

**Parsvnath Infra Limited**  
**Balance Sheet as at 31 March, 2020**

	Notes	As at 31-March-20 Rs. In lakhs	As at 31-March-19 Rs. In lakhs
<b>Assets</b>			
<b>1. Non-current assets</b>			
a. Capital work in progress	3	4,495.54	4,495.54
b. Financial assets			
i. Investments	4	900.00	205.00
ii. Other financial assets	5	11.05	1.93
c. Deferred tax assets (net)	7	-	33.00
d. Tax assets(Net)	9	0.41	
e. Other non-current assets	6	185.00	185.00
Total non-current assets		<u>5,592.00</u>	<u>4,920.47</u>
<b>2. Current assets</b>			
a. Financial assets			
i. Cash and cash equivalents	8	4.82	3.73
ii. Other financial assets	5	388.44	1,134.34
b. Other current assets	6	1.86	-
Total current assets		<u>395.12</u>	<u>1,138.07</u>
<b>Total assets</b>		<u>5,987.12</u>	<u>6,058.54</u>
<b>Equity and Liabilities</b>			
<b>1. Equity</b>			
a. Equity share capital	10	2,745.77	2,745.77
b. Other equity	11	3,115.38	3,177.99
Total Equity		<u>5,861.15</u>	<u>5,923.76</u>
<b>2. Liabilities</b>			
<b>Current liabilities</b>			
a. Financial liabilities			
i. Trade Payables	12		
a. Total outstanding dues of micro enterprises and small enterprises		-	-
b. Total outstanding dues of creditors other than micro enterprises and small enterprises		61.77	76.34
ii. Other financial liabilities	13	9.66	8.21
b. Other current liabilities	14	54.50	50.21
c. Provisions	15	0.04	0.02
Total current liabilities		<u>125.97</u>	<u>134.78</u>
Total liabilities		<u>125.97</u>	<u>134.78</u>
<b>Total equity and liabilities</b>		<u>5,987.12</u>	<u>6,058.54</u>

See accompanying notes forming part of the financial statements

1-32

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



For and on behalf of the Board of Directors

**Yogesh Jain**  
Director  
DIN:00088662

**Kishan Lal Sharma**  
Director  
DIN:06842669

Place: Delhi  
Date: 29 June 2020

**Parsvnath Infra Limited**  
**Statement of Profit and Loss for the year ended 31 March, 2020**

	Notes	Year ended 31 March, 2020 Rs. In lakhs	Year ended 31 March, 2019 Rs. In lakhs
I Other income	15	4.33	0.10
II <b>Total income</b>		<b>4.33</b>	<b>0.10</b>
III <b>Expenses</b>			
a. Employee benefit expense	16	13.69	25.84
b. Other expenses	17	20.23	44.32
<b>Total expenses (III)</b>		<b>33.92</b>	<b>70.16</b>
IV <b>Profit/(loss) before tax (II-III)</b>		<b>(29.61)</b>	<b>(70.06)</b>
V Tax expense/(benefit):		-	-
(i) Mat credit charged off		33.00	-
		33.00	-
VI <b>Profit/(loss) for the year (IV - V)</b>		<b>(62.61)</b>	<b>(70.06)</b>
VII <b>Other comprehensive income</b>		-	-
VIII <b>Total comprehensive income for the year (VI +VII)</b>		<b>(62.61)</b>	<b>(70.06)</b>
IX Earnings per equity share (face value Rs. 10 per share)	26		
a. Basic (in Rs.)		(0.23)	(0.26)
b. Diluted (in Rs.)		(0.23)	(0.26)

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Place: Delhi  
Date: 29 June 2020

**Parsvnath Infra Limited**  
**Statement of changes in equity for the year ended 31 March, 2020**

**A. Equity Share Capital**

Particulars	Rs. In lakhs
<b>Balance as at 31 March, 2018</b>	2,745.77
Changes in equity share capital during the year	-
<b>Balance as at 31 March, 2019</b>	<u>2,745.77</u>
Changes in equity share capital during the year	-
<b>Balance as at 31 March, 2020</b>	<u>2,745.77</u>


**B. Other Equity**

Particulars	Reserves and Surplus		
	Securities premium reserve	Retained earnings	Total
<b>Balance as at 31 March, 2018</b>	<b>3,833.05</b>	<b>(585.00)</b>	<b>3,248.05</b>
Profit/(loss) for the year	-	(70.06)	(70.06)
Other comprehensive income for the year	-	-	-
<b>Balance as at 31 March, 2019</b>	<u>3,833.05</u>	<u>(655.06)</u>	<u>3,177.99</u>
Profit/(loss) for the year	-	(62.61)	(62.61)
Other comprehensive income for the year	-	-	-
<b>Balance as at 31 March, 2020</b>	<u>3,833.05</u>	<u>(717.67)</u>	<u>3,115.38</u>

See accompanying notes forming part of the financial statements - 1-32

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Director  
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**Parsvnath Infra Limited**  
**Statement of Cash flows for the year ended 31 March, 2020**

Notes	Year ended 31 March, 2020	Year ended 31 March, 2019
	Rs.in lakhs	Rs.in lakhs
<b>A. Cash flows from operating activities</b>		
Profit/(loss) for the year	(29.61)	(70.06)
Adjustments for :		
Interest income recognised in statement of profit and loss	(4.23)	(0.10)
	(33.84)	(70.16)
Movements in working capital		
(Increase)/decrease in other assets	(1.86)	-
(Increase)/decrease in other financial assets	745.90	33.97
(Increase)/decrease in other non current financial assets	(9.01)	-
Increase/(decrease) in trade payables	(14.57)	34.27
Increase/(decrease) in provisions	0.02	(9.67)
Increase/(decrease) in other financial liabilities	-	0.14
Increase/(decrease) in other liabilities	4.29	(0.83)
<b>Cash generated from operations</b>	690.93	(12.28)
Income tax paid (net)	0.41	-
<b>Net cash from from/(used in) operating activities</b>	690.52	(12.28)
<b>B. Cash flows from investing activities</b>		
Payments to acquire property, plant and equipment	1.45	(103.83)
Disposal of capital work-in-progress	-	119.23
Purchase of investments	(695.00)	-
Interest received	4.11	-
<b>Net Cash flow from/(used in) investing activities</b>	(689.44)	15.39
<b>C. Cash flows from financing activities</b>		
<b>Net Cash flow from/(used in) financing activities</b>	-	-
<b>Net increase in Cash and Cash equivalents ( A+B+C)</b>	<b>1.09</b>	<b>3.11</b>
<b>Cash and cash equivalents at the beginning of the year</b>	3.73	0.62
<b>Cash and cash equivalents at the end of the year</b>	<b>4.82</b>	<b>3.73</b>

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

See accompanying notes forming part of the financial statements

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## **1. CORPORATE INFORMATION**

Parsvnath Infra Limited (the Company), a Subsidiary Company of Parsvnath Developers Limited has been set up to establish, develop, maintain and operate Special Economic Zones (SEZ) in India. The Company has acquired land / development rights for setting up the SEZs and is in the process of development of SEZs. Due to economic conditions and delays in getting requisite approvals, there is slowdown in development of SEZs. The Company has diversified its activities into infrastructure sector.

## **2. Significant accounting policies**

### **2.1 Basis of preparation**

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

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

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

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

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

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

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

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

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

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

### **2.3 Revenue recognition**

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

- i. 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.

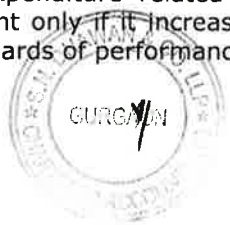
### **Current and deferred tax for the year**

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.





**PARSVNATH INFRA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020**

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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 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.

## **2.9 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.

## **2.10 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.

## **2.11 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.

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

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



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**PARSVNATH INFRA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020**

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- 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.

### **2.13 Operating cycle**

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

### **2.14 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.

### **2.15 Financial assets**

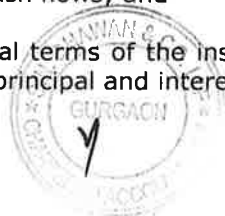
All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

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)**

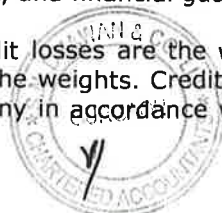
Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading

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



**PARSVNATH INFRA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020**

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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.

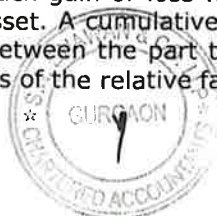
Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience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



## **2.16 Financial liabilities and equity instruments**

### **Classification as debt or equity**

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

### **Equity instruments**

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

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

### **Financial liabilities**

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

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

### **Financial liabilities at FVTPL**

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

A financial liability is classified as held for trading if:

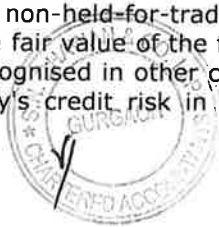
- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that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

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

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- 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



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**PARSVNATH INFRA LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020**

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mismatch in profit or loss, in which case these effects of changes in credit risk are recognised in profit or loss. The remaining amount of change in the fair value of liability is always recognised in profit or loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are reflected immediately in retained earnings and are not subsequently reclassified to profit or loss.

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

**Financial liabilities subsequently measured at amortised cost**

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

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

**Derecognition of financial liabilities**

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





### **2.17. 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.

#### **Deferred tax assets**

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

#### **Others**

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

- a. Useful life of property, plant and equipment
- b. Measurement of contingent liabilities and expected cash outflows
- c. Provision for expected credit losses
- d. Provision for diminutions in value of non-current investments

#### **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 Infra Limited**  
**Notes to the financial statements for the year ended 31 March, 2020**

**3. Capital work in progress**

	<b>As at 31-March-20</b>	<b>As at 31-March-19</b>
	<b>Rs. In lakhs</b>	<b>Rs. In lakhs</b>
<b>Capital work in progress</b>	4,495.54	4,495.54
<b>Total</b>	<b>4,495.54</b>	<b>4,495.54</b>

	<b>Rs. In lakhs</b>
<b>Cost</b>	
<b>Balance as at 31 March, 2018</b>	<b>4,609.94</b>
Disposals	(119.23)
Construction expenditure capitalised	4.83
<b>Balance as at 31 March, 2019</b>	<b>4,495.54</b>
Disposals	-
Construction expenditure capitalised	-
<b>Balance as at 31 March, 2020</b>	<b>4,495.54</b>








**Parsvnath Infra Limited**  
**Notes to the financial statements for the year ended 31 March, 2020**

	As at 31-March-20		As at 31-March-19	
	No.s	Rs. In lakhs	No.s	Rs. In lakhs
<b>4 . Investments (Unquoted)</b>				
<b>Non-current</b>				
<b>A. Subsidiary company</b>				
a. Equity instruments .	49,90,000	499.00	49,90,000	499.00
Parsvnath MIDC Pharma SEZ Private Limited				
Less: provision for diminution in value		294.00		294.00
	<b>49,90,000</b>	<b>205.00</b>	<b>49,90,000</b>	<b>205.00</b>
<b>B. Investments in properties</b>				
a. Flats		475.00		
b. Shops		220.00		
		<b>695.00</b>		
<b>Total - (A) + (B)</b>		<b>900.00</b>		<b>205.00</b>



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**Parsvnath Infra Limited**  
**Notes to the financial statements for the year ended 31 March, 2020**

	<u>As at</u> <u>31-March-20</u> <u>Rs. In lakhs</u>	<u>As at</u> <u>31-March-19</u> <u>Rs. In lakhs</u>
<b>5. Other financial assets</b>		
<b>Non-Current</b>		
a. Deposit with banks held under lien with government authorities	1.45	1.45
b. Interest accrued on bank deposits	0.59	0.48
c. Security deposits	9.01	-
	<u><b>11.05</b></u>	<u><b>1.93</b></u>
<b>Current</b>		
a. Receivables for sale/transfer of fixed assets	388.44	1,134.34
	<u><b>388.44</b></u>	<u><b>1,134.34</b></u>
<b>6. Other assets</b>		
<b>Non-Current</b>		
Capital Advances		
a. Advances paid for purchase of land to related parties	185.00	185.00
	<u><b>185.00</b></u>	<u><b>185.00</b></u>
<b>Current</b>		
a. GST input credit receivables	1.86	-
	<u><b>1.86</b></u>	<u><b>-</b></u>
<b>7 Deferred tax assets</b>		
a. MAT credit entitlement	-	33.00
	<u><b>-</b></u>	<u><b>33.00</b></u>
<b>8. Cash and cash equivalents</b>		
a. Balances with banks	4.80	3.66
b. Cash on hand	0.02	0.07
	<u><b>4.82</b></u>	<u><b>3.73</b></u>
<b>9 Tax assets</b>		
Tax refund receivables	0.41	-
	<u><b>0.41</b></u>	<u><b>-</b></u>



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**Parsvnath Infra Limited**  
**Notes to the financial statements for the year ended 31 March, 2020**

	As at 31-March-20 Rs.in lakhs	As at 31-March-19 Rs.in lakhs
<b>10 .Equity Share Capital</b>		
<b>Authorised Share Capital</b>		
10,00,00,000 (as at March 31st, 2019: 10,00,00,000) equity shares of Rs. 10 each	10,000.00	10,000.00
<b>Issued and Subscribed capital</b>		
2,74,57,680 (as at March 31st, 2019: 2,74,57,680) fully paid equity shares of Rs 10 each	2,745.77	2,745.77
	<b>2,745.77</b>	<b>2,745.77</b>

**10.1 Reconciliation of share capital**

	Number of Shares	Share Capital Rs./lakhs
Balance as at March 31 March, 2018	2,74,57,680	2,745.77
Movements during the year	-	-
Balance as at March 31 March, 2019	2,74,57,680	2,745.77
Movements during the year	-	-
Balance as at March 31 March, 2020	<b>2,74,57,680</b>	<b>2,745.77</b>

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

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

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

	As at 31-March-20 No. of shares	As at 31-March-19 No. of shares
<b>Holding company</b>		
Parsvnath Developers Limited	2,60,49,400	2,60,49,400

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

	As at March 31, 2020		As at March 31, 2019	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
<b>Fully paid equity shares</b>				
- Parsvnath Developers Limited	2,60,49,400	94.87%	2,60,49,400	94.87%
- Mr Pradeep Kumar Jain	8,71,180	3.17%	8,71,180	3.17%
- Mr Pradeep Kumar Jain, HUF	5,36,600	1.95%	5,36,600	1.95%



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**Parsvnath Infra Limited**  
**Notes to the financial statements for the year ended 31 March, 2020**

	<b>As at 31-March-20 Rs.in lakhs</b>	<b>As at 31-March-19 Rs.in lakhs</b>
<b>11. Other equity</b>		
a. Securities premium reserve	3833.05	3833.05
b. Retained earnings	(717.67)	(655.06)
	<b>3115.38</b>	<b>3177.99</b>
<b>a. Securities premium</b>		
Balance at the beginning of the year	3833.05	3833.05
Movements during the year	-	-
Balance at the end of the year	<b>3833.05</b>	<b>3833.05</b>
<b>b. Retained earnings</b>		
Balance at the beginning of the year	(655.06)	(585.00)
Profit/(Loss) for the year	(62.61)	(70.06)
Balance at the end of the year	<b>(717.67)</b>	<b>(655.06)</b>

**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 of the Company earned till date.



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**Parsvnath Infra Limited**  
**Notes to the financial statements for the year ended 31 March, 2020**

	<b>As at 31-March-20 Rs. In lakhs</b>	<b>As at 31-March-19 Rs. In lakhs</b>
<b>12. Trade Payables</b>		
<b>Current</b>		
a. Trade Payables	61.77	76.34
	<b>61.77</b>	<b>76.34</b>
<p>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.</p>		
<b>13. Other Financial Liabilities</b>		
<b>Current</b>		
a. Security deposit received	0.90	0.90
b. Payables on purchase of fixed assets	8.76	7.31
	<b>9.66</b>	<b>8.21</b>
<b>14. Other Current Liabilities</b>		
a. Statutory liabilities	4.50	0.21
b. Advance received from customer	50.00	50.00
	<b>54.50</b>	<b>50.21</b>
<b>15. Provisions</b>		
<b>Current</b>		
a. Employee benefits	0.04	0.02
	<b>0.04</b>	<b>0.02</b>
<p>Break up:</p>		
a. Provision for gratuity	-	-
b. Provision for compensated absences	0.04	0.02
	<b>0.04</b>	<b>0.02</b>



**Parsvnath Infra Limited**  
**Notes to the financial statements for the year ended 31 March, 2020**

	<b>Year ended 31 March, 2020 Rs. In lakhs</b>	<b>Year ended 31 March, 2019 Rs. In lakhs</b>
<b>16. Other Income</b>		
a. Interest Income		
i. On bank deposits	4.23	0.10
b. Balances written back	0.10	-
	<b>4.33</b>	<b>0.10</b>
<b>17. Employee Benefit expense</b>		
a. Salaries and wages	13.69	25.84
	<b>13.69</b>	<b>25.84</b>
<b>18. Other expenses</b>		
a. Printing and stationery	0.04	0.02
b. Legal and professional charges	0.22	2.89
c. Rent	17.74	-
d. Payment to auditors	0.50	0.59
e. Bank charges	0.05	0.02
f. Director sitting fees	0.50	-
g. Fees and taxes	0.04	19.06
h. Loss on abandonment of project	-	18.34
i. Miscellaneous expenses	1.14	3.40
	<b>20.23</b>	<b>44.32</b>
<b>Payment to auditors (excluding GST)</b>		
i. Statutory audit fee	0.50	0.59



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**Parsvnath Infra Limited**  
**Notes to the financial statements for the year ended 31 March, 2020**

**Note 19: Related party disclosures**

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

**(a) Holding Company**

- Parsvnath Developers Limited

**(b) Subsidiary Company**

- Parsvnath MIDC Pharma SEZ Private Limited

**(c) Other related parties (With whom the Company has transactions during the year)**

- Pradeep Kumar Jain & Sons HUF  
- Nutan Jain

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

	<u>Holding Company</u>	<u>Subsidiary Company</u>	<u>Other related parties</u>
	Rs. In lakhs	Rs. In lakhs	Rs. In lakhs
<b>(a) Transactions during the year</b>			
Security deposit for rent	7.41 (-)	-	-
Rent	17.74 (-)	-	-
Advances paid	-	-	-
	(100.00)	(-)	(-)
Purchase of investments			
- Pradeep Kumar Jain & Sons HUF	-	-	220.00
	(-)	(-)	(-)
- Nutan Jain	-	-	475.00
	(-)	(-)	(-)
<b>(b) Balances at year-end</b>			
Receivables on transfer/sale of fixed assets	388.44 (1134.34)	-	-
Advance against properties	185.00 (185.00)	-	-
Investments held (net of provision)	-	205.00 (205.00)	-
	(-)	(-)	(-)
Security deposit	7.41 (-)	-	-
Rent payable	16.00 (-)	-	-
	(-)	(-)	(-)
Payables on purchase of assets	-	-	2.90
	(-)	(-)	(-)
Financial guarantees	22,500.00 (22500.00)	-	-
	(-)	(-)	(-)

**Notes**

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

2 Figures in brackets represent figures as at and for the year ended 31 March, 2019.



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**Parsvnath Infra Limited**  
**Notes to the financial statements for the year ended 31 March, 2020**

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

**21. Contingent liabilities**

	<u>As at</u> <u>31 March, 2020</u> Rs.in lakhs	<u>As at</u> <u>31 March, 2019</u> Rs.in lakhs
Claim against the Company not acknowledged as debt	29.59	23.52
Corporate quarantee (see note 22)	22,500.00	22,500.00

22. The Company had provided security of its land admeasuring 72.77 acres, situated at Lasudiya Parmer, Tehsil Sanwer, District Indore (Madhya Pradesh) and created a charge in favour of Life Insurance Corporation of India (LIC) for a term loan of Rs.22,500 lakhs, of which Rs. 20,000 lakhs was availed by its holding company, Parsvnath Developers Limited (PDL) during the year 2008. LIC has issued a demand notice dated 13.02.2017 under Section 13(2) of the Securitisation and Reconstruction of Financial Assets and Enforcement of Security Interest Act, 2002 (SARFAESI Act, 2002) to Parsvnath Developers Limited and others and also issued a possession notice dated 15.02.2018 to Parsvnath Infra Limited under Section 13(4) of SARFAESI Act, 2002.

LIC had filed an Application (OA) dated 21.12.2017, before the Debt Recovery Tribunal (DRT), New Delhi, under Section 19 of the Recovery of Debts due to Banks and Financial Institutions Act, 1993, for recovery of Rs. 16,869 lakhs (approx.) from the defendants PDL, Mr. Pradeep Kumar Jain and the Company. The application was listed on 05.02.2018, when the defendants including the Company were directed to file the written submission within 30 days of receipt of summons. A written statement was filed by the Company before the DRT, New Delhi, contesting that the Application submitted by LIC is not maintainable against the Company (Defendant No. 3) since LIC has neither made any claims against the Company nor any relief has been sought against the Company with regard to the payment of the outstanding amount of the Term Loan taken by PDL from LIC, nor any document has been filed thereby evidencing that the Company has created valid mortgage on the said Indore Land and therefore the act of taking possession over the Company's land is not justifiable.

Fresh application was filed by LIC for placing additional document on record. The case was listed on 17.09.2019 and 23.10.2019 and LIC was directed to exhibit the document by filing an additional affidavit. For completion of pleadings the matter was listed on 10.02.2020 and due to the present Covid-19 situation, the matter has been adjourned to 03.08.2020.

The Company has also filed a Securitization Application dated 04.04.2018 under section 17 of SARFAESI Act, 2002 before the DRT, New Delhi contesting the action taken by LIC. The matter was listed on 09.05.2019 when the Court allowed the application filed by LIC for placing on record additional documents with liberty to the Company to challenge the authenticity of document at the time of evidence. The matter was adjourned on several occasions and the matter is now listed on 03.08.2020.

23. The Company had entered in to a MoU dated 30.04.2015 with Rural Tech Park Private Limited for development of Knowledge Hub at Palakkad, Kerala and agreed to transfer the development rights of 37 acres to Rural Tech park, subject to the approval of KINFRA. Rural Tech Park has paid an advance of Rs. 50 lakhs out of the total consideration payable by it.

The Company received a legal notice dated 24.08.2017 from Rural Tech Park Private Limited asking for the repayment of Rs. 50 lakhs with interest @ 12% per annum. The Company replied to the legal notice on 23.10.2017, however, legal proceedings were initiated by Rural Tech Park Private Limited. The matter was last listed on 08.06.2020 and due to Covid-19 situation, the matter has been adjourned and the next date is awaited.

**24. Deferred tax assets**

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

**25. 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 years 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:



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**Parsvnath Infra Limited**  
**Notes to the financial statements for the year ended 31 March, 2020**

	<u>As at</u> <u>31 March, 2020</u> Rs.in lakhs	<u>As at</u> <u>31 March, 2019</u> Rs.in lakhs
Liability at the beginning of the year	-	7.03
Current service cost	-	-
Liability at the end of the year	-	-
Expensed recognised in the Statement of Profit and Loss	-	(7.03)

**26. Segment reporting**

The Company is engaged in the business of 'Infrastructure'. 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.

**27. Earnings per share**

		<u>As at</u> <u>31 March, 2020</u>	<u>As at</u> <u>31 March, 2019</u>
i. Net loss for calculation of basic and diluted earnings per share	Rs. In lakhs	(62.61)	(70.06)
ii. Weighted average number of equity shares outstanding during the year	Numbers	2,74,57,680	2,74,57,680
iii. Basic and diluted earnings per share	Rs.	(0.23)	(0.26)
iv. Nominal value of equity shares	Rs.	10	10

**28. Corporate social responsibility**

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



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Parsvnath Infra Limited

Notes to the financial statements for the year ended 31 March, 2020

29. Financial Instruments

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

	As at 31-March-20		As at 31-March-19		Rs. in lakhs			
	Total	Amortised Cost	At cost	FVTPL	Total	Amortised Cost	At cost	FVTPL
<b>Financial assets</b>								
i. Investments	900.00	900.00	-	-	205.00	205.00	-	-
ii. Cash and cash equivalents	4.82	4.82	-	-	3.73	3.73	-	-
iii. Other financial assets	399.49	399.49	-	-	1,136.27	1,136.27	-	-
<b>Total financial assets</b>	<b>1,304.32</b>	<b>1,304.32</b>	<b>-</b>	<b>-</b>	<b>1,345.00</b>	<b>1,345.00</b>	<b>-</b>	<b>-</b>
<b>Financial liabilities</b>								
i. Trade Payables	61.77	61.77	-	-	76.34	76.34	-	-
ii. Other financial liabilities	9.66	9.66	-	-	8.21	8.21	-	-
<b>Total financial liabilities</b>	<b>71.43</b>	<b>71.43</b>	<b>-</b>	<b>-</b>	<b>84.55</b>	<b>84.55</b>	<b>-</b>	<b>-</b>

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



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**Parsvnath Infra Limited**  
**Notes to the financial statements for the year ended 31 March, 2020**

**30. 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 other financial liabilities. Financial assets mainly includes investment in subsidiary 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 regularly monitors the cash outflow projections and arranges funds to meet its liabilities.

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

	Carrying amount	Payable within 1 year	Payable in 1-3 years	Rs. In lakhs Payable more than 3 years
<b>As at 31 March, 2020</b>				
Trade payables	61.77	61.77	-	-
Other financial liabilities	9.66	9.66	-	-
	<b>71.43</b>	<b>71.43</b>	-	-
<b>As at 31 March, 2019</b>				
Trade payables	76.34	76.34	-	-
Other financial liabilities	8.21	8.21	-	-
	<b>84.55</b>	<b>84.55</b>	-	-

**Market risk**

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

**A. Interest rate risk**

Interest rate risk is the risk that the future cash flows will fluctuate due to changes in market interest rates. The Company has no borrowings, hence the interest rate risk is not material

**B. Price risk**

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

**Credit Risk**

Credit risk is the risk that customer or counter-party will not meet its obligation under the contract, leading to financial loss. The Company has no trade receivables, hence the credit risk is not material.

**31. Events after the reporting period**

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

**32. Approval of the financial statements**

The financial statements were approved for issue by Board of Directors on 29 June 2020.



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

*(Signature of Yogesh Jain)*

**Yogesh Jain**  
Director  
DIN:00088662

*(Signature of Kishan Lal Sharma)*

**Kishan Lal Sharma**  
Director  
DIN:06842669

Place: New Delhi  
Date: 29 June 2020