Parsvnaths

committed to build a better world

Parsvnath Estate Developers Private Limited

14th Annual Report

Financial Year 2020-2021

Parsvnaths
committed to build a better world

BOARD'S REPORT

Dear Shareholders

The Directors have pleasure in presenting their 14th Board's Report together with the audited financial statements of the Company for the financial year ended 31st March, 2021.

1. FINANCIAL HIGHLIGHTS

The key highlights of the financial performance of the Company for the financial year 2020-2021 are as under:-

(Amount in Rs. Lakhs)

Particulars	FY 2020-2021	FY 2019-2020
Total Revenue	**6,411.08**	7,698.79
Profit/ (Loss) before tax	**(9,848.50)**	(10,775.32)
Provision for Tax	**781.00**	507.13
Profit/ (Loss) after tax for the year	**(10,629.50)**	(11,282.45)

2. REVIEW OF OPERATIONS

The Company has developed a commercial project, 'Parsvnath Capital Tower' at Bhai Veer Singh Marg, Gole Market, New Delhi, a prime location in New Delhi. The Phase I of the project was completed in March, 2015 and Phase II has been completed in May, 2021. The Company has sub-licensed areas in the project to well-known organizations like World Health Organization (WHO), State Bank of India, and ICICI Lombard General Insurance Co. Ltd. etc.

During the year under review, the total revenue of the Company was lower at Rs. 6,411.08 Lakhs as against Rs. 7,698.79 Lakhs in the previous year. The Company incurred a loss after tax of Rs. 10,629.50 Lakhs against a loss of Rs. 11,282.450 Lakhs in the previous year. The Loss is mainly on account of finance cost of Rs. 12,841.49 Lakhs (Previous year- Rs. 14,933.11 Lakhs). Finance cost includes accrued but not due interest of Rs. 7581.02 Lakhs on Junior Non- Convertible Debentures. As more office space is sub-licensed gradually, the Company is expected to become profitable.

During the year under review on 31.03.2021:

1. The Company issued 2000 Senior Unlisted Non-Convertible Debentures (Series B) of face value of Rs. 10,00,000/- each aggregating Rs. 200 crores.
2. The Company made partial redemption of 250 Senior Listed NCDs (Series A) by Rs. 81,82,429.25/- (Reduction in face value from Rs. 10,00,000/- per debenture to Rs. 9,67,270.283/- per debenture).

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3. The Company made partial redemption of 2750 Senior Unlisted NCDs (Series B) by Rs. 2,45,47,287.75/- (Reduction in face value of Senior Unlisted NCDs from Rs. 10,00,000/- per debenture to Rs. 9,91,073.714/- per debenture).
4. The Company made partial redemption of 12188 Junior Unlisted NCDs (Series C) by Rs. 200 crores/- (reduction in face value of Junior NCDs from Rs. 10,00,000/- per debenture to Rs. 8,35,904.168/- per debenture).

3. EFFECT OF COVID PANDEMIC

We are in the middle of the biggest crisis we have seen in our lifetimes, the COVID-19 Pandemic. So, far, it has created unprecedented socio-economic disruption, fear and the tragic loss of human life. The collapse in economic activity this time is likely at a level unseen in previous recessions. Each time the suffering has been different but each time we have adapted and bounced back. We are hopeful that like all previous crises, the COVID-19 Pandemic will also pass and in time, a fresh wave of business energy will flow.

4. DIVIDEND

In the absence of distributable profits, the Board of Directors of your Company does not recommend any dividend for the financial year under review.

5. TRANSFER OF AMOUNT TO RESERVES

The Company has not transferred any amount to the general reserves for the financial year 31st March, 2021.

6. CHANGE IN THE NATURE OF BUSINESS, IN ANY

There were no changes in the nature of the business of the Company during the financial year under review.

7. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There are no material changes and commitments occurred between the end of the financial year under review and the date of the report.

8. TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND (IEPF)

The provisions of Section 125(2) of the Companies Act, 2013 ("the Act") do not apply the Company for the financial year under review, as there was no dividend declared and paid in the previous financial year.

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9. HOLDING COMPANY

The Company is a wholly owned subsidiary of Parsvnath Developers Limited (PDL).

10. SUBSIDIARIES, JOINT VENTURES AND ASSOCIATE COMPANIES

The Company does not have any Subsidiary, Joint venture or Associate Company as at 31st March, 2021.

11. DEPOSITS FROM PUBLIC

The Company has not invited or accepted any deposits from public during the financial year under review, which falls within the meaning of Section 73 and 74 of the Act read together with the Companies (Acceptance of Deposits) Rules, 2014.

12. DIRECTORS AND KEY MANAGERIAL PERSONNEL

Mr. Praveen Jain (DIN: 00855104) tendered his resignation from the directorship of the Company with effect from 08th September, 2020.

During the year under review, Mr. Kamal Singh (DIN: 07176712) was appointed as an Additional Director (Non- Executive Independent Director) of the Company with effect from 11th September, 2020 to hold office upto the date of ensuing Annual General Meeting. Mr. Kamal Singh was appointed as director in the Annual General Meeting held on 29th September, 2020 for a term of five years. However, most unfortunately he expired on 26th October, 2020 due to Covid-19.

Mr. Surya Mani Pandey (DIN: 08250346), was appointed as an Additional Director of the Company w.e.f. 14th February, 2020 to hold office upto the date of ensuing Annual General Meeting. Mr. Surya Mani Pandey was appointed as director in the Annual General Meeting held on 29th September, 2020. Mr. Surya Mani Pandey (DIN: 08250346), retires by rotation and being eligible, offers himself for re-appointment at the forthcoming Annual General Meeting of the Company, in accordance with the provisions of Section 152(6) of the Companies Act, 2013.

Dr. Rakshita Shharma (DIN: 08579771) was appointed as an Additional Director (Non-Executive Independent Director) of the Company on 12th November, 2020 to fulfill the statutory requirements of having two independent directors in a listed company. However she tendered her resignation from the directorship of the Company w.e.f 25th August, 2021.

As on the date of this report, the Board of your Company comprises of Three Non-executive Directors - Mr. Arvind Kumar Mishra, Ms. Deepa Gupta and Mr. Surya Mani Pandey.

Declaration by Independent Director

The Company has received necessary declaration from Ms. Deepa Gupta, Independent Director under Section 149(7) of the Companies Act, 2013, that she meets the criteria of independence laid down in Section 149(6) of the Companies Act, 2013.

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Registered & Corporate Office : Parsvnath Tower, Near Shahdara Metro Station, Shahdara, Delhi-110032, Ph : 011-43050100, 43010500, Fax : 011-43050473
E-mail : secretarial@parsvnath.com, Visit us at : www.parsvnath.com

Key Managerial Personnel
Ms. Payal, ACS-56584, was appointed as the Company Secretary and Compliance Officer with effect from 12th February, 2021.

13. AUDIT COMMITTEE AND THE NOMINATION AND REMUNERATION COMMITTEE

To meet the requirements of a listed company, the Company constituted an Audit Committee and Nomination and Remuneration Committee on 11th September, 2020 with Ms. Deepa Gupta-Chairperson, Mr. Kamal Singh and Mr. Arvind Kumar Mishra as members of the Committee, consequent to the issue of Listed Non-Convertible Debentures (NCDs) of Rs. 25 Crores on private placement basis on 29th June, 2020.

The Company reconstituted the Audit Committee (with Ms. Deepa Gupta-Chairperson, Dr. Rakshita Shharma and Mr. Arvind Kumar Mishra as members of the Committee) and Nomination and Remuneration Committee (with Dr Rakshita Shharma-Chairperson, Ms. Deepa Gupta and Mr. Surya Mani Pandey as members) on 12th November, 2020 consequent to the sad demise of Shri Kamal Singh and appointment of Dr. Rakshita Shharma on the Board as an Additional Independent Director.

Pursuant to notification dated 19th February, 2021 issued by the Ministry of Corporate Affairs, Companies whose Non -Convertible Debentures issued on private placement basis are listed, are not considered as Listed Companies with effect from ***01st April, 2021***. Therefore, after 01st April, 2021, there is no statutory requirement of having Audit Committee and Nomination and Remuneration Committee in the Company.

In view of the above, the Board in its meeting held on 12th August, 2021 has dissolved the Audit Committee and Nomination and Remuneration Committee.

14. NUMBER OF MEETINGS OF THE BOARD AND ITS COMMITTEES

A. Board Meetings

During the financial year 2020-2021, the Board met Seven (7) times with adequate quorum on 26th June, 2020, 29th June, 2020, 11th September, 2020, 12th November, 2020, 12th February, 2021, 30th March, 2021 and 31st March, 2021.

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

S. No.	Name of Directors	Number of meetings which director was entitled to attend	Number of meetings attended
1	Mr. Praveen Jain	2	2
2	Ms. Deepa Gupta	7	5
3	Mr. Arvind Kumar Mishra	7	7
4	Mr. Surya Mani Pandey	7	7
5	Dr. Rakshita Shharma	3	3

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B. Audit Committee Meetings

During the financial year 2020-21, the Audit Committee of the Board of Directors met two (2) times with adequate quorum on 12th November, 2020 and 12th February, 2021.

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

S. No.	Name of Members	Number of meetings which member was entitled to attend	Number of meetings attended
1.	Ms. Deepa Gupta	2	2
2.	Mr. Arvind Kumar Mishra	2	2
3.	Dr. Rakshita Shharma	1	1

C. Nomination and Remuneration Committee Meeting

During the financial year 2020-21, the Nomination and Remuneration Committee of the Board of Directors met one (1) time with adequate quorum on 12th February, 2021.

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

S. No.	Name of Members	Number of meetings which member was entitled to attend	Number of meetings attended
1.	Ms. Deepa Gupta	1	1
2.	Dr. Rakshita Shharma	1	1
3.	Mr. Surya Mani Pandey	1	1

15. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuance to the provisions of section 134 (5) of the Companies Act, 2013, the Board of Directors to the best of their knowledge and ability, state that:

(a) in the preparation of the annual accounts for the year ended 31st March, 2021, the applicable accounting standards have been followed along with proper explanation relating to material departures;

(b) the directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the loss of the Company for that year;

(c) the directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for

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safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

(d) the directors have prepared the annual accounts on a going concern basis; and

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

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

16. RELATED PARTY TRANSACTIONS

All contracts/arrangements/transactions entered by the Company during the financial year with related parties were in ordinary course of business and on arm's length basis.

During the year under review, the Company provided an additional advance of Rs. 71,46,97,533/- for purchase of land to Parsvnath Developers Ltd. (PDL). The total advance for purchase of land now stands at Rs. 381,46,97,533/-.

Particulars of the agreement are given in Form AOC-2 enclosed as **Annexure-I.**

The related party transactions undertaken during the financial year 2020-2021 are detailed in the Notes to Accounts of the financial statements.

17. INTERNAL CONTROLS

The Company has in place adequate internal financial controls with reference to its financial statements and efforts are being made to improve the same.

18. STATUTORY AUDITORS

M/s S. N. Dhawan & Co. LLP, Chartered Accountants, Statutory Auditors of the Company were appointed for a period of five years from the conclusion of the 9th Annual General Meeting held on 30th September, 2016 until the conclusion of the 14th Annual General Meeting for conducting the audit for the Financial Years from 2016-17 to 2020-21.

The first term of M/s S.N. Dhawan & Co. LLP as Statutory Auditors of the Company will expire at the conclusion of the ensuing 14th Annual General Meeting (AGM). During the discussions they have expressed their un-willingness to be re-appointed for a second term due to pre-occupation.

It is proposed to appoint M/s T R Chadha & Co. LLP, Chartered Accountants (Firm Registration No. 006711N/N500028), as Statutory Auditors from the conclusion of the forthcoming 14th AGM for a term of 5 consecutive years till the conclusion of 19th AGM for conducting audit for the financial years 2021-22 to 2025-26.

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The Company has obtained a certificate from M/s T R Chadha & Co. LLP, Chartered Accountants to the effect that their appointment, if made, would be in accordance with the requirements of Sections 139 and 141 of the Companies Act, 2013.

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

19. OBSERVATION OF AUDITORS

There are no qualifications, reservations or adverse remarks in the Auditors' Report for the financial year ended 31st March 2021.

20. SECRETARIAL AUDITORS

The Company had appointed M/s Upender Jajoo and Associates, Company Secretaries, to conduct the Secretarial Audit of the Company for the financial year 2020-2021. The Secretarial Audit report for the financial year ended 31st March, 2021 is annexed hereto as **Annexure-II** to this Report.

There are no qualifications, reservations or adverse remarks in the Report for the financial year ended 31st March 2021.

21. DISCLOSURES

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

   All efforts are made by the Company to conserve energy. However there was no capital investment on energy conservation equipment.

   There was no Technology absorption. During the year under review, the Company had no foreign exchange earnings and outgo.

2. **Particulars of employees**

   During the year the Company had eight employees. Particulars of employees of the Company pursuant to section 197(12) of the Companies Act, 2013 are annexed as **Annexure-III** to this Report.

   No employee of the Company was in receipt of remuneration exceeding Rs. 102 Lakhs per annum, if employed throughout the financial year and Rs. 8.5 Lakhs per month, if employed for part of the financial year, which requires disclosure under Section 197(12) of the Companies Act, 2013 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

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

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

4. **Annual Return**

Annual Return may be accessed on the Company's Website at the link www.parsvnath.com/pedpl

22. RISK MANAGEMENT

The Company has in place an in-principle Risk Management Policy to identify the risks associated with the business of the Company. There is no apparent element of risk which in the opinion of the Board may threaten the existence of the Company.

23. VIGIL MECHANISM

The Company has a Vigil Mechanism Policy in place in terms of Section 177 of the Companies Act, 2013 and Rule 7 of the Companies (Meeting of Board and its Powers) Rules, 2014 to oversee the genuine concerns to be expressed by the employees and other Directors.

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

24. CORPORATE SOCIAL RESPONSIBILITY

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

25. BOARD EVALUATION

Pursuant to notification dated 19th February, 2021 issued by the Ministry of Corporate Affairs, companies whose Non-convertible Debentures issued on private placement basis are listed, are not considered as Listed Companies with effect from 01st April, 2021.

Therefore the Company is not required to provide a statement for annual evaluation by the Board.

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

Company is not covered under section 178(1) of the Companies Act, 2013, with effect from 01st April, 2021, therefore Company is no longer required a policy on directors' appointment, payment of remuneration and other matters provided under section 178(3) of the Act.

27. COMPLIANCE OF SECRETARIAL STANDARDS

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

28. DEBENTURE TRUSTEE

The Company had appointed Catalyst Trusteeship Limited for its Non-Convertible Debentures. The details of debenture trustee are as under:

Catalyst Trusteeship Limited
Registered office: GDA House, Plot No. 85, Bhusari Colony (Right), Paud Road, Pune-411038
Branch office: Windsor, 6th Floor, Office No. 604, C.S.T. Road, Kalina Santacruz (East), Mumbai- 400098
E-mail address: umesh.salvi@ctltrustee.com

29. LISTING WITH STOCK EXCHANGE

During the year under review, your Company issued 250 Non-Convertible Debentures (NCDs) having face value of Rs. 10 Lakhs each (face value now reduced to Rs. 9,67,270.283/- per debenture) on private placement basis and got them listed on BSE on 13th July, 2020. The NCDs continue to remain listed with BSE. The listing fees for financial year 2020-21 and 2021-22 have been paid by the Company to BSE.

The codes assigned to the NCDs by NSDL and BSE are:

NSDL (ISIN): INE244P07037
BSE Scrip Code: 959701

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

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

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31. GENERAL

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

1. Issue of equity shares with differential rights as to dividend, voting or otherwise;
2. Issue of shares (including sweat equity shares) to the employees of the Company under any scheme;
3. The Company has no Managing Director and none of the Non-executive Directors of the Company receive any remuneration or commission from its holding or subsidiary company.
4. There is no requirement for Constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made thereunder as the number of employees is less than ten. During the year under review, there were no cases filed/ reported pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.
5. There is no application made or any proceeding pending under the Insolvency and Bankruptcy Code, 2016 (31 of 2016) during the year under review.

32. ACKNOWLEDGEMENTS

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

By order of the Board of Directors
For Parsvnath Estate Developers Pvt. Ltd.

Parsvnath Estate Developers Pvt. Delhi

Arvind Kumar Mishra
Director
DIN: 08250280

Surya Mani Pandey
Director
DIN: 08250346

Place: Delhi
Date: 06th September,2021

Annexure -1

FORM NO. AOC.2

Disclosure of particulars of contracts/arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transaction

{Pursuant to clause (h) of sub-section (3) of Section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014}

1. **Details of contracts or arrangements or transactions not at arm's length basis**

Not applicable.

2. **Details of material contracts or arrangement or transactions at arm's length basis**

S. No.	Particulars	Details
1	**Name of the related party and nature of relationship**	Parsvnath Developers Ltd. (PDL) Holding Company
2	**Nature of contracts/ arrangements/ transactions**	Agreement with PDL for sale and transfer of proposed agricultural land, to be acquired by PDL and acknowledging part consideration paid in advance by the Company to PDL against the same.
3	**Duration of the contracts/ arrangements/ transactions**	24 months from execution of the Agreement dated October 4, 2019.
4	**Salient terms of the contracts or arrangements or transactions including the value, if any:**	*PDL will accumulate agricultural land approx. 1000 acres adjacent/ contiguous to the land owned by the Company (Proposed Land) and transfer it to the Company within 24 months from the date of execution of Agreement, 'on as is where is basis'. *Sale Consideration is Rs. 50 Lakhs per acre. * PDL acknowledged the receipt of Rs. 71,46,97,533/- as part of the consideration paid in advance.
5	**Date of approval by the Board, if any:**	October 03, 2019
6	**Amount paid as advances, if any:**	The Company earlier paid Rs. 310 crores as advance for purchase of land during the financial year 2019-20. The Company paid an additional advance of Rs. 71,46,97,533/- (Rupees Seventy One Crores Forty Six Lakhs Ninety Seven Thousand Five Hundred Thirty Three only) during the year under review.

Parsvnath Estate Developers Pvt. Ltd. Delhi

		The total advance for purchase of land now stands at Rs. 381,46,97,533/- (Rupees Three Hundred Eighty One Crores Forty Six Lakhs Ninety Seven Thousand Five Hundred Thirty Three only).

By order of the Board of Directors
For Parsvnath Estate Developers Pvt. Ltd.

Arvind Kumar Mishra
Director
DIN: 08250280

Surya Mani Pandey
Director
DIN: 08250346

Parsvnath Estate Developers Pvt. Ltd. Delhi

Place: Delhi
Date: 06.09.2021

Annexure - II

Upender Jajoo & Associates
Company Secretaries

Form MR 3
Secretarial Audit Report
(For the Financial Year ended on 31st March, 2021)

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members
M/s PARSVNATH ESTATE DEVELOPERS PRIVATE LIMITED
Parsvnath Tower
Near Shahdara Metro Station
Shahdara, Delhi-110032

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **PARSVNATH ESTATE DEVELOPERS PRIVATE LIMITED (**hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2021, complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by **The Company** for the financial year ended on 31st March 2021 according to the provisions of:

I. The Companies Act, 2013 (**the "Act"**) and the Rules made thereunder;

II. The Securities Contracts (Regulation) Act, 1956 (**"SCRA"**) and the Rules made thereunder;

III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 55A - Not applicable;

IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

Parsvnath Estate Developers Pvt. Ltd. Delhi

V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**"SEBI Act"**) to the extent applicable to the Company: -

a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011; **(Not Applicable to the Company during the Audit Period)**

b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;

c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not Applicable to the Company during the Audit Period)**

e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 ;

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

g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not Applicable to the Company during the Audit Period)**

h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not Applicable to the Company during the Audit Period).**

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India and notified by Ministry of Corporate Affairs.

(ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

I further report that:

1. The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors. The changes, *if any,* in the composition of the Key managerial personnel that took place during the period under review were carried out in compliance with the provisions of the Act.

Parsvnath Estate Developers Ltd. Delhi

2. Adequate notice are given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

4. The Company has obtained all necessary approvals under the various provisions of the Act; and

5. There was no prosecution initiated and no fines or penalties were imposed during the year under review under the Act, SEBI Act, SCRA, Depositories Act, and Rules, Regulations and Guidelines framed under these Acts against / on the Company, its Directors and Officers.

I further report that

Based on the information received and the records maintained, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

For Upender Jajoo & Associates
Company Secretaries

UPENDER JAJOO

Digitally signed by UPENDER JAJOO
Date: 2021.07.30 09:46:50 +05'30'

Upender Jajoo
FCS: 10155
C.P.: 14336
UDIN: F010155C000709139

Date 30/07/2021
Place: New Delhi

Note: This report should be read with my letter of even date which is annexed as Annexure A and forms are integral part of this report.

Parsvnath Estate Developers Pvt. Ltd.
Delhi

Upender Jajoo & Associates
Company Secretaries

Annexure-A to the Secretarial Audit Report

To,
The Members,
M/s PARSVNATH ESTATE DEVELOPERS PRIVATE LIMITED
Parsvnath Tower
Near Shahdara Metro Station
Shahdara, Delhi-110032

My Report of even date is to be read along with this letter.

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

For Upender Jajoo & Associates
Company Secretaries

UPENDER JAJOO

Digitally signed by UPENDER JAJOO
Date: 2021.07.30 09:47:12 +05'30'

Upender Jajoo
FCS: 10155
C.P.: 14336
UDIN: F010155C000709139
Date: 30/07/2021
Place: New Delhi

Parsvnath Estate Developers Pvt. Ltd. * Delhi

Annexure - III

Particulars of employees (in terms of remuneration drawn during FY 2020-21) pursuant to section 197(12) of the Companies Act, 2013.

S. No.	Name	Designation	Qualifications	Remuneration (in Rs.)	Experience (Years)	Date of commencement of employment	Age (Years)	Last Employment Held	Number & % of shares held in the Company as at March 31, 2020	Nature of employment, whether contractual or otherwise
1	Mr.Rajesh Nagar	Dy. Facilities Head	M.A.	13.97,340	37	30.09.2013	53	Umang Realtech Pvt. Ltd.	Nil	Permanent
2	Mr. Rajnish Sajdeh	Dy. General Manager	BE (Civil)	15,20,418	35	20.04.2015	57	M.R.A Associates India Pvt. Ltd.	Nil	Permanent
3	Ms. Payal*	Company Secretary	ACS	77,169	2	18.12.2020	28	M/s Soni Chatrath & Company, CA	Nil	Permanent
4	Mr. Vineet Kumar Jain*	Chartered Accountant	CA, CS	4,56,673	15	05.10.2020	48	Unitech Limited	Nil	Permanent
5	Mr. Tularam	Supervisor (MEP)	ITI	3,60,504	24	01.07.2014	48	SSS Services Pvt . Ltd.	Nil	Permanent
6	Mr. Nand Kishore	Computer Operator	B.A	2,06,427	16	01.08.2005	40	M/s Automation Systems	Nil	Permanent
7	Mr. Suman Binjola*	Billing Engineer	Diploma in Civil Engineering	63,089	20	01.04.2015	44	M/s. Carrie & Brows	Nil	Permanent
8	Ms. Barkha Bathla*	Company Secretary	CS, LLB	3,13,759	3	22.07.2019	27	M/s. CFR Asset Reconstruction India Limited	Nil	Permanent

*Employed for part of the year

Note:

1. The remuneration does not include leave encashment, gratuity and other retirement benefits and other terms and conditions of the employment are as per Company's policy.
2. All the employees have adequate experience to discharge the responsibilities assigned to them and their designations are indicative of their nature of duties.
3. None of the employees mentioned above is a relative of any Director of the Company.

Parsvnath Estate Developers Pvt. Ltd. Delhi

S.N. Dhawan & CO LLP
Chartered Accountants

421, II Floor, Udyog Vihar Phase IV,
Gurugram, Haryana 122016, India

Tel: +91 124 481 4444

INDEPENDENT AUDITOR'S REPORT

TO THE MEMBERS OF PARSVNATH ESTATE DEVELOPERS PRIVATE LIMITED

Report on the Ind AS Financial Statements

Opinion

We have audited the Ind AS financial statements of **Parsvnath Estate Developers Private Limited** ("the Company"), which comprise the balance sheet as at 31 March 2021, and the statement of Profit and Loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the Ind AS financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2021, and its loss, total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Ind AS financial statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Ind AS financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information Other than the Ind AS Financial Statements and Auditor's Report thereon

- The Company's Board of Directors is responsible for the other information. The other information comprises of the Director's Report. This report is expected to be made available to us after the date of this auditor's report.

- Our opinion on the Ind AS financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.

- In connection with our audit of the Ind AS financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Ind AS financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

- When we read the Director's Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditor's Responsibilities Relating to Other Information'

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Management's Responsibility for the Ind AS Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Ind AS financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Ind AS Financial Statements

Our objectives are to obtain reasonable assurance about whether the Ind AS financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Ind AS financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system with reference to financial statements in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention

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in our auditor's report to the related disclosures in the Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the Ind AS financial statements, including the disclosures, and whether the Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Ind AS financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order/CARO 2016"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the **Annexure A,** a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) On the basis of the written representations received from the directors as on 31 March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **"Annexure B.**

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(g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the company has not paid any remuneration to its directors during the year.

(h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company does not have any pending litigation which would impact its financial position - Refer Note 26 to the Ind AS financial statements;

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - Refer Note 27 to the Ind AS financial statements;

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

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

Vinesh Jain
Partner
Membership No.: 087701
UDIN: 21087701AAAAEK7138

S.N. DHAWAN & CO. LLP
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CHARTERED ACCOUNTANTS

Place: Delhi
Date: 29 June, 2021

"ANNEXURE A" TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date to the members of **Parsvnath Estate Developers Private Limited** on the Ind AS financial statements as at and for the year ended 31 March, 2021)

i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets comprising of Property, Plant and Equipment and Other Intangible Assets.

b. The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to information and explanations given to us, no material discrepancies were noticed on such verification.

c. According to the information and explanations given to us and the records examined by us, the Company has constructed building on land taken on licence basis and disclosed as intangible assets in the financial statements. This licence agreement is in the name of the Company, where the Company is the licensee in the agreement.

ii. In our opinion and according to the information and explanations given to us, having regard to the nature of inventory, the physical verification by way of verification of title deeds, site visits by the Management, are at reasonable intervals and no material discrepancies were noticed on physical verification

iii. The Company has not granted any loans, secured or unsecured to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Companies Act, 2013.

iv. The Company has not granted any loans, made investments or provided guarantees and hence reporting under clause (iv) of CARO 2016 is not applicable.

v. According to the information and explanations given to us, the Company has not accepted any deposits from the public.

vi. The maintenance of cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013.

vii. According to the information and explanations given to us in respect of statutory dues:

a. The Company has generally been regular in deposit of Income Tax and Goods and Service Tax with the appropriate authorities during the year. We are informed that the provisions of the Employees Provident Funds and Miscellaneous Act, 1952 and Employees State Insurance Act, 1948 are not applicable to the Company and that the operations of the Company during the year, did not give rise to any liability for Sales Tax, Value Added Tax, Service Tax, Excise Duty and Customs Duty.

b. There were no undisputed amounts payable in respect of Income Tax, Provident Fund, Employees' State Insurance, Sales Tax, Service Tax, Value Added Tax, Goods and Service Tax, Customs Duty, Excise Duty, Cess and other material statutory dues in arrears as at 31 March, 2021 for a period of more than six months from the date they became payable.

c. There are no dues in respect of Income Tax, Value Added Tax, Sales Tax, Goods and Service Tax, Service Tax, Customs Duty and Excise Duty which have not been deposited as on 31 March, 2021 on account of any dispute.

viii. The Company has not taken any loans or borrowings from banks, financial institutions and the government. The Company has not defaulted in repayment of dues of debenture holders.

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ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). In our opinion, term loans raised during the year were applied for the purpose for which the loans were obtained

x. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

xi. The Company has not paid / provided any managerial remuneration and hence reporting under clause (xi) of the CARO 2016 is not applicable.

xii. The Company is not a Nidhi Company and hence reporting under clause (xii) of the CARO 2016 is not applicable.

xiii. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 188 and 177 of the Companies Act, 2013, where applicable, for all transactions with the related parties and the details of related party transactions have been disclosed in the financial statements etc. as required by the applicable accounting standards.

xiv. During the year the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause (xiv) of CARO 2016 is not applicable to the Company.

xv. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or directors of its subsidiary or associate company or persons connected with them and hence provisions of section 192 of the Companies Act, 2013 are not applicable.

xvi. The Company is not required to be registered under section 45-I of the Reserve Bank of India Act, 1934.

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

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

Vinesh Jain
Partner
Membership No.: 087701

UDIN: 21087701AAAAEK7138

Place: Delhi
Date: 29 June, 2021

'Annexure B' to the Independent Auditor's Report
(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of the Independent Auditor's Report of even date to the members of **Parsvnath Estate Developers Private Limited** on the Ind AS financial statements as at and for the year ended 31 March 2021)

Independent Auditor's report on the Internal Financial Controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of **Parsvnath Estate Developers Private Limited** ("the Company") as of 31 March 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

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

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

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

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Meaning of Internal Financial Controls with reference to Financial Statements

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

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

In our opinion, the Company has, in all material respects, adequate internal financial controls system with reference to financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March 2021, based on based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Vinesh Jain
Partner
Membership No.: 087701
UDIN: 21087701AAAAEK7138

S.N. DHAWAN & CO. LLP
GURUGRAM

Place: Delhi
Date: 29 June, 2021

1. CORPORATE INFORMATION

PARSVNATH ESTATE DEVELOPERS PRIVATE LIMITED ("the Company") was incorporated on 24th July, 2007 under the name Farhat Developers Private Limited and became a subsidiary of Parsvnath Developers Limited with effect from 27th August, 2010. The name of the Company was changed to 'Parsvnath Estate Developers Private Limited' with effect from 22 November 2010 and fresh certificate of incorporation was issued by the Registrar of Companies, Delhi and Haryana. The Company is primarily engaged in the business leasing of commercial buildings.

2. Significant accounting policies

2.1 Basis of preparation

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

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

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

2.2 Basis of measurement and presentation

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

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

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

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

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

The principal accounting policies are set out below.

2.3 Revenue recognition

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

i Income from licence fee is recognised on accrual basis in accordance with the terms of agreement with the sub-licensees.

S.N. DHAWAN & CO. LLP GURUGRAM CHARTERED ACCOUNTANTS ii Income from rent is recognised on accrual basis in accordance with the terms of agreement with the lessee.

iii. Income from maintenance charges is recognised on accrual basis.

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

2.4 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

a. As lessor

Receipts from operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the term of the relevant lease. Where the lease payments are structured to increase in line with expected general inflation to compensate for expected inflationary cost increases, lease income is recognised as per the contractual terms.

b. As lessee

The company has applied Ind AS 116 as at the commencement date of 1 April, 2019 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, less any lease incentives received.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, company's incremental borrowing rate. Generally, the company uses its incremental borrowing rate as the discount rate.

Short-term leases and leases of low-value assets
The company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of 12 months. The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

Till Previous year ended 31 March, 2020:

Payments for operating leases were recognised in the Statement of Profit and Loss on a straight-line basis over the term of the relevant lease. Where the lease payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, lease expense was recognised as per the contractual terms. Contingent rentals arising under operating leases are recognised as an expense in the period in which they were incurred.

2.5 Borrowing costs

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

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

2.6 Employee benefits

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

Liability for gratuity is provided on the basis of management estimate.

2.7 Taxation

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

Current tax

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

Deferred tax

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding amounts used in the computation of taxable income. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets are generally recognised for all deductible temporary differences, the carry forward of unused tax losses and unused tax credits. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

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

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

Current and deferred tax for the year

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

2.8 Service Concession Arrangements

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

2.9 Property, plant and equipment

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

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

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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'

2.10 Intangible assets

Intangible assets comprises buildings constructed on 'Build-operate-Transfer' (BOT) basis. The company has unconditional right to use/lease such assets during the specified period. After expiry of specified period, these assets will get transferred to licensor without any consideration. Since, the Company has no ownership rights over these assets and has limited right of use during the specified period, these assets are classified as intangible assets. These intangible assets are initially recognised at their cost of construction. The cost comprises purchase price, directly attributable costs for making the asset ready for its intended use, borrowing costs attributable to construction of qualifying asset, upto the date the asset is ready for its intended use.

Subsequent to initial recognition, intangible assets are carried at cost less accumulated amortisation and accumulated impairment losses, if any.

Intangible assets which are not ready for intended use as on the date of Balance Sheet are disclosed as 'Intangible assets under development'

Intangible assets are amortised on a straight line basis over the licence period (right to use) which ranges from 12 to 30 years.

2.11 Amortisation of building, plant and equipment etc. classified as Intangible assets

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

Asset	Useful life
Plant and equipment	8 years
Furniture and fixture	8 years
Office equipment	5 years
Computer	3 years

Cost of building on land held on license basis is amortized over the remaining period of license of project facility on straight line basis.

2.12 Impairment of tangible and intangible assets

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

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

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

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

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

2.13 Inventories

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

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

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

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

2.14 Provisions

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

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

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

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

2.15 Contingent liabilities

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

2.16 Cash and cash equivalents

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

2.17 Earnings per share

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

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

2.18 Current/non-current classification

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. 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.

2.19 Operating cycle

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

2.20 Financial instruments

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

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

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2.21 Financial assets

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

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

Classification of financial assets

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

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

All other financial assets are subsequently measured at fair value.

Effective interest method

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

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

Impairment of financial assets

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

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

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

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

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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.

2.22 Financial liabilities and equity instruments

Classification as debt or equity

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

Equity instruments

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

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

Financial liabilities

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

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

Financial liabilities at FVTPL

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

A financial liability is classified as held for trading if:

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

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

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

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

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

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

Financial liabilities subsequently measured at amortised cost

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

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

Derecognition of financial liabilities

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

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2.23. Significant accounting judgements, estimates and assumptions

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

Net realisable value of inventory

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

Deferred tax assets

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

Others

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

a. Useful life of property, plant and equipment
b. Measurement and recognition of deferred tax assets
c. Provision for expected credit losses
d. Amortisation of intangible assets
e. Discount rate for calculating present value of lease liability

2.24 Recent accounting pronouncements

Recent accounting pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

The amendments are extensive and the Company will evaluate the same to give effect to them as required by law.

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CHARTERED ACCOUNTANTS

Parsvnath Estate Developers Private Limited
Balance Sheet as at 31 March, 2021

	Notes	As at 31-March-21	As at 31-March-20
		Rs in lakhs	Rs in lakhs
Assets			
1. Non-current assets			
a. Right of use asset	3	9,526.74	9,832.04
b. Other intangible assets	3	24,125.26	26,045.32
c. Intangible assets under development	3	14,865.56	13,507.17
d. Financial assets			
i. Other financial assets	4	860.86	235.01
e. Tax assets (net)	8	1,291.77	2,104.74
f. Deferred tax assets (net)	17	-	781.00
g. Other non-current assets	9	4,589.60	8,659.73
Total non-current assets		**55,259.79**	**61,165.01**
2. Current assets			
a. Inventories	5	7,300.83	7,300.83
b. Financial assets			
i. Trade receivables	6	880.56	630.73
ii. Cash and cash equivalents	7	2,817.81	148.78
iii. Other financial assets	4	278.61	813.93
c. Other current assets	9	38,468.17	32,218.91
Total current assets		**49,745.98**	**41,113.18**
Total assets		**1,05,005.77**	**1,02,278.19**
Equity and Liabilities			
1. Equity			
a. Equity share capital	10	500.00	500.00
b. Other equity	11	(49,766.37)	(39,136.87)
Total Equity		**(49,266.37)**	**(38,636.87)**
2. Liabilities			
Non-current liabilities			
a. Financial liabilities			
i. Borrowings	12	1,31,552.71	1,17,209.24
ii. Other financial liabilities	14	13,057.80	12,366.90
b. Other non-current liabilities	15	749.93	1,411.74
Total non-current liabilities		**1,45,360.44**	**1,30,987.88**
Current liabilities			
a. Financial liabilities			
i. Trade Payables	13		
a. Total outstanding dues of micro enterprises and small enterprises		-	-
b. Total outstanding dues of creditors other than micro enterprises and small enterprises		319.64	1,194.40
ii. Other financial liabilities	14	8,579.63	2,240.39
b. Other current liabilities	15	2.29	6,478.91
c. Provisions	16	10.14	13.48
Total current liabilities		**8,911.70**	**9,927.18**
Total liabilities		**1,54,272.14**	**1,40,915.06**
Total equity and liabilities		**1,05,005.77**	**1,02,278.19**
See accompanying notes forming part of the financial statements	**1-46**		

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

Vinesh Jain
Partner
Membership No. 087701

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

Place: Delhi
Date: 29 June, 2021

For and on behalf of the Board of Directors

Arvind Kumar Mishra
Director
DIN:08250280

Suryamani Pandey
Director
DIN:08250346

Payal
Company Secretary

Parsvnath Estate Developers Private Limited
Statement of Profit and Loss for the year ended 31 March, 2021

		Notes	Year ended 31 March, 2021	Year ended 31 March, 2020
			Rs in lakhs	Rs in lakhs
	Income			
I	Revenue from operations	18	6,355.48	7,521.68
II	Other income	19	55.60	177.11
III	**Total income (I + II)**		**6,411.08**	**7,698.79**
IV	**Expenses**			
	(a) Employee benefits expense	21	50.70	52.86
	(b) Finance costs	22	12,841.49	14,933.11
	(c) Depreciation and amortisation expense	23	2,229.49	2,245.71
	(d) Other expenses	24	1,137.90	1,242.43
	Total expenses (IV)		**16,259.58**	**18,474.11**
V	**Profit/(loss) before tax (III-IV)**		**(9,848.50)**	**(10,775.32)**
VI	Tax expense/(benefit):			
	(i) Current tax		-	40.13
	(ii) Deferred tax		781.00	467.00
			781.00	507.13
VII	**Profit/(loss) for the year (V - VI)**		**(10,629.50)**	**(11,282.45)**
VIII	**Other comprehensive income**		-	-
IX	**Total comprehensive income for the year (VII + VIII)**		**(10,629.50)**	**(11,282.450)**
X	Earnings per equity share (face value Rs. 10 per share)	32		
	(1) Basic (in Rs)		(212.59)	(225.65)
	(2) Diluted (in Rs)		(212.59)	(225.65)
	See accompanying notes forming part of the financial statements	**1-46**		

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

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

Vinesh Jain
Partner
Membership No. 087701

Place: Delhi
Date: 29 June, 2021

For and on behalf of the Board of Directors

Arvind Kumar Mishra
Director
DIN:08250280

Suryamani Pandey
Director
DIN:08250346

Payal
Company Secretary

PARSVNATH ESTATE DEVELOPERS PRIVATE LIMITED
Statement of Cash Flows for the year ended 31 March, 2021

	Notes	Year ended 31 March, 2021 Rs in lakhs	Year ended 31 March, 2020 Rs in lakhs
Cash flows from operating activities			
Profit/(loss) for the year		(9,848.50)	(10,775.32)
Adjustments for :			
Finance costs recognised in profit or loss		12,841.49	14,933.11
Interest income recognised in profit or loss		(53.50)	(137.57)
Provision for employee benefit		(3.34)	1.53
Depreciation and amortisation expense		2,229.49	2,245.71
		5,165.64	6,267.46
Movements in working capital:			
(Increase)/decrease in trade and other receivables		(249.83)	263.47
(Increase)/decrease in other non current financial assets		(625.85)	2,148.32
(Increase)/decrease in other non current assets		3,794.61	1,041.16
(Increase)/decrease in other current financial assets		553.57	(801.36)
(Increase)/decrease in other current assets		(6,249.26)	(30,155.05)
Increase/(decrease) in trade payables		(874.76)	112.55
Increase/(decrease) in other non current financial liabilities		690.90	225.82
Increase/(decrease) in other non current liabilities		(661.81)	190.56
Increase/(decrease) in other current financial liabilities		(7.50)	6.67
Increase/(decrease) in other current liabilities		(6,476.62)	2,020.99
Increase/(decrease) in lease assets/liabilities (net)		-	624.08
Cash generated from operations		**(4,940.91)**	**(18,055.33)**
Income tax paid/refund (net)		812.97	78.88
Net cash (used in)/generated by operating activities		**(4,127.94)**	**(17,976.45)**
Cash flows from investing activities			
Interest received		35.26	125.00
Capital expenditure on Intangible assets (including development)		(1,187.15)	(3,087.51)
Net Cash (used in) /generated by investing activities		**(1,151.90)**	**(2,962.51)**
Cash flows from financing activities			
Proceeds from non current borrowings		1,51,880.00	32,043.47
Repayment of non current borrowings		(1,37,536.54)	-
Finance costs paid		(6,394.59)	(11,126.99)
Net Cash (used in)/generated by financing activities		**7,948.87**	**20,916.47**
Net increase in Cash and cash equivalents		2,669.04	(22.49)
Cash and cash equivalents at the beginning of the year		148.78	171.26
Cash and cash equivalents at the end of the year	7	**2,817.81**	**148.78**

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

See accompanying notes forming part of the financial statements **1-46**

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

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

Vinesh Jain
Partner
Membership No. 087701

Place: Delhi
Date: 29 June, 2021

For and on behalf of the Board of Directors

Arvind Kumar Mishra
Director
DIN:08250280

Suryamani Pandey
Director
DIN:08250346

Payal
Company Secretary

Parsvnath Estate Developers Private Limited
Statement of changes in equity for the year ended 31 March, 2021

A. Equity Share Capital

	Rs in lakhs
Balance as at 31 March, 2019	**500.00**
Changes in equity share capital during the year	-
Balance as at 31 March, 2020	**500.00**
Changes in equity share capital during the year	-
Balance as at 31 March, 2021	**500.00**

B. Other Equity

Particulars	Reserves and Surplus: Retained earnings	Total
Balance as at 31 March, 2019	**(27,854.42)**	**(27,854.42)**
Profit/(loss) for the year	(11,282.45)	(11,282.45)
Other comprehensive income for the year	-	-
Balance as at 31 March, 2020	**(39,136.87)**	**(39,136.87)**
Profit/(loss) for the year	(10,629.50)	(10,629.50)
Other comprehensive income for the year	-	-
Balance as at 31 March, 2021	**(49,766.37)**	**(49,766.37)**

See accompanying notes forming part of the financial statements 1-46

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. 08770

Place: Delhi
Date: 29 June, 2021

For and on behalf of the Board of Directors

Arvind Kumar Mishra
Director
DIN:08250280

Suryamani Pandey
Director
DIN:08250346

Payal
Company Secretary

3. Other intangible assets

	As at 31-March-21	As at 31-March-20
	Rs in lakhs	Rs in lakhs
Net Carrying amounts of		
Assets on build-operate-transfer (BOT) basis:		
Building on leasehold land:		
- Given under operating lease	19,692.50	20,733.36
Plant and equipment	1,471.47	1,844.27
Plant and equipment	2,445.71	2,714.97
Furniture and fixture	500.42	624.87
Office equipment	0.30	0.94
Computers	14.86	126.91
	24,125.26	**26,045.32**
3. Intangible assets under development	**14,865.56**	**13,507.17**
3. Right of use assets:		
Right of use assets	5,950.05	6,255.35
Right of use assets under development	3,576.69	3,576.69
	9,526.74	**9,832.04**

	Building given under operating lease	Plant and equipment	Plant and equipment	Furniture and fixture	Office equipment	Computers	Total other intangibles	Right of use assets	Intangible assets under development
Cost or deemed cost	Rs in lakhs	Rs in lakhs	Rs in lakhs	Rs in lakhs	Rs in lakhs	Rs in lakhs	Rs in lakhs	Rs in lakhs	Rs in lakhs
Balance as at 31 March, 2019	**25,935.67**	**3,701.29**	**4,078.43**	**1,244.57**	**39.86**	**706.60**	**35,706.43**	-	**10,962.51**
Additions	-	1.10	-	-	-	14.37	**15.47**	6,561.45	2,544.66
Balance as at 31 March, 2020	**25,935.67**	**3,702.39**	**4,078.43**	**1,244.57**	**39.86**	**720.96**	**35,721.90**	**6,561.45**	**13,507.17**
Additions	-	-	4.13	-	-	-	**4.13**	-	1,358.39
Balance as at 31 March, 2021	**25,935.67**	**3,702.39**	**4,082.56**	**1,244.57**	**39.86**	**720.96**	**35,726.02**	**6,561.45**	**14,865.56**
Accumulated amortisation									
Balance as at 31 March, 2019	**4,161.46**	**1,485.36**	**1,090.07**	**495.26**	**31.41**	**473.41**	**7,736.97**	-	-
Amortisation expense	1,040.85	372.77	273.39	124.46	7.49	120.65	**1,939.61**	306.10	-
Balance as at 31 March, 2020	**5,202.31**	**1,858.12**	**1,363.46**	**619.73**	**38.89**	**594.06**	**9,676.58**	**306.10**	-
Amortisation expense	1,040.86	372.80	273.39	124.46	0.64	112.05	**1,924.19**	305.30	-
Balance as at 31 March, 2021	**6,243.17**	**2,230.92**	**1,636.85**	**744.19**	**39.53**	**706.11**	**11,600.77**	**611.40**	-
Net Carrying amount									
Balance as at 31 March, 2020	**20,733.36**	**1,844.27**	**2,714.97**	**624.87**	**0.94**	**126.91**	**26,045.32**	**6,255.35**	**13,507.17**
Balance as at 31 March, 2021	**19,692.50**	**1,471.47**	**2,445.71**	**500.42**	**0.30**	**14.86**	**24,125.25**	**5,950.05**	**14,865.56**

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Notes:

Intangible assets

a. Assets on Build-operate-transfer (BOT) basis

Intangible assets comprises buildings constructed on 'Build-operate-Transfer' (BOT) basis. The company has unconditional right to use/lease such assets during the specified period. After expiry of specified period, these assets will get transferred to licensor without any consideration. Since, the Company has no ownership rights over these assets and has limited right of use during the specified period, these assets are classified as intangible assets.

BOT assets have been further bifurcated in:

Building on leasehold land
Plant and equipment
Furniture and fixture
Office equioment
Computers

b. Intangible assets under development

Intangible assets (BOT) which are not ready for intended use as on the date of Balance Sheet are disclosed as 'Intangible assets under development'

c. Right of use assets

Right to use assets is lease liability measured at cost, which comprises initial amount of lease liability adjusted for lease payments made at or before the commencement date of 1 April, 2019 (see note 2)

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		As at 31-March-21	As at 31-March-20
		Rs in lakhs	Rs in lakhs
4.	**Other financial assets**		
	Non-Current		
	a. Security deposits to others	33.81	33.41
	b. Margin money to holding company	827.05	201.60
		860.86	**235.01**
	Current		
	a. Security deposit to holding company	-	317.91
	b. Interest accrued on deposits	30.82	12.57
	c. Other receivables	247.79	483.45
		278.61	**813.93**
5.	**Inventories** (lower of cost and net realisable value)		
	a. Work-in-progress	7,300.83	7,300.83
		7,300.83	**7,300.83**

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:

	As at 31-March-21	As at 31-March-20
Less than 12 months	-	-
More than 12 months	7,300.83	7,300.83
	7,300.83	**7,300.83**

		As at 31-March-21	As at 31-March-20
6.	**Trade receivables**		
	Current		
	a. Unsecured, considered good	880.56	630.73
		880.56	**630.73**

Note:
1. The average credit period is 10 days. For payments, beyond credit period, interest is charged at 18% per annum on outstanding balances.

		As at 31-March-21	As at 31-March-20
7.	**Cash and cash equivalents**		
	a. Balances with banks		
	i. in current accounts	787.88	148.58
	ii. in deposit accounts	2,029.33	-
	b. Cash on hand	0.60	0.20
		2,817.81	**148.78**
8.	**Tax assets (net)**		
	a. Tax refund receivable	1,291.77	2,104.74
		1,291.77	**2,104.74**
9.	**Other assets**		
	Non-Current		
	a. Capital advances	79.47	354.99
	b. Advances to vendors	5.95	4.48
	c. Upfront fees (unamortised)	4,504.18	8,300.26
		4,589.60	**8,659.73**
	Current		
	a. Advance for purchase of land to related parties	38,146.98	31,000.00
	b. Prepaid expenses	50.67	229.72
	c. Upfront fees (unamortised)	154.68	978.69
	d. GST credit receivables	105.84	-
	e. Others	10.00	10.50
		38,468.17	**32,218.91**

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10 .Equity Share Capital

	As at 31-March-21	As at 31-March-20
	Rs in lakhs	**Rs in lakhs**
Equity share capital	500.00	500.00
	500.00	**500.00**
Authorised Share Capital		
Class A		
37,75,000 (as at 31 March,2020: 37,75,000) Class A equity shares of Rs. 10 each	377.50	377.50
Class B		
12,25,000 (as at 31 March,2020: 12,25,000) Class B equity shares of Rs. 10 each	122.50	122.50
	500.00	**500.00**
Issued, subscribed and fully paid up capital		
Class A		
37,75,000 (as at 31 March,2020: 37,75,000) fully paid Class A equity shares of Rs. 10 each	377.50	377.50
Class B		
12,25,000 (as at 31 March,2020: 12,25,000) fully paid Class B equity shares of Rs. 10 each	122.50	122.50
	500.00	**500.00**

10.1- Reconciliation of share capital

	Class A		Class B	
	Number of Shares in	**Share Capital Rs./lacs**	**Number of Shares in**	**Share Capital Rs./lacs**
Balance as at April 1, 2019	37,75,000	377.50	12,25,000	122.50
Movements during the year	-	-	-	-
Balance as at March 31, 2020	37,75,000	377.50	12,25,000	122.50
Movements during the year	-	-	-	-
Balance as at March 31, 2021	**37,75,000**	**377.50**	**12,25,000**	**122.50**

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

The company has two classes of equity shares having a par value of Rs10 per share. Each class A shareholder is entitled to one vote per share and Class B shareholder is entitled to three vote per share.

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

	As at 31-March-21	As at 31-March-20
	No of shares	**No of shares**
Parsvnath Developers Limited, the holding company		
Class A Share	37,75,000	37,75,000
Class B shares	12,25,000	12,25,000

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

	As at March 31, 2021		As at March 31, 2020	
	Number of shares held	**% holding of equity shares**	**Number of shares held**	**% holding of equity shares**
i. **Class A**				
Parsvnath Developers Limited	37,75,000	100.00%	37,75,000	100.00%
ii. **Class B**				
Parsvnath Developers Limited	12,25,000	100.00%	12,25,000	100.00%

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	As at 31-March-21 Rs in lakhs	As at 31-March-20 Rs in lakhs
11. Other equity		
a. Retained earnings	(49,766.37)	(39,136.87)
	(49,766.37)	**(39,136.87)**
a. Retained earnings		
Balance at the beginning of the year	(39,136.87)	(27,854.40)
Profit/(loss) for the year	(10,629.50)	(11,282.45)
Balance at the end of the year	**(49,766.37)**	**(39,136.87)**

Nature and purpose of reserves:

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

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	As at 31-March-21	As at 31-March-20
	Rs in lakhs	Rs in lakhs
12. Borrowings		
Non current		
Secured - at amortised cost		
a. Term loan		
- From others	-	1,17,209.24
b. Debentures		
12,188 Non Convertible Debentures - Junior	1,01,880.00	-
250 Non Convertible Debentures - Senior Series A	2,418.18	-
2750 Non Convertible Debentures - Senior Series B	27,254.53	-
	1,31,552.71	**1,17,209.24**

Notes:

Allotment, partial redemption and face value

(i) 12,188 Junior, Secured, Unrated, Redeemable Non-convertible debentures of Rs. 10 lakhs each were issued on 29 June 2020 to Indiabulls Housing Finance Limited

Debentures were partially redeemed by an amount of Rs. 164,095.832 per debenture on 31 March, 2021. New face value per debenture is Rs. 835,904.168

(ii) 250 Senior, Secured, Rated, Listed Redeemable and Non-convertible debentures of Rs. 10 lakhs each were issued on 29 June 2020 to OCM India Opportunities xb Alternate Investment Fund I

Debentures were partially redeemed by an amount of Rs. 32729.717 per debenture on 31 March, 2021. New face value per debenture is Rs. 967,270.283

(iii) 750 Senior, Secured Unlisted Redeemable Non-convertible debentures of Rs. 10 lakhs each were issued on 29 June 2020 to OCM India Opportunities xb Alternate Investment Fund I

(iv) 2,000 Senior, Secured Unlisted Redeemable Non-convertible debentures of Rs. 10 lakhs each were issued on 31 March 2021 to OCM India Opportunities xb Alternate Investment Fund I

Debentures were partially redeemed by an amount of Rs. 8926.286 per debenture on 31 March, 2021. New face value per debenture is Rs. 991,073.714

Junior Debentures

I Security detail

a. A second ranking exclusive hypothecation over the First Hypothecated properties (All amount held, owing to and receivable in relation to the project 'Parsvnath Capital Tower' at Bahi Veer Singh Marg, New Delhi and all rights, title, interest, benefits, claims and demands) and project receipts (net of monies payable and reserved by the Issuer to DMRC pursuant to and in accordance with the DMRC Escrow Agreement and the Concession Agreement).

b. A first ranking exclusive hypothecation over the Second Hypothecated properties i.e. Inventory, all moveable plant and machinery, equipment, furniture and all other fixed assets other than land and building.

c. A first ranking exclusive pledge over the Company's pledged Securities.

d. A charge over the Subordinated Loans.

e. The Corporate guarantee issued by Parsvnath Developers Limited, the holding company.

f. Personal Guarantees issued by Mr. Pradeep Kumar Jain. Mr. Sanjeev Kumar Jain and Dr. Rajeev Jain

II. Interest/IRR

Debentures will be redeemed at such amount that shall provide return to the debenture holders calculated at an IRR of 10% per annum, IRR will be calculated using 'XIRR' function in Microsoft Excel.

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III Redemption

Junior debentures will be redeemed in 2 equal instalments on 31st March, 2026 and 31st March, 2027.

Senior Debentures

I Security detail

a. A second ranking exclusive hypothecation over the First Hypothecated properties (All amount held, owing to and receivable in relation to the project 'Parsvnath Capital Tower' at Bahi Veer Singh Marg, New Delhi and all rights, title, interest, benefits, claims and demands) and project receipts (net of monies payable and reserved by the Issuer to DMRC pursuant to and in accordance with the DMRC Escrow Agreement and the Concession Agreement).

b. A first ranking exclusive hypothecation over the Second Hypothecated properties i.e. Inventory, all moveable plant and machinery, equipment, furniture and all other fixed assets other than land and building.

c. A first ranking exclusive pledge over the Company's pledged Securities.

d. A charge over the Subordinated Loans.

e. The Corporate guarantee issued by Parsvnath Developers Limited, the holding company.

f. Personal Guarantees issued by Mr. Pradeep Kumar Jain. Mr. Sanjeev Kumar Jain and Dr. Rajeev Jain

II. Interest/IRR

(a) 10% per annum from first disbursement till 31 March 2021
(b) 13.25% per annum from 1 April 2021 to 31 October 2021
(c) 16% per annum from 1 November 2021 to 30 October 2022
(d) 18.5% per annum from 1 November 2021 to final settlement date

Debentures will be redeemed at such amount that shall provide return to the debenture holders calculated at an IRR of 20% per annum, IRR will be calculated using 'XIRR' function in Microsoft Excel.

III Redemption

	Amount (Rs. In lakhs)
(a) 31 March, 2024	15,000.00
(b) 31 March, 2025	14,990.00
(c) 31 March, 2027	10.00
	30,000.00
Less: Partial redemption	327.29
	29,672.71

Excess cash, if available, may be used for earlier redemption

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	As at 31-March-21	As at 31-March-20
	Rs in lakhs	Rs in lakhs
13. Trade Payables		
Current		
a. Trade payables	319.64	1,194.40
	319.64	**1,194.40**

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.

14. Other financial liabilities		
Non current		
a. Security deposits received	3,053.35	2,717.19
b. Lease liability	10,004.45	9,649.71
	13,057.80	**12,366.90**
Current		
a. Interest accrued and due	-	639.03
b. Interest accrued but not due	7,581.02	495.09
c. Security deposits received	67.81	75.31
d. Payables on purchase of fixed assets	124.40	224.56
e. Lease liability	806.40	806.40
	8,579.63	**2,240.39**
15. Other liabilities		
Non current		
a. Rent received in advance	749.93	1,411.74
	749.93	**1,411.74**
Current		
a. Statutory liabilities	2.29	6,478.91
	2.29	**6,478.91**
16. Provisions		
Current		
a. Employee benefits	10.14	13.48
	10.14	**13.48**
Break-up is as under:		
Provision for gratuity	7.08	6.83
Provision for compensated absences	3.06	6.65
	10.14	**13.48**

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	As at 31-March-21	As at 31-March-20
	Rs in lakhs	Rs in lakhs
17. Deferred tax assets (net)		
Deferred tax assets	2,515.00	4,084.00
Deferred tax liabilities	(2,515.00)	(3,303.00)
Net	-	**781.00**

	Opening balance	Recognised in Profit or loss	Closing balance
	Rs in lakhs	Rs in lakhs	Rs in lakhs
Year ended 31 March, 2021			
Deferred Tax (liabilities)/assets in relation to Property, Plant and Equipment	(3,303.00)	788.00	(2,515.00)
	(3,303.00)	788.00	(2,515.00)
Deferred tax assets:			
Tax losses	4,084.00	(1,569.00)	2,515.00
	781.00	**(781.00)**	-
Year ended 31 March, 2020			
Deferred Tax (liabilities)/assets in relation to Property, Plant and Equipment	(3,022.00)	(281.00)	(3,303.00)
	(3,022.00)	(281.00)	(3,303.00)
Deferred tax assets:			
Tax losses	4,270.00	(186.00)	4,084.00
	1,248.00	**(467.00)**	**781.00**

Notes:

1. As a matter of prudence, the Company has recognised deferred tax assets (DTA) to the extent of deferred tax liabilities (DTL). No DTA has been recognised on balance of tax losses of Rs. 5,215.52 lakhs due to uncertainty of future taxable

2. The Company has tax losses of Rs. 14,888.60 lakhs (31 March, 2020 - Rs. 15,709.72 lakhs) that are available for off setting for eight years against future taxable income of the Company. The losses will expire as under:

	Rs. in lakhs
Year ending 31 March, 2023	4,739.18
Year ending 31 March, 2024	4,515.33
Year ending 31 March, 2025	2,176.22
Year ending 31 March, 2026	2,278.05
Year ending 31 March, 2027	1,179.82
Year ending 31 March, 2028	-

2. The Company has recognised deferred tax assets on its unabsorbed depreciation and business losses carried forward. The Company has executed long term lease agreements with its tenants. Based on these lease agreements, the Company has certainty as on the date of the balance sheet, that there will be sufficient taxable income available to realise such assets in the near future. Accordingly, the Company has created deferred tax assets on its carried forward unabsorbed depreciation and business losses.

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

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Parsvnath Estate Developers Private Limited
Notes to the financial statements for the year ended 31 March, 2021

		Year ended 31 March, 2021	Year ended 31 March, 2020
		Rs in lakhs	Rs in lakhs
18.	**Revenue from operations**		
a.	Lease income received	5,829.40	6,875.75
b.	Maintenance charges income	526.08	645.93
		6,355.48	**7,521.68**
19.	**Other income**		
a.	Interest income:		
i.	on deposits with bank	39.57	0.11
ii.	on deposits with others	13.93	13.97
iii.	on income tax refund	-	123.49
b.	Excess provision written back	2.10	34.83
c.	Miscellaneous income	-	4.71
		55.60	**177.11**
20.	**Changes in inventories of work-in-progress**		
a.	Inventories at the beginning of the year		
i.	Work-in-progress	7,300.83	7,300.83
b.	Inventories at the end of the year		
i.	Work-in-progress	7,300.83	7,300.83
c.	Net (increase) /decrease	-	-
21.	**Employee benefits expense**		
a.	Salaries and wages	50.70	52.86
		50.70	**52.86**
22.	**Finance costs**		
a.	**Interest expenses:**		
i.	on borrowings	11,427.62	13,161.29
ii.	others	1,134.27	1,060.53
iii.	on delayed payment of statutory liabilities	261.72	694.59
		12,823.61	14,916.41
iv.	Other borrowing cost	17.88	16.70
		12,841.49	**14,933.11**
23.	**Depreciation and amortisation expense**		
a.	Amortisation of intangible assets	1,924.19	1,939.61
b.	Amortisation of right of use assets	305.30	306.10
		2,229.49	**2,245.71**
24.	**Other expenses**		
a.	Power and fuel	185.40	214.67
b.	Lease rentals	161.40	159.77
c.	Repair and maintenance - Building	136.28	33.91
d.	Repair and maintenance - Others	17.20	15.10
e.	Insurance	14.82	11.94
f.	Rates and taxes	0.41	18.40
g.	Printing and stationery	0.36	0.11
h.	Advertisement and business promotion	0.31	100.00
i.	Security and housekeeping expenses	189.97	303.33
j.	Software development charges	-	25.00
k.	Legal and professional charges	388.96	6.46
l.	Payment to auditors - Statutory audit fee	4.58	4.00
m.	Stamp duty	35.75	345.93
n.	Miscellaneous expenses	2.46	3.81
		1,137.90	**1,242.43**

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	Year ended 31 March, 2021 Rs. in lakhs	Year ended 31 March, 2020 Rs. in lakhs
25 Income tax		
i. Income tax expense/(benefit) recognised in Statement of Profit and Loss		
Current tax		
In respect of the current year	-	40.13
Tax adjustment for earlier years	-	-
	-	40.13
Deferred tax		
In respect of the current year	781.00	467.00
	781.00	467.00
Total income tax expense recognised	**781.00**	**507.13**
ii. Income tax expense/(benefit) reconciliation with effective tax rate on accounting profit:		
Profit/(loss) before tax	(9,848.50)	(10,775.32)
Income tax expense calculated at 26% (2019-20: 26%)	(2,560.61)	(2,801.58)
Income tax adjustment for earlier years	-	-
Effect of expenses that are not deductible in determining taxable profit	1,779.61	2,294.45
Income tax expense/(benefit) recognised in statement of profit and loss	**(781.00)**	**(507.13)**

The tax rate used for the years 2020-21 and 2019-20 reconciliations above is the corporate tax rate of 25% plus cess of 4% on corporate tax, payable by corporate entities in India on taxable profits under the Indian tax law.

iii. Income tax recognised in other comprehensive income		
Remeasurements of defined benefit obligation	-	-
Total income tax recognised in other comprehensive income	**-**	**-**

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26. The Company does not have any pending litigations which would impact its financial position.

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

28. The Company entered into 'Amended and Restated Investment and Security Holder's Agreement' (in supersession of the Investment and Security Holder's Agreement dated March 25, 2010) dated September 14, 2010 with its Holding Company - Parsvnath Developers Limited (PDL) and two Overseas Investment Entities viz., City Centre Monuments and Emtons Holdings Limited (collectively referred to as 'Investors') for the development of office complex on the plot of land measuring 15,583.83 square metres situated at Bhai Veer Singh Marg, New Delhi on the terms and conditions contained in the aforesaid agreement. The rights in the said plot have been assigned on 'Build Operate Transfer' (BOT) basis to the Company by PDL with the approval of Delhi Metro Rail Corporation Limited (DMRC).

Pursuant to the aforesaid agreement, the Company had allotted 1,225,000 Class B Equity Shares of ` 10 each and 11,177,500 Fully Convertible Debentures (carrying interest @15.50% per annum) of ` 100 each to the Investors during the Financial Year 2010-11. The Company had also allotted 3,765,000 Class A Equity Shares of ` 10 each and 1,74,75,000 Optionally Convertible Debentures (carrying interest @15.50% per annum) of ` 10 each to PDL.

Pursuant to the Fourth and the Fifth Supplementary Agreement (in relation to and with reference to the 'Amended and Restated Investment and Security Holder's Agreement' dated September 14, 2010) entered on 10 October, 2011 and 14 December, 2011 respectively, by the Company with PDL and Investors, the Company had allotted 25,00,000 Fully Convertible Debentures - Series B (carrying interest @17.25% per annum) of ` 100 each and 17,40,000 Fully Convertible Debentures - Series C (carrying interest @17.75% per annum) of ` 100 each to the investors namely Emtons Holdings Limited. The Company also allotted 34,88,000 Optionally Convertible Debentures of ` 10 each to PDL. Further, pursuant to the Fourth Supplementary Agreement, 46,09,500 Optionally Convertible Debentures of ` 10 each, held by PDL, were redeemed in financial year 2011-12.

During the financial year 2016-17, PDL acquired all the securities of the Company held by the two Investors and the Company became a wholly owned subsidiary of PDL with effect from 25 May 2016.

29. Commitments and qurantees

i. Capital Commitments	**As at 31 March, 2021** **Rs in lakhs**	**As at 31 March, 2020** **Rs in lakhs**
Estimated amount of contracts remaining to be executed on capital account (net of advances)	-	186.00
ii. Bank gurantee issued by the holding company	672.00	672.00

30. Employee benefit plan

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

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

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

	As at 31 March, 2021 **Rs. in lakhs**	**As at 31 March, 2020** **Rs. in lakhs**
Liability at the beginning of the year	6.83	5.61
Current service cost	0.25	1.22
Paid during the year	-	-
Liability at the end of the year	7.08	6.83
Expensed recognised in the Statement of Profit and Loss	0.25	1.22

31. Segment reporting

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

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

There is no single customer contributed 10% or more to the Company's revenue during the year 2020-21

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32. Earnings per share

			As at 31 March, 2021	As at 31 March, 2020
i.	Net loss for calculation of basic and diluted earnings per share	Rs. In lakhs	(10,629.50)	(11,282.45)
ii.	Weighted average number of equity shares outstanding during the year	Numbers	50,00,000	50,00,000
iii.	Basic and diluted earnings per share	Rs.	(212.59)	(225.65)
iv.	Nominal value of equity shares	Rs.	10	10

33. The Company is setting up a project on Build Operate Transfer (BOT) basis. Costs incurred on this Projects till completion of the project are reflected as 'Intangible assets under development'. Details of incidental expenditure incurred during construction in respect of the project debited to 'Intangible assets under development' are as under:

		Year ended 31 March, 2021 Rs. in lakhs	Year ended 31 March, 2020 Rs. in lakhs
a.	Legal and professional charges	31.50	6.49
b.	Licence fee	67.51	84.32
		99.01	90.81

34. Details of borrowing costs capitalised during the year:

		Year ended 31 March, 2021 Rs. in lakhs	Year ended 31 March, 2020 Rs. in lakhs
a.	Intangible assets under development	1,129.81	1,876.88
		1,129.81	1,876.88

35. Corporate social responsibility

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

36. Related party disclosures

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

(a) Holding Company
- Parsvnath Developers Limited

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ii. Balances outstanding/transactions with related parties

	Holding Company Rs. In lakhs
(a) Transactions during the year	
Interest income on deposits	13.93 (13.93)
Security deposit received back	317.91 (2,348.32)
Security deposit paid	- (517.91)
Advance paid for purchase of land	7,146.98 (31,000.00)
Advances paid	- (483.45)
Advances received back	483.45 (-)
Margin money paid (asset)	625.45 (-)
Financial guarantees issued by	1,39,133.73 (40,500.00)
(b) Balances at year-end	
Security deposits (asset)	- (317.91)
Margin money (asset)	827.05 (201.60)
Interest accrued on deposits	25.45 (12.57)
Advance for purchase of land	38,146.98 (31,000.00)
Other receivables	- (483.45)
Guarantees received	672.00 (672.00)
Financial guarantees issued by	1,39,133.73 (1,48,200.00)

Notes:

1 All related party transactions entered during the year were in ordinary course of business and are on arm's length basis. For the year ended 31 March, 2021, the Company has not recorded any impairment of receivables from related parties (31 March, 2020 - 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, 2020.

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37 Financial Instruments

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

Rs. in lakhs

	As at 31-March-21				As at 31-March-20			
	Total	Amortised Cost	At cost	FVTPL	Total	Amortised Cost	At cost	FVTPL
Financial assets								
i. Trade receivables	880.56	880.56	-	-	630.73	630.73	-	-
ii. Cash and cash equivalents	2,817.81	2,817.81	-	-	148.78	148.78	-	-
iii. Other financial assets	1,139.47	1,139.47	-	-	1,048.94	1,048.94	-	-
Total financial assets	**4,837.84**	**4,837.84**	-	-	**1,828.45**	**1,828.45**	-	-
Financial liabilities								
i. Borrowings	1,31,552.71	1,31,552.71	-	-	1,17,209.24	1,17,209.24	-	-
ii. Trade Payables	319.64	319.64	-		1,194.40	1,194.40	-	
iii. Other financial liabilities	21,637.43	21,637.43	-		14,607.29	14,607.29	-	
Total financial liabilities	**1,53,509.78**	**1,53,509.78**	-	-	**1,33,010.93**	**1,33,010.93**	-	-

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

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38. Operating lease arrangements - As lessee

The company has applied Ind AS 116 using the modified retrospective approach, under which lease liability as at the commencement date of 1 April, 2019 was recognised and equivalent amount of 'Right of use asset' was recognised

Right of use assets of Rs. 10138.14 lakhs and lease liabilities of Rs. 10,138.14 lakhs was recognised as on 1 April,2019.

The impact of change in accounting policy on account on adoption of Ind AS 116 during the financial year 2019-20 was as follows:

a. Increase in lease liability by Rs 10,456.11 lakhs
b. Increase in rights of use by Rs. 9,832.04 lakhs
c. Increase in finance cost by Rs. 1124.38 lakhs
d. Increase in depreciation by Rs. 306.10 lakhs

The carrying value of right of use assets at the end of the 31 March,2021

	Year ended 31 March, 2021 Rs. in lakhs	Year ended 31 March, 2020 Rs. in lakhs
a. Balance as at the beginning of the year	9,832.04	10,138.14
b. Depreciation charged during the year	305.30	306.10
c. Balance as at the end of the year	9,526.74	9,832.04

Maturity analysis of lease liabilities – contractual undiscounted cash flows

	Year ended 31 March, 2021 Rs. in lakhs	Year ended 31 March, 2020 Rs. in lakhs
a. Not later than one year	887.04	806.40
b. Later than one year but not later than five years	4,161.02	3,886.85
c. Later than five years	27,071.57	28,232.78

Total undiscounted lease liabilities at 31 March 2021

Lease liabilities included in the statement of financial position at 31 March 2021		
Current	806.40	806.40
Non current	10,004.45	9,649.71
	10,810.85	**10,456.11**

Amounts recognised in profit or loss	Year ended 31 March, 2021 Rs. in lakhs	Year ended 31 March, 2020 Rs. in lakhs
Interest on lease liabilities	1,161.13	1,124.38
Amortisation of right to use assets	305.30	306.10

Lease charges of Rs. 161.40 lakhs (Previous Year Rs. 159.77 lakhs) is recognised in Statement of Profit and Loss

39. Operating lease arrangements - As lessor

The Company has given certain building and facilities under non-cancellable operating leases.

Lease income (licence fee) recognised in the Statement of Profit and Loss is as under:

	Year ended 31 March, 2021 Rs. in lakhs	Year ended 31 March, 2020 Rs. in lakhs
Licence fee income		
a. Recognised in statement of profit and loss	5,829.40	6,875.75
	5,829.40	**6,875.75**

The total of future minimum lease receivables are as follows:

	As at 31 March, 2021 Rs. in lakhs	As at 31 March, 2020 Rs. in lakhs
a. Not later than one year	3,932.05	1,232.40
b. Later than one year but not later than five years	6,275.58	3,193.26
c. Later than five years	-	402.68
	10,207.63	**4,828.34**

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40. Financial Risk Management

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

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

Liquidity Risk

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

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

Rs. in lakhs

	Carrying amount	Payable within 1 year	Payable in 1-3 years	Payable more than 3 years
As at 31 March, 2021				
Borrowings	1,31,552.71	-	-	1,31,552.71
Trade payables	319.64	319.64	-	-
Other financial liabilities	21,637.43	8,579.63	4,988.71	8,069.09
	1,53,509.78	**8,899.27**	**4,988.71**	**1,39,621.80**
As at 31 March, 2020				
Borrowings	1,17,209.24	-	43,381.99	73,827.25
Trade payables	1,194.40	1,194.40	-	-
Other financial liabilities	14,607.29	2,240.39	4,571.91	7,794.99
	1,33,010.93	**3,434.79**	**47,953.90**	**81,622.24**

Market risk

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

A. Interest rate risk

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

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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, 2021	As at 31 March, 2020
	Rs. in lacs	Rs. in lacs
Variable rate borrowings		
Long Term	-	-
Short Term	-	-
Total Variable rate Borrowing	-	-
Fixed Rate Borrowings		
Long Term	1,31,552.71	1,17,209.24
Short Term	-	-
Total Fixed rate Borrowing	1,31,552.71	1,17,209.24
Total Borrowing	1,31,552.71	1,17,209.24

Sensitivity
Since the Company does not have any variable rate borrowings, there is no impact on profit and loss before tax due to change in interest rate.

B. Price risk

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

Credit Risk

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

Customers credit risk is managed, generally by receipt of security deposit / advance rent from the lessee. The Company credit risk with respect to customers is diversified due to different customers.

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

	As at 31 March, 2021	As at 31 March, 2020
	Rs. in lakhs	Rs. in lakhs
Outstanding for more than 6 months	382.52	40.89
Outstanding for 6 months or less	498.04	589.84
	880.56	**630.73**

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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, 2021 Rs. in lacs	As at 31 March, 2020 Rs. in lacs
Borrowings:		
- Long term	1,31,552.71	1,17,209.24
- Short term	-	-
- Current maturities of long term borrowings	-	-
Total borrowings - A	**1,31,552.71**	**1,17,209.24**
Equity		
- Share capital	500.00	500.00
- Other equity	(49,766.37)	(39,136.87)
Total Equity - B	**(49,266.37)**	**(38,636.87)**
Debt to equity ratio (A/B)	(2.67)	(3.03)

42. The Company has entered into long-term leasing arrangements, which ensures regular leasing income. The Phase II of the project is near completion, which will be leased out and generate additional revenue. Although, net worth of the Company has fully eroded, the management believes that the Company does not have any issue to meet its obligations. Moreover, the holding company has also committed financial support. Accordingly, these financial statements have been prepared on the fundamental assumption of going concern.

43. The outbreak of Coronavirus (COVID-19) pandemic has caused significant disturbance and slowdown of economic activity. The Company has assessed the economic impact of Covid-19 on its business by evaluating various scenarios on certain assumptions and current indicators of future economic conditions and on the basis of internal and external sources of information. Based on this, the Company has assessed recoverability and carrying value of its assets comprising intangible assets, right of use assets, advances, deferred tax assets and other financial and non-financial assets and believes that it will recover the carrying value of all its assets. The management does not expect any significant impact on its operations and will continue to closely monitor any material changes arising out of future economic conditions and impact on its business.

44. As detailed in Note 16, the Company has made premature partial redemption of debentures and the redemption amount has been paid to debenture holders. Due to premature redemption, the debenture holders have waived interest on redemption amount. Accordingly, finance cost for the current half is lower to that extent.

45. Events after the reporting period

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

46. Approval of the financial statements

The financial statements were approved for issue by Board of Directors on 29 June, 2021

For and on behalf of the Board of Directors

S.N. DHAWAN & CO. LLP
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Arvind Kumar Mishra
Director
DIN:08250280

Suryamani Pandey
Director
DIN:08250346

Place: Delhi
Date: 29 June, 2021

Payal
Company Secretary