(-)
(b) Balances at year-end		
Security deposit (asset)	14.89 (13.74)	(-)
Loans (asset)	(-)	(4237.67)
Trade payables	774.23 (4097.02)	(-)
Equity Component of compound financial instruments	9,834.59 (9834.59)	(-)
Borrowings	399.15 (412.93)	(-)
Investment	(-)	(1.00)
Guarantee	11.82 (11.82)	(-)
Security deposit(rent)	0.14 (-)	(-)



Parsvnath Buildwell Private Limited
Notes to the financial statements for the year ended 31 March, 2020

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, 2019.

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, 2020, the Company has not recorded any impairment of receivables from related parties (31 March, 2019 - 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.



40. Financial Risk Management

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

	Carrying amount	Payable within 1 year	Payable in 1-3 years	Rs. / Lakhs
				Payable more than 3 years
As at 31 March, 2020				
Borrowings	399.15	-	399.15	-
Trade payables	1,278.50	1,278.50	-	-
Other financial liabilities	-	-	-	-
	1,677.65	1,278.50	399.15	-
As at 31 March, 2019				
Borrowings	412.93	-	412.93	-
Trade payables	4,681.79	4,681.79	-	-
Other financial liabilities	-	-	-	-
	5,094.72	4,681.79	412.93	-

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.



Parsvnath Buildwell Private Limited
Notes to the financial statements for the year ended 31 March, 2020

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, 2020	As at 31 March, 2019
	Rs. / Lakhs	Rs. / Lakhs
Variable rate borrowings		
Long Term	-	-
Short Term	-	-
Total Variable rate Borrowing	-	-
Fixed Rate Borrowings		
Long Term	399.15	412.93
Short Term	-	-
Total Fixed rate Borrowing	399.15	412.93
Total Borrowing	399.15	412.93
Compound financial instruments		
Fixed rate	9,834.59	9,834.59

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, 2020	Year ended 31 March, 2019
	Rs. / Lakhs	Rs. / Lakhs
Increase in interest rate by 1 %	N.A	N.A
Decrease in interest rate by 1 %	N.A	N.A

B. Price risk

The Company has no exposure to price sensitive securities, hence price risk is not applicable.

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.

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 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, 2020	As at 31 March, 2019
	Rs. / Lakhs	Rs. / Lakhs
Outstanding for more than 6 months	18.47	18.47
Outstanding for 6 months or less	-	-
	18.47	18.47



Parsvnath Buildwell Private Limited
Notes to the financial statements for the year ended 31 March, 2020

41. Capital Management

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

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

	As at 31 March, 2020	As at 31 March, 2019
	Rs. / Lakhs	Rs. / Lakhs
Borrowings:		
- Long term	399.15	412.93
- Short term	-	-
Total borrowings - A	399.15	412.93
Equity		
- Share capital	119.10	119.10
- Equity component of compound financial instruments	9,834.59	9,834.59
- Other equity	6,729.78	7,483.48
Total Equity - B	16,683.47	17,437.17
Debt to equity ratio (A/B)	0.02	0.02

42. Adoption of Ind AS 115, Revenue from Contract with customers

Ind AS 115, Revenue from Contract with customers was effective from accounting period beginning on or after 1 April, 2018, accordingly the Company had applied Ind AS 115 as on the transition date of 1 April, 2018. The Company has applied modified retrospective approach to its real estate projects that were not completed as at 1 April, 2018, accordingly profit recognised on such projects upto 31 March, 2018 as per the existing revenue recognition standards was de-recognised and debited to retained earnings as at 1 April, 2018.

Profit amounting to Rs. 1,669.21 lakhs recognised upto 31 March, 2018 on such real estate projects that were not completed as at 1 April, 2018 was de-recognised and debited to retained earnings as at 1 April, 2018, 'Cost of goods sold' amounting to Rs. 9,368.47 lacs was added to opening inventory with corresponding adjustment of revenue recognised in earlier year to trade receivables/advances from customers.

43. Events after the reporting period

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

44. Approval of the financial statements

The financial statements were approved for issue by Board of Directors on 07 July, 2020



For and on behalf of the Board of Directors

Atul Jain
Atul Jain

Director
 DIN: 00102555

Surva Mani Pandey
Surva Mani Pandey

Director
 DIN: 08250346

Place: Delhi
 Date: 07 July 2020