

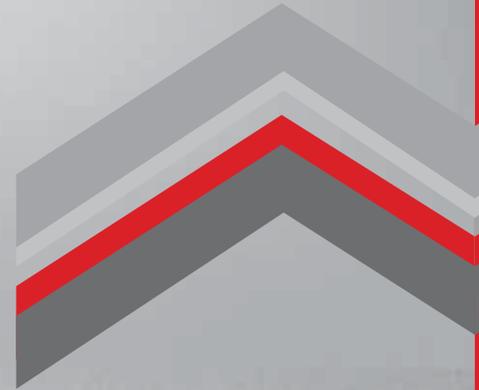
CONSOLIDATING GROWTH.  
DELIVERING VALUE.



## Forward-looking statement

In this annual report, we have disclosed forward looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements, written and oral, that we periodically make contain forward-looking statements that set out anticipated results based on the management's plan and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expects', 'project', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.



\*\*\* Perspective View

▲ Parsvnath Planet, Lucknow\*\*

## WHAT'S INSIDE

|  |  |   |   |   |
|--|--|---|---|---|
| Consolidating Growth<br>Delivering Value<br><b>2</b> | A Value-Driven Entity<br><b>4</b>                        | From the Desk of the Chairman<br><b>8</b> | Consolidating Growth Across Verticals<br><b>12</b>                        | Delivering Value through Collaborative Growth<br><b>18</b>          |
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▼ Parsvnath Exotica, Gurgaon\*



▲ Parsvnath Metro Mall, Pratap Nagar\*

Amid a challenging macro environment, our focus on consolidation through timely execution and possession remained steadfast. With our goals firmly mapped towards long-term value delivery to our customers, employees, partners and shareholders, we efficaciously tackled the myriad challenges on the back of our inherent strengths to keep growth on track.

Strategic interventions, such as appointment of third party contractors for accelerated execution, enabled us

▼ Parsvnath Prestige, Noida\*



\*Actual Site Photograph

to sustain the momentum along our execution roadmap.

Prudent initiatives, underlined by a cautious approach in project launch and management, helped us build on our existing portfolio to deliver icons of excellence across our business verticals.

Affordable hospitality, marked by the launch of our maiden property in this segment, facilitated the expansion of our product portfolio in line with the evolving market scenario.

## THE RESULT

CONSOLIDATION OF OUR GROWTH  
FOCUS TO DELIVER VALUE TO ALL OUR  
STAKEHOLDERS... TODAY, TOMORROW  
AND ALWAYS.

## A VALUE-DRIVEN ENTITY

We are one of India's leading real estate and integrated infrastructure developers, with a diversified portfolio and more than two decades of extensive experience spanning all industry verticals. Our business portfolio includes Residential, Commercial (Office and Retail), DMRC Projects, Hotels, SEZs, IT Parks, Third Party Construction.

With a completed project bouquet of 45, and a current portfolio of 50 projects spread over a total area of 76 mn sq. ft., we have a strong track record of execution across India. Our diversified pan India mix encompasses: 62%

of saleable area in Delhi/NCR, 19% in western India, 1% in southern India, 18% in northern India (based on the projects under execution).

Our in-house construction team, comprising professional engineers, architects and others, works closely with consultants, including leading, reputed and renowned professionals such as well-known architects viz. Hafeez Contractor, C. P. Kukreja, Mohit Gujral, Gian Mathur, Callison (U.S.A.), Habitat & Associates etc. for project concept design to deliver world-class reality landmarks.



\*Actual Site Photograph

▲ Parsvnath Exotica, Gurgaon\*

Our vision is focused on motto of 'building a better world'. It encapsulates our business philosophy:

- to envision, design and construct the most magnificent landmarks and edifices
- to contribute tangibly in regional and national development by way of key infrastructure projects
- to protect and preserve the environment we live in

Striving to make the world a better place to live in and to transform and uplift the quality of living and the lifestyle of each and every individual who comes in contact with us, our vision steers our growth strategy as we work towards delivering holistic and long-term value.

## OUR VISION ▲

- Committed to build a better world
- To set standards and improve our environment
- Offer a wide portfolio of international quality products that cater to different markets and segments
- To deliver value for money and excellent investment returns
- Take customer relationships and customer satisfaction to new levels
- To focus on strategic growth
- Evolve contemporary benchmarks in construction and marketing practices

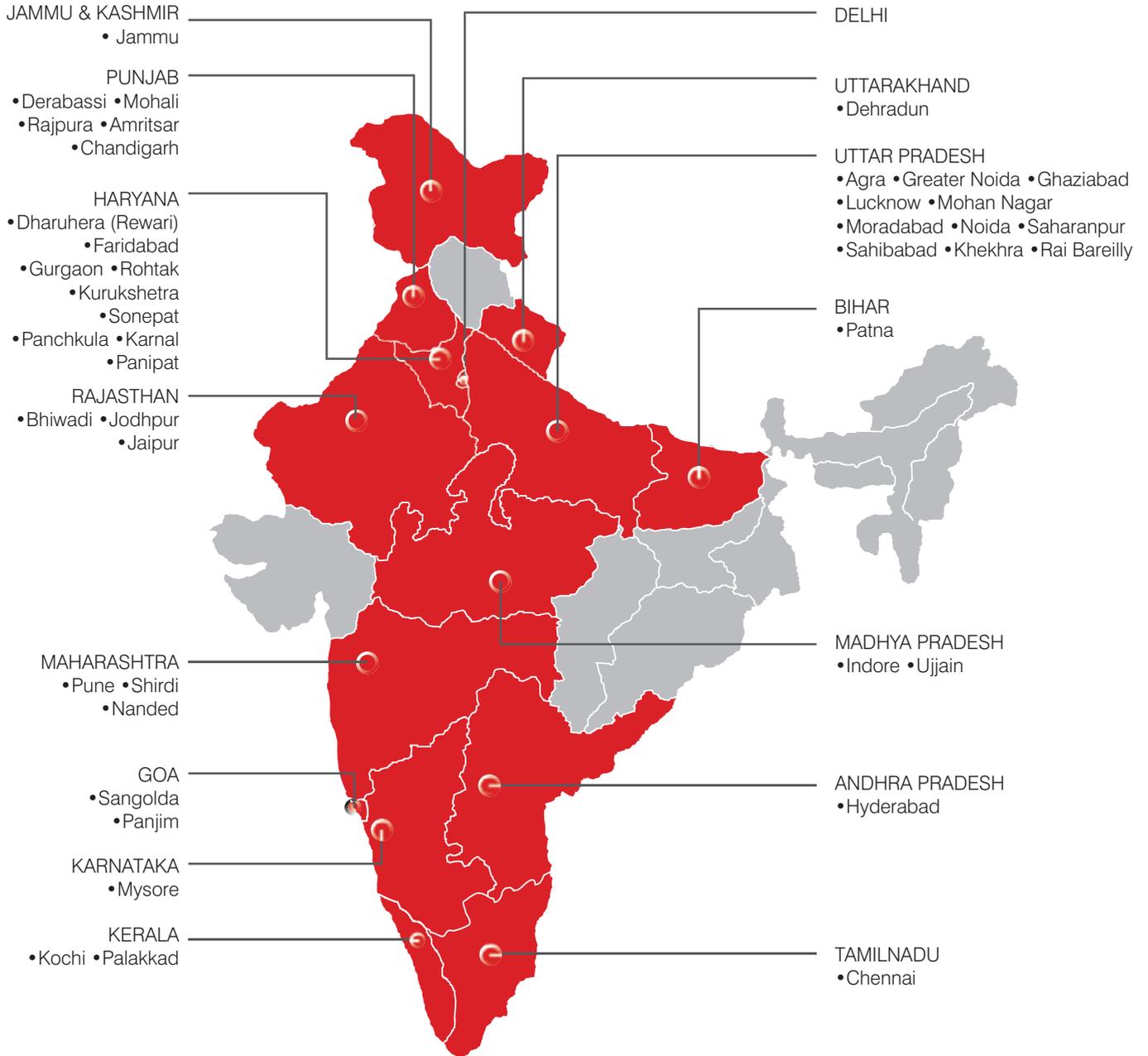
## OUR MISSION ▲

## OUR VALUES (DRIVERS) ▼

- ✓ Excellent track record
- ✓ Diversified business model with clear focus
- ✓ Huge land reserves
- ✓ Pan India presence
- ✓ Strong project execution capabilities

- ✓ Robust systems to ensure quality control, timely delivery and cost efficiency
- ✓ Long-term relationship with vendors for streamlined raw material supply
- ✓ Highest safety standards

# DELIVERING VALUE ACROSS INDIA



## VALUE DELIVERED COMPLETED PROJECTS

| Vertical                            | No. of projects | Saleable area (mn sq. ft.) |
|-------------------------------------|-----------------|----------------------------|
| Residential                         | 17              | 8.34                       |
| Commercial                          | 12              | 0.76                       |
| DMRC (BOT)                          | 9               | 0.66                       |
| Integrated Townships (Plotted Area) | 7               | 6.36                       |
| <b>Total</b>                        | <b>45</b>       | <b>16.12</b>               |

## VALUE UNDER CREATION PROJECTS UNDER EXECUTION

| Vertical             | No. of projects | Saleable area (mn sq. ft.) |
|----------------------|-----------------|----------------------------|
| Residential          | 18              | 20.40                      |
| Commercial           | 9               | 1.77                       |
| DMRC (BOT)           | 5               | 1.51                       |
| Integrated Townships | 12              | 51.56                      |
| Hotels               | 5               | 0.54                       |
| I.T. Parks           | 1               | 0.69                       |
| <b>Total</b>         | <b>50</b>       | <b>76.47</b>               |



▲ Parsvnath La Tropicana, Civil Lines, Delhi\*

\*Actual Site Photograph

## FROM THE DESK OF THE CHAIRMAN

### *Dear Shareholders:*

I write to you at the end of yet another challenging year. Increasing material and funding, as well as administration & manpower costs, coupled with the non-availability of funds for the real estate sector, affected our business, both in terms of top-line and bottom-line. We were also impacted adversely by the non-extension of time for availing income tax exemption by the Central Government on affordable housing projects resulting in reversal of tax exemption earlier availed by us. The continuous rise in lending rates by the central bank aggravated the industry woes. Soaring interest rates pushed EMI on home loans, thus restricting market demand.

These challenges did not, however, affect our resolve to continue on our growth path to deliver ultimate value to our customers. We stood firm on our strategy for accelerated possession offering, concentrating on faster execution through various focused initiatives, centred on expeditious completion of ongoing projects and going slow on launch of new projects. Of the total area of 76 mn sq. ft. under construction, 43 mn sq. ft. is already on fast track completion as a result of these initiatives.

In line with our strategy for accelerated possession offering, we are concentrating on faster execution.



“ WE STOOD FIRM ON  
OUR STRATEGY FOR  
ACCELERATED POSSESSION  
OFFERING, CONCENTRATING  
ON FASTER EXECUTION  
THROUGH VARIOUS FOCUSED  
INITIATIVES. ”

## CONSOLIDATING IN A CHALLENGING ENVIRONMENT

Margins remained under pressure, on account of the various challenges faced by the industry during the year. However, with our strategic focus and strong core of strengths, we continued to keep our growth plans on track, successfully managing and adapting to the changing market dynamics. Our strategy focused on largely remaining conservative in acquiring new land and concentrating on timely execution and delivery to create long-term value and increase shareholder wealth – a goal that we have consistently pursued.

The fact that we have PE companies who have invested in five of our projects proves the confidence of our investors and also ensures for us an uninterrupted supply of funds.

In another key development that transpired in the year under review, two of our projects were endorsed and rated by Credit Analysis & Research Ltd. (CARE). Our project Redford Parsvnath Towers, an international grade, state-of-the-art, centrally airconditioned office complex in New Delhi was awarded the “NCR-6 Star” rating whereas Parsvnath La Tropicana, our super luxury Group Housing Project in Delhi received the “NCR-5 Star” rating.

To ensure timely execution and deliveries, we appointed reputed third party contractors on selective basis for accelerated execution. As a result, our commercial project at Bhai Veer Singh Marg in New Delhi is fast taking shape and will be ready for fit-outs soon.

The launch of our Ghaizabad project, Parsvnath Exotica, during the year was another indication of our commitment to fast-track our project implementation.

With our current quality land bank of 195 mn sq. ft., we are comfortably placed to take on the renewed demand in the real estate sector, which is already beginning to show signs of revival. We are also working towards reduction of debt by monetizing some of our assets in the coming quarters – a move that will help fund our ongoing projects for their early completion and handover. The challenging conditions notwithstanding, we continued to sell at a consistent pace.

The progress of our DMRC portfolio also remained on track, with our five ongoing projects moving in tandem with our plans for the segment. Our prudent approach helped us shed some flab in the SEZ segment as we surrendered six in-principle approvals of SEZ projects as part of our strategy to be more selective and cautious.



▲ Parsvnath City, Sonapat\*

\*Actual Site Photograph

## OUTLOOK

Having charted our consolidation roadmap in the challenging environment that has prevailed in the industry over the last couple of years, we now look at the future with optimism. The signs are positive; there has been gradual improvement in availability of funding and we expect the cost to moderate further.

Going forward, we look to the Government to pump more funds into the real estate sector, whose importance in the economic growth of the country cannot be underestimated. We also expect more clarity from the Government on the guidelines for affordable housing; this is vital for us to move ahead with our plans of affordable housing. The going seems good, with construction having already started picking up momentum.

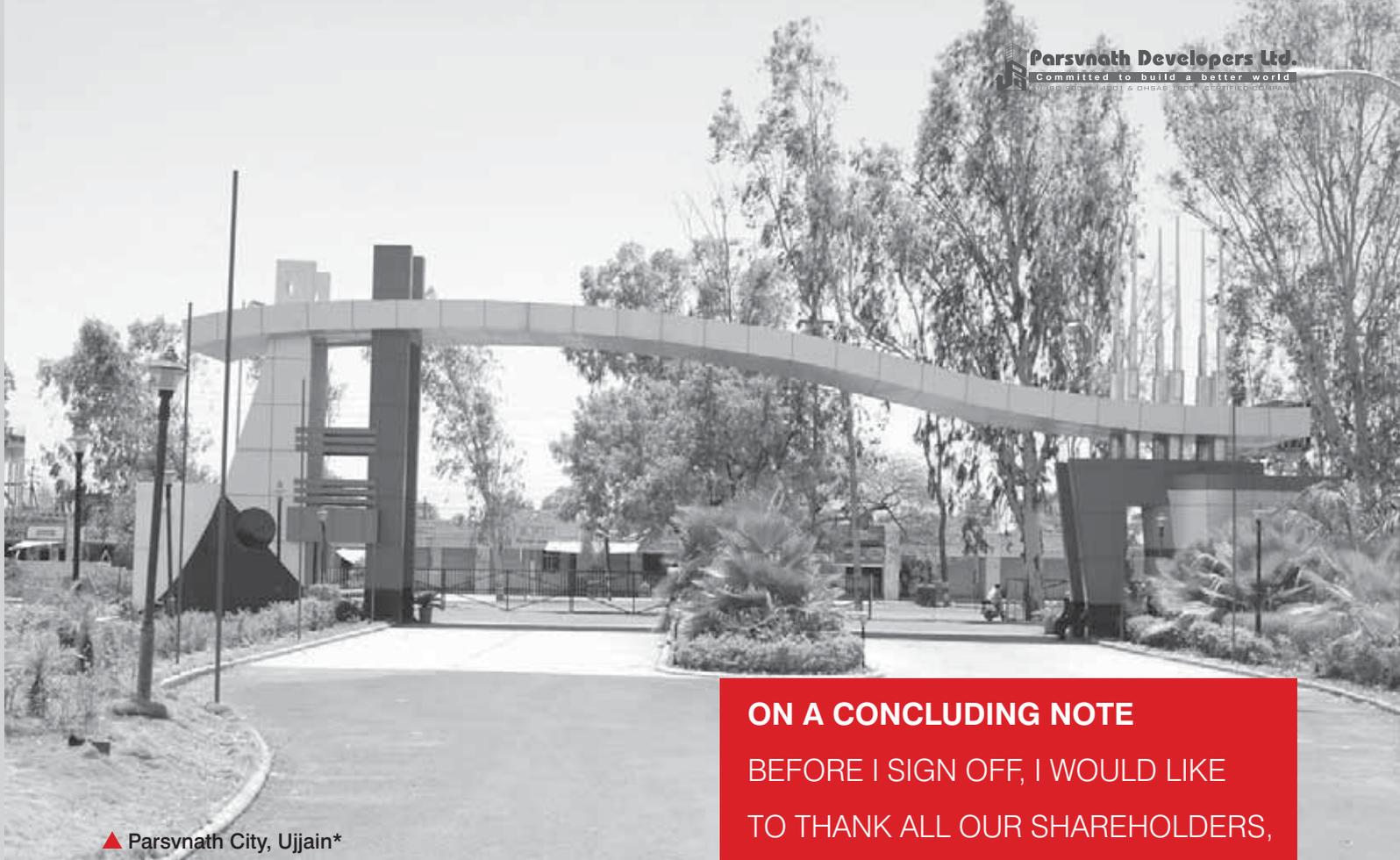
The coming quarters are expected to see the demand-supply matrix back on the normal track in the NCR region. This, I feel, will help push demand for residential properties in this region. Demand is already on the upswing in Tier II and III cities and is expected to enhance further.

Needless to say, we are uniquely positioned, on the back of our expertise and experience, to take advantage of the many secular growth opportunities throughout the pan India real estate market, with specific focus in Delhi/NCR and North India regions.

We are also confident of increased growth and revenue through our hotels business. The launch of our first hotel in the affordable hospitality segment signals our initiation into this high-potential segment. We have a robust portfolio, catering to every type of hospitality



▲ Parsvnath Bibhab Plaza, Gr. Noida\*



▲ Parsvnath City, Ujjain\*

requirement. Our tie-up with Choice Hotels International is in line with our plans to establish our presence in the mid-market hospitality segment, which is currently in nascence but shows huge potential, going forward.

Our focus on developing private equity partnerships on a project-by-project basis to reduce liquidity and execution risks will continue. In order to improve our cash flows, we shall continue to leverage both, our land bank (which gives us long runway for future growth) and PE partnerships.

We are working towards building a portfolio of high value commercial and hospitality properties that yield recurring revenue, improving our resilience to periods of tighter liquidity. This focused strategy, I am confident, shall enable us to weather all ups and downs in the business for a long time to come.

Further, the corrective and value unlocking measures we have been taking with regard to our business model over the last several years, and which have helped us maintain a strong growth momentum even in difficult times, promise to facilitate our future growth at an even better pace.

## ON A CONCLUDING NOTE

BEFORE I SIGN OFF, I WOULD LIKE TO THANK ALL OUR SHAREHOLDERS, EMPLOYEES, CUSTOMERS, BANKERS & OTHER INSTITUTIONS, INVESTORS, PARTNERS, ADVISORS, VENDORS AND CONSULTANTS FOR THEIR CO-OPERATION, TRUST AND CONFIDENCE. I LOOK FORWARD TO THE CONTINUED SUPPORT OF ALL AS WE MOVE FORWARD TOWARDS GREATER VALUE-DRIVEN GROWTH IN THE FUTURE.

Thanking you  
Yours sincerely,

**Pradeep Jain**  
Chairman

\*Actual Site Photograph

## CONSOLIDATING GROWTH ACROSS VERTICALS



Numbers drive volume growth, but do not necessarily deliver value. At Parsvnath Developers Limited (PDL), it has been our focused endeavour to always deliver value through meaningful growth across our business verticals. This commitment has been the foundation of our business plan over the last couple of years, with our focus unwavering on fast-paced execution and timely possession.

Adopting a strategic approach aligned to the prevailing market scenario, we have prudently focused on expediting completion of ongoing projects, while going slow on new projects. This has been our strategy across all verticals of our real estate presence, facilitating our consolidation process in challenging conditions.

We are currently executing 50 projects spread over a total area of 76 mn sq. ft., most of it being residential in terms of plotted development, villas, floors, group housing, etc. Nearly 50% of the total area is already pre-sold, indicating the success of our execution-centred strategy.

Our efforts to deliver on our commitment for long-term growth and value through fast track completion of projects continued during the year across all our business verticals.

- We signed 'third-party contracts' with leading construction companies to ensure timely delivery of ongoing projects. We signed two contracts with M/s IL&FS Engineering & Construction Company Ltd. for the construction of 'Parsvnath Technia', Gurgaon and to accelerate the construction work for our project 'Parsvnath La Tropicana' at Khyber Pass, New Delhi. Construction work for the Gurgaon project, at an approximate cost of ₹ 100 crores, is progressing satisfactorily.
- We inducted M/s Larsen & Toubro, (L&T), India's leading construction and engineering firm, for construction of 'RedFort Parsvnath Towers', Bhai Veer Singh Marg on a turnkey basis.

### RESIDENTIAL

Our focus in this vertical remained firm on developing high margin residential and township projects.

The launch of our two key projects – Exotica, Gurgaon and La Tropicana, Delhi – has given a strong fillip to our pricing strength, increasing the pricing per square foot considerably. Parsvnath La Tropicana project at Civil Lines



is on fast track construction with the IL&FS Engineering & Construction Company Ltd. for development.

Construction is also in full swing at our luxury residential project at Subhash Nagar in West Delhi, where CTC Geotechnical Private Limited is working as third party contractor for construction of towers.

Work is also continuing at a healthy pace at our luxury residential project "Parsvnath Exotica, Ghaziabad", where we have appointed two contractors, M/s Ascent Construction Pvt. Ltd. & M/s Jaycon Infrastructure Limited for time-bound development of the project. The FDI-backed freehold project, Parsvnath Exotica, Ghaziabad, is a prime property with world-class amenities at the doorstep of Delhi. Within months of the launch, we successfully sold 1.58 mn sq. ft. area making it one of our fastest-selling residential projects.

### INTEGRATED TOWNSHIPS

With a diverse portfolio of multi-storied apartments, group housing, houses/villas, commercial, schools, hospitals, etc., this segment represents 39% of projects completed by saleable area and 67% of projects currently under development.

We also have a fresh 'Letter of Intent' from Directorate of Town & Country Planning, Haryana for 50.56 acres of township in Karnal, Haryana.

Our focus in this segment is driven by the flexibility townships provide through plot sales, aiding near-term project cash flow.

Our total ongoing project portfolio in this segment encompasses 12 projects spread over 51.56 mn sq. ft.



\*Actual Site Photograph

\*\* Perspective View

▲ Parsvnath Planet, Lucknow\*\*



▲ Parsvnath Arcadia, Gurgaon\*

### COMMERCIAL

During the year, our execution focus was evident also across our ongoing Commercial portfolio, comprising 9 ongoing projects covering total area of 1.77 mn sq. ft.

Our Redfort Parsvnath Towers, a premium high-end office complex in the heart of New Delhi's Connaught Place at Bhai Veer Singh Marg, is on fast track completion, with L&T being given the contract for execution of the project. We are developing this project on BOT (Build Operate Transfer) basis with Delhi Metro Rail Corporation (DMRC).

As a result of our continuing efforts in this area, we secured a fresh 'Letter of Intent' from Directorate of Town & Country Planning, Haryana, for 3.106 acres for Commercial project at Badshahpur, Gurgaon.

This project will further expand our presence in the Commercial segment, where we perceive a rising opportunity matrix in the coming years.

### DELHI METRO RAIL CORPORATION (DMRC)

As an extension of our Commercial venture, we forayed into DMRC projects, motivated by the immense growth potential offered by the segment, which offers very solid cash flow generation beyond initial investments.



▲ Parsvnath City, Karnal\*\*





▲ Parsvnath Metro Tower, Shadhara\*

Over the years, DMRC has emerged as a major growth driver across the infrastructural and commercial landscape of the fast-growing NCR region.

We have entered into a strategic agreement with DMRC, under which we shall develop 2.07 mn sq. ft. of prime commercial real estate on a lease model. Seven completed projects, two under finishing and four under development stage, with average lease terms of 12 to 30 years, constitute our DMRC portfolio. Our completed projects cover a total of 0.46 mn sq. ft. leasable area to stand out as realty landmarks on the NCR landscape.

Our key tenants in DMRC projects include McDonald's, Big Bazaar, KFC, Blue-Dart, Syndicate Bank, Carrefour, Axis Bank, Comesum, BigJo's, etc.

We currently have five projects under construction over 1.51 mn sq. ft. These are:

- Delhi Metro Station, Azadpur (Part-A) - under finishing stage

- Parsvnath Metro Station, Akashardham (Part-A) - under finishing stage
- DMRC - Seelampur Commercial - under development stage
- DMRC - Welcome Metro - under development stage
- DMRC - Bhai Veer Singh Marg, Connaught Place - under development stage

We also have an upcoming project at Netaji Subhash Place and have an option to acquire, after the land use change effected by DMRC, two more projects named as Azadpur Part-B & Akshardham Part-B, comprising total area of 11,716 and 11,575 sq. mt. respectively.

We intend to complete almost 1.02 mn sq. ft. area under ten DMRC projects by the end of year 2012. Not only will this help us boost revenues through substantial rental income, it will also help us further consolidate our position across the Commercial real estate segment, adding new expertise to our existing strengths.

\*Actual Site Photograph \*\* Perspective View



▲ Hotel Comfort Inn, Delhi\*



▲ Shirdi Hotel (Proposed), Shirdi\*\*

## HOSPITALITY

Marking our foray into the Affordable Hospitality segment, our 100% subsidiary Parsvnath Hotels Limited's (PHL) first hotel under the name of "Comfort Inn Anneha" became operational at Greater Kailash Enclave II, New Delhi, during the year.

This marked the beginning of a new phase in our Hospitality presence as we moved on to consolidate our position in the emerging affordable hospitality segment.

The hotel, operated and managed by Choice Hotels International – one of the largest Hotels operators in the world, has reported an average occupancy of more than 50% since it became operational.

We see in this largely unorganised segment a huge opportunity to bring a revolution through a 3-way partnership between:

- Current unorganised property owners
- PHL (Parsvnath Hotels Limited operates as a subsidiary of PDL)

- Choice Group

The partnership entails investment by PHL in refurbishment. Choice International will franchise, operate & market "Sleep Inn" or other brands like "Comfort Inn". PHL will have an option of co-branding along with Choice International under the brand name "ANNEHA".

We propose to add properties in this segment regularly with a sizable number of properties by 2015.

The foray into affordable hospitality notwithstanding, our focus on luxury hospitality also continued during the year. Out of the proposed hotel projects, 3 hotel properties in this segment – one at Shirdi and two at Jodhpur, with all PHL developed and owned hotels to be managed by leading national and international hotel chains.

We have a MoU with Fortune Park Hotels of ITC Welcome Group to develop 20 '5-Star', 20 '4-Star' and 10 'Mid-Market Budget Hotels'.

## SEZ

We took a concerted decision a year ago to scale down our presence in this segment following imposition of MAT (Minimum Alternate Tax) and uncertainty over continuation of tax sops to SEZ. Adopting a cautious and prudent strategy in line with this decision, we surrendered six in-principle approvals of SEZ projects during the year. Further, as a result of non-extension of approvals by the Board of Approvals, the earlier proposed SEZ project's at Sohna and Dehradun will not go on stream and as such the same shall be converted into township projects.

In another development during the year, the Hyderabad Biotechnology SEZ was notified in the Gazette by the Government of India.

We operate in this segment through Parsvnath Infra Ltd., in which PDL holds 94.87%.

## THIRD-PARTY CONTRACTS

Our value-centric focus enabled us to leverage our excellent in-house capabilities, built on our foundation of strengths, to move into Third-Party construction business. Our Third-Party construction contracts help us utilise our internal construction and purchase capabilities to earn revenue even in negative environment.



▲ Parsvnath Technica, IT Park, Gurgaon\*\*

\* Actual Site Photograph \*\* Perspective View

# DELIVERING VALUE THROUGH COLLABORATIVE GROWTH



Driven by a strong commitment to Corporate Social Responsibility, which we have imbibed across our business fabric, we have made collaborative growth the cornerstone of our strategy. Led by our Chairman, Mr. Pradeep Jain, we believe that value creation can only be enabled if we facilitate the growth of the communities around us in tandem with our own growth.

Aligning itself to this vision, Parsvnath Foundations, the CSR arm of Parsvnath Developers Limited chaired by Mr. Pradeep Jain, is working relentlessly and dedicatedly to ensure overall growth and progress of the communities in which it operates.

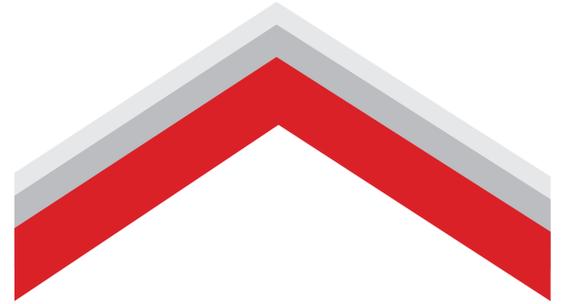
A Society formed as NGO, Parsvnath Foundations strives to achieve the Company's social objectives, mainly in the field of education and healthcare. The NGO's commitment

lies in promoting, operating, improving and developing scientific institutions, libraries, clinics, hospitals, dispensaries, and crèches for the poor and needy. It also assists in constructing, running and developing schools.

Other initiatives include: providing assistance in printing, publishing books, magazines, newspapers, pamphlets; helping needy students through payment of fees, donation for building/development of school in tribal areas of the state of Madhya Pradesh. These initiatives are aimed at eradication of illiteracy among the disadvantaged sections of the society.

The Company also regularly undertakes blood donation camps and sponsorship of national and international chess events in order to promote the game.

# FIVE-YEAR FINANCIAL SUMMARY



(₹ In Lacs)

| CONSOLIDATED |   |                              |            |                          |            |            |
|--------------|---|------------------------------|------------|--------------------------|------------|------------|
| Sr. No.      | Item  | Based on Revised Schedule VI |            | Based on Old Schedule VI |            |            |
|              |   | FY 2011-12                   | FY 2010-11 | FY 2009-10               | FY 2008-09 | FY 2007-08 |
| 1.           | <b>Total Revenue</b>                                | 98,121                       | 94,240     | 98,818                   | 72,921     | 183,712    |
| 2.           | <b>Profit before tax (PBT)</b>                      | 20,114                       | 23,856     | 19,619                   | 13,695     | 61,722     |
| 3.           | <b>Profit after tax (PAT)</b>                       | 6,876                        | 16,808     | 14,061                   | 11,282     | 42,437     |
| 4.           | <b>Minority Interest</b>                            | 1,267                        | 2,702      | 575                      | (9)        | (2)        |
| 5.           | <b>PAT (after Minority Interest)</b>                | 5,609                        | 14,106     | 13,486                   | 11,291     | 42,439     |
| 6.           | <b>PBT Margin (%)</b>                               | 20.50                        | 25.31      | 19.85                    | 18.78      | 33.60      |
| 7.           | <b>PAT (After Minority Interest) Margin (%)</b>     | 5.72                         | 14.97      | 13.65                    | 15.48      | 23.10      |
| 8.           | <b>EPS (in ₹)*<br/>(Face Value - ₹ 5 per share)</b> | 1.29                         | 3.40       | 3.52                     | 3.05       | 11.49      |
| 9.           | <b>NET WORTH</b>                                    | 266,933                      | 262,086    | 229,213                  | 200,270    | 188,970    |
| 10.          | <b>CURRENT RATIO</b>                                | 2.2                          | 2.2        | 3.8                      | 4.4        | 3.7        |
| 11.          | <b>DEBT EQUITY RATIO</b>                            | 0.64                         | 0.63       | 0.71                     | 0.96       | 0.96       |

\* Adjusted pursuant to split / sub-division of equity shares.

**Note:** The financial statements for the year 2011-12 have been prepared as per Revised Schedule VI to the Companies Act, 1956. Accordingly, figures for the previous year 2010-11 have also been regrouped/reclassified, wherever necessary to correspond with the current year's classification/disclosure. However, the figures for the years 2007-08 to 2009-10 are based on old Schedule VI to the companies Act, 1956 as applicable in those years.

# Corporate Information

## BOARD OF DIRECTORS

|                               |   |
|-------------------------------|---|
| Shri Pradeep Kumar Jain       | Chairman                                    |
| Shri Sanjeev Kumar Jain       | Managing Director & Chief Executive Officer |
| Dr. Rajeev Jain               | Director (Marketing)                        |
| Shri Ashok Kumar              | Director (Independent)                      |
| Shri Sunil Kumar Jain         | Director (Independent)                      |
| Shri Ram Niwas Lakhota        | Director (Independent)                      |
| Shri Ramdas Janardhana Kamath | Director (Independent)                      |
| Dr. Pritam Singh              | Director (Independent)                      |
| Dr. Vinod Juneja              | Director (Independent)                      |

## SR. VICE PRESIDENT (LEGAL) & COMPANY SECRETARY

Shri V. Mohan

## AUDITORS

M/s Deloitte Haskins & Sells  
Chartered Accountants,  
7<sup>th</sup> Floor, Building No. 10, Tower B,  
DLF Cyber City Complex,  
DLF City, Phase-II, Gurgaon-122002

## REGISTRAR & SHARE TRANSFER AGENT

M/s Link Intime India Pvt. Ltd.  
A-40, 2<sup>nd</sup> Floor, Naraina Industrial Area, Phase-II,  
New Delhi-110028

## SHARES LISTED AT

National Stock Exchange of India Limited (NSE)  
BSE Limited (BSE)  
Delhi Stock Exchange Limited (DSE)

## REGISTERED OFFICE

Parsvnath Metro Tower,  
Near Shahdara Metro Station,  
Shahdara,  
Delhi-110032

## CORPORATE OFFICE

6<sup>th</sup> Floor, Arunachal Building,  
19, Barakhamba Road,  
New Delhi-110001

## BANKING & FINANCING RELATIONSHIPS

Axis Bank Ltd.  
Bank of America  
Bank of India  
Central Bank of India  
Housing & Urban Development Corporation Ltd.  
IFCI Ltd.  
IndusInd Bank Ltd.  
J.P. Morgan Advisors India Pvt. Ltd.  
Karnataka Bank Ltd.  
Life Insurance Corporation of India  
Oriental Bank of Commerce  
Punjab National Bank  
Royal Bank of Scotland  
Small Industries Development Bank of India  
State Bank of Bikaner & Jaipur  
State Bank of India  
State Bank of Mysore  
State Bank of Patiala  
Syndicate Bank  
UCO Bank  
United Bank of India  
Vijaya Bank

# Directors' Report

Dear Shareholders,

Your Directors have pleasure in presenting the 21<sup>st</sup> Annual Report, together with the audited accounts of the Company for the financial year ended March 31, 2012.

## Financial Results

[₹ In lacs]

| Item   | STANDALONE       |                  |
|--|------------------|------------------|
|  | FY 2011-12       | FY 2010-11*      |
| <b>Total Revenue</b>                             | <b>73,857.93</b> | <b>75,154.02</b> |
| <b>Profit before Depreciation and Tax (PBDT)</b> | <b>15,562.43</b> | <b>11,800.82</b> |
| Less: Depreciation                               | 1,499.48         | 1,632.65         |
| <b>Profit Before Tax (PBT)</b>                   | <b>14,062.95</b> | <b>10,168.17</b> |
| Less: Provision for Taxation                     | 11,510.03        | 2,620.46         |
| <b>Profit After Tax (PAT)</b>                    | <b>2,552.92</b>  | <b>7,547.71</b>  |
| <b>Add: Balance brought forward</b>              | <b>70,694.52</b> | <b>73,146.81</b> |
| Transferred from Debenture Redemption Reserve    | 1,214.00         | 4,750.00         |
| <b>Less: Appropriations</b>                      |                  |                  |
| Transferred to Debenture Redemption Reserve      | 5,750.00         | 14,750.00        |
| <b>Amount available for Appropriation</b>        | <b>68,711.44</b> | <b>70,694.52</b> |

\* Figures of previous year have been regrouped/ reclassified, wherever required.

## Dividend

Your Directors have, with a view to conserve the resources for the operations of the Company, not recommended any dividend for the year under review.

## Review of Operations

During the year 2011-12, the pace of global economic growth slowed down considerably to 3.8 per cent as compared to 5.2 per cent in the previous year.

In the short-term, the domestic real estate sector is passing through a challenging phase amidst global uncertainties, weakening of growth in domestic economy, rising interest rates and muted sales volumes. However, despite these negative sentiments, the long-term growth story for the real estate sector continues to be intact since the fundamental demand drivers i.e. increasing urbanisation, favourable demographics, growth of the services sector and rising incomes are still intact.

The financial year 2011-12 was quite challenging for the Company in the backdrop of increasing input cost and higher funding cost. The Company was also affected adversely as a

result of non-extension of time by the Central Government for completion of specified projects, for availing income-tax exemption, resulting in reversal of income tax exemption earlier availed by the Company for such projects.

During the year under review, on standalone basis, your Company earned total revenue of ₹ 73,857.93 lacs in Fiscal 2011-2012 as against ₹ 75,154.02 lacs in Fiscal 2010-2011. The Profit before tax is ₹ 14,062.95 lacs as against ₹ 10,168.17 lacs in Fiscal 2010-2011. Profit after tax is ₹ 2,552.92 lacs as against ₹ 7,547.71 lacs in Fiscal 2010-2011. Earnings per Share (EPS) of the Company stood at ₹ 0.59 in Fiscal 2011-2012 as against ₹ 1.82 in Fiscal 2010-2011.

During the year under review, on consolidated basis, your Company's total revenue is ₹ 98,121.41 lacs in Fiscal 2011-2012 as against ₹ 94,240.15 lacs in Fiscal 2010-2011. The Profit before tax is ₹ 20,114.34 lacs as against ₹ 23,856.00 lacs in Fiscal 2010-2011. Net Profit is ₹ 5,608.80 lacs in Fiscal 2011-2012 as against ₹ 14,105.95 lacs in Fiscal 2010-2011. Earnings per Share (EPS) of the Company stood at ₹ 1.29 in Fiscal 2011-2012 as against ₹ 3.40 in Fiscal 2010-2011.

The key highlights pertaining to the business of your Company, including its subsidiaries, for the year 2011-12 and period subsequent thereto, are given hereunder:

### a) Approvals/ Certificates

- Obtained approval of Building plans for a commercial building on a plot of land at K.G. Marg, New Delhi.
- Secured a fresh 'Letter of Intent' from Directorate of Town & Country Planning, Haryana for 50.56 acres for Karnal Township and for 3.106 acres for Commercial project at Badshahpur, Gurgaon.
- Received the notification for Hyderabad Biotechnology SEZ.

### b) New Developments

- Launch of luxury residential project "Parsvnath Exotica, Ghaziabad".
- Marking foray into the Affordable Hospitality segment- first hotel of the Company's 100% subsidiary viz. Parsvnath Hotels Limited, under the name "Comfort Inn Anneha" became operational at Greater Kailash Enclave II, New Delhi.

### c) New Projects/ Forthcoming Launches

- Parsvnath City, Karnal
- Parsvnath Greens, Derabassi
- Parsvnath City Centre, Bhiwadi
- Parsvnath Pleasant, Dharuhera

**d) During the year under review, the Company offered possessions in various projects to its customers including the following:**

- Parsvnath Pratishtha, Pune (Part completion/ possession)
- Parsvnath Exotica, Gurgaon (Part possession)
- Parsvnath Royale Floors, Jodhpur (Part possession)
- Parsvnath City, Sonapat A-Block (Villas) (Part possession)
- Parsvnath City, Indore (Part possession)
- Parsvnath City, Ujjain (Part possession)
- Parsvnath Narayan City, Jaipur (Part possession)
- Parsvnath City, Jodhpur (Part possession)
- Parsvnath City, Dharuhera (Part possession)
- Parsvnath Planet, Lucknow

**e) Projects likely to be completed / Possession likely to be offered in near future and planned during the current year**

- Parsvnath Pratibha, Moradabad (Part completion/ possession)
- Parsvnath Exotica, Gurgaon (Tower No.D4,D5 & D6)
- Parsvnath Pratishtha, Pune (C & D Blocks)
- Parsvnath Regalia, Ghaziabad
- Parsvnath Sterling, Ghaziabad
- Parsvnath City, Dharuhera (Villas)
- Derabassi Greens I & II
- Parsvnath City, Rohtak
- Parsvnath City, Ujjain (Part completion/ possession)
- Parsvnath Paliwal City, Panipat

**f) Foreign Direct Investment**

As the members are aware, the Company has tied up with overseas investors for the Foreign Direct Investment in respect of the following projects:

1. Parsvnath Exotica, Ghaziabad, a premium residential project at Ghaziabad, spread over an area of 31 acres, being developed by Parsvnath Buildwell Pvt. Ltd., the Project SPV, pursuant to assignment of development rights by the Company, in which Anuradha SA Investments LLC and Anuradha Ventures Ltd., funds managed by SUN-Apollo, an international real estate private equity fund shall be investing upto ₹ 1,000 million for a 49% stake in the Project SPV. The construction of the project has already commenced

pursuant to obtaining of requisite approvals. The project was re-launched during the year under review, which received overwhelming response from the customers/ investors. The Company has received funds to the tune of ₹ 5,000 lacs during the year from the overseas investors in terms of the agreement entered into with them.

2. a) The project "Redfort Parsvnath Towers", a landmark 'A' grade modern state-of-the-art office-cum-commercial complex of International Standards located at Bhai Veer Singh Marg, New Delhi, being implemented by Parsvnath Estate Developers Pvt. Ltd. (PEDPL), the Project SPV, in terms of the Concession Agreement executed with Delhi Metro Rail Corporation Ltd. (DMRC) and funding from Red Fort Capital, a leading international private equity real estate fund, is nearing completion. The contractor, Larsen & Toubro Ltd. (L&T), India's leading construction and engineering firm shall be completing the project during the year 2012-13. This project offers end-users world class design, modern floor plates and compelling value. Located on a 5-acre parcel adjacent to the five-star Metropolitan Hotel, the project has a large leasable area with adequate basement parking spaces and a wide array of mixed-use facilities and amenities for catering to the needs of high profile clients for office space.
- b) Pursuant to award of bid to the Company for developing a prime land of 38.3 acres at Sarai Rohilla, New Delhi, auctioned by Rail Land Development Authority (RLDA) for ₹ 1,651.51 Crores, the Company has made a payment of ₹ 330.30 Crores as the first tranche of lease premium through its subsidiary company, Parsvnath Promoters And Developers Pvt. Ltd. (PPDPL) upon joining hands with Red Fort Capital by way of off-loading 49% stake to them for ₹ 110 Crores. However, RLDA though initially accepted PPDPL as the Project SPV, later on withdrew their assent for using the said PPDPL as Project SPV and asked for a new Company to be incorporated as Project SPV in terms of the Request For Proposal (RFP). However, the Company had approached the Hon'ble High Court of Delhi to, inter alia, direct RLDA to accept PPDPL as Project SPV. Meanwhile, the Company also incorporated a new SPV viz. Parsvnath Rail Land Project Pvt. Ltd. (PRLPPL) and offered to RLDA for accepting the same as Project SPV for this project and RLDA has acceded to our request and have asked us to fulfil other terms of

the RFP Suitable steps are being taken to enable PRLPL to go ahead with the development of the project at the earliest.

Besides the above, the following FDI projects are progressing satisfactorily:

- 1) Parsvnath La-Tropicana, a premium residential project on 16.8 acres of land situated at Civil Lines, Delhi with equity funding from Sterling Pathway, Mauritius and Banrod Investments Ltd., Cyprus and loan from J.P. Morgan Advisors Pvt. Ltd., all J.P. Morgan group entities, through the Project SPV viz. Parsvnath Landmark Developers Pvt. Ltd.
- 2) Parsvnath Exotica, Gurgaon, a premium residential project on 30 acres of land situated Opp. Golf Course, Main Sector Road, Sector 53, Gurgaon, with funding from SUN-Apollo entities, through the Project SPV viz. Parsvnath Hessa Developers Pvt. Ltd.

#### g) Status of Other Projects

- *Prideasia Project at Chandigarh*

The arbitration proceedings between the Company and Chandigarh Housing Board (CHB) with respect to Company's integrated Project on land admeasuring 123.79 acres situated at Rajiv Gandhi Technology Park, Chandigarh, were stayed by Hon'ble Punjab & Haryana High Court. Subsequently, a Special Leave Petition (SLP) has been filed by the Company before the Supreme Court and the matter is progressing as on date.

- *Film City Project at Chandigarh*

The arbitration proceedings, between Parsvnath Film City Ltd. (PFCL), one of the subsidiary Companies and Chandigarh Administration (CA) for seeking refund of allotment money amounting to ₹ 4,775 lacs paid to CA, have since been completed. The Arbitral Tribunal made its Award in favour of PFCL. Subsequently, CA filed a Petition before the District Judge at Chandigarh challenging the Award and the matter is being contested by PFCL.

In line with Company's strategy to reduce debt, the Company has continued with the strategic and comprehensive portfolio review of its real estate assets, with a view to exit the non-core assets as and when any suitable opportunity arises.

The construction and development of projects at various other locations is currently in progress. Going forward, the Company has identified following priority areas:

- 1) Emphasis on execution of existing projects;
- 2) Strengthening of balance sheet and reducing the debt balance;

- 3) Outsourcing construction and project management to improve execution performance in key projects;
- 4) Continued focus on affordable segment; and
- 5) Exit from non-core Assets.

A detailed business-wise review of the operations of the Company is included in the Management Discussion and Analysis section of this Annual Report.

#### Management Discussion and Analysis

The Management Discussion and Analysis Report, forming part of Directors' Report for the year under review, as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, is discussed in a separate section of this Annual Report.

#### Subsidiaries, Joint Venture Entities and Associate Companies

At the beginning of the year, your Company had fourteen subsidiary companies. The project-specific or sector-specific subsidiary companies ensure maximum utilization of available resources through focused attention on specific activities.

During the year under review, Parsvnath Rail Land Project Pvt. Ltd. became a subsidiary company.

As required under the Listing Agreement with the Stock Exchanges, the Consolidated Financial Statements of the Company and all its subsidiaries are attached. The Consolidated Financial Statements have been prepared in accordance with the relevant Accounting Standards as prescribed under Section 211(3C) of the Companies Act, 1956 ("Act"). These financial statements disclose the assets, liabilities, income, expenses and other details of the Company, its subsidiaries and associate companies.

Pursuant to the provisions of Section 212(8) of the Act, the Ministry of Corporate Affairs has, vide General Circular No. 2/2011 dated February 08, 2011, granted general exemption for not attaching the annual accounts of the subsidiary companies with the annual accounts of holding company.

Accordingly, the Board of Directors of your Company at its meeting held on May 30, 2012 has given its consent, for not attaching the Annual Accounts of the subsidiary companies with that of the holding company and therefore, Balance Sheet, Statement of Profit and Loss and other documents of the subsidiary companies required to be attached under Section 212(1) of the Act to the Balance Sheet of the Company, shall not be attached. However, a statement containing brief financial details of the Company's subsidiaries for the financial year ended March 31, 2012 is included in the Annual Report. The annual accounts of these subsidiaries and the related detailed information will be made available to any Shareholder of the Company/its subsidiaries seeking such information at any point of time and will also be kept open for inspection by any Shareholder of the Company/its subsidiaries at the registered

office of the Company and that of the respective subsidiary companies between 11.00 a.m. and 1.00 p.m. on all working days. The Company shall furnish a copy of detailed annual accounts of subsidiaries to any Shareholder on demand.

### Debentures

During the year under review, the Company has part redeemed Series VIII & Series X Secured Redeemable Non-Convertible Debentures (NCDs), aggregating to ₹298 lacs and ₹2,130 lacs respectively.

Series VII & Series IX NCDs aggregating to ₹20,000 lacs are listed on National Stock Exchange of India Limited and BSE Limited and the Company has complied/ is complying with all the listing requirements.

### Fixed Deposits

Your Company continues to accept public deposits for 6 months, 1 year, 2 years and 3 years tenure. The Fixed Deposits scheme has received a good response and the management of the Company is thankful to all the investors for participating in the scheme and for the trust reposed in the Company. As on March 31, 2012, the Company has fixed deposits to the tune of ₹1,237.43 lacs. The Company has no overdue deposits other than unclaimed deposits amounting to ₹11.30 lacs, pertaining to 32 depositors, as on March 31, 2012 and out of above 29 depositors having deposits aggregating to ₹10.35 lacs have subsequently claimed refund or renewed their deposits.

### Raising of additional long-term funds by further issuance of Securities including through Qualified Institutions Placement (QIP)

Your Company proposes to raise funds by issuance of Securities such as Equity Shares, Preference Shares, Convertible Debentures, Non-Convertible Debentures etc., in one or more tranches, in such form (including through QIP as prescribed under Chapter VIII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009), on such terms, in such manner, at such price or prices and at such time as may be considered appropriate by the Board, to the various categories of domestic and/or international investors, for the purpose of meeting its funding requirement for execution of projects, repayment of high cost loans, general corporate purposes and to augment its financial position and approval of Members is being sought for this purpose in the ensuing Annual General Meeting. This will enable the Company to raise funds within a period of twelve months from the date of approval in the manner aforesaid.

### Directors

During the year under review:

- Shri Gobind Ram Gogia, Whole-time Director designated as 'Director (Business Development)' resigned w.e.f. December 31, 2011.

- In accordance with the applicable provisions of the Companies Act, 1956 read with the Articles of Association of the Company, Dr. Pritam Singh and Shri Sunil Kumar Jain, Directors of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment. Necessary resolutions for their re-appointment are being included in the Notice convening the ensuing Annual General Meeting.

Brief Resume of the Directors being re- appointed, as required under Clause 49 of the Listing Agreement, are furnished in the explanatory statement to the Notice convening the ensuing Annual General Meeting.

### Board Committees

The Board of Directors has re-constituted the Shareholders'/ Investors' Grievance Committee twice, by inducting Dr. Rajeev Jain in place of Shri Gobind Ram Gogia and further by inducting Shri Sanjeev Kumar Jain, Managing Director and Shri Ramdas Janardhana Kamath, as Members.

### Directors' Responsibility Statement

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, your Directors, based on the representation received from the Operating Management, confirm that:

- (a) in preparation of the annual accounts for the financial year ended March 31, 2012, the applicable accounting standards have been followed and that there are no material departures;
- (b) the accounting policies selected and applied are consistent and the judgments and estimates made 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 profit of the Company for that period;
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- (d) the annual accounts have been prepared on a going concern basis.

### Auditors

M/s Deloitte Haskins & Sells, Chartered Accountants (Firm Registration No. 015125N), Statutory Auditors of the Company, shall retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. It is proposed to re-appoint them as Statutory Auditors of the Company to hold office until conclusion of the next Annual General Meeting. The Auditors have confirmed that the re- appointment, if made, will

be within the limits as prescribed under Section 224 (1B) of the Companies Act, 1956.

### Auditor's Report

There is no qualification in the Auditor's Report on the Annual Accounts of the Company for the financial year ended March 31, 2012. They have, however, made certain observations in their Report and the Board would like to draw your attention to the following:

1. Clause (x)(a) of the Annexure referred to in Paragraph 3 of the Auditor's Report:

The delays caused in making payment of certain statutory dues during the financial year has been due to the continued liquidity problems caused by inadequate cash inflows during the financial year and the Company had to utilize the available cash inflows for meeting its various urgent needs. However, there were no undisputed statutory dues which were outstanding for more than six months since they became due except Income tax dues.

2. Clause (xi) of the Annexure referred to in Paragraph 3 of the Auditor's Report:

The Company continued to face difficulties in making timely payments of its dues to Banks, Financial Institutions and Debentureholders during the financial year as a result of lack of adequate cash inflows. Efforts are being made to generate adequate cash flows during the current financial year for meeting these obligations in a timely manner and the Company is hopeful that these efforts will yield fruitful results.

### Corporate Governance

A separate section on Corporate Governance, forming part of the Directors' Report and the Certificate from the Company's Auditors confirming compliance of Corporate Governance norms, as prescribed under Clause 49 of the Listing Agreement, are included in the Annual Report.

### Code of Conduct

As prescribed under Clause 49 of the Listing Agreement, a declaration signed by the Managing Director & CEO affirming compliance with the Code of Conduct by the Directors and senior management personnel of the Company for the financial year 2011-12 is annexed and forms part of Corporate Governance Report.

### Listing with Stock Exchanges

During the year under review, the equity shares of the Company continue to remain listed with the National Stock Exchange of India Limited (NSE), BSE Limited (BSE) and Delhi Stock Exchange Limited (DSE). Further, Series VII & Series IX NCDs remained listed on NSE and BSE. The listing fee for the financial

year 2012-13 to all these stock exchanges has been paid by the Company. The Equity Shares of the Company continue to be included in the list of S&P CNX 500 index of NSE.

### Disclosures

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

The nature of operations of the Company does not require disclosure of particulars relating to conservation of energy and technology absorption, as prescribed under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988. The foreign exchange earnings and expenditure of the Company during the year under review were ₹43.93 lacs and ₹166.03 lacs respectively as compared to ₹38.66 lacs and ₹ 89.68 lacs in the previous year respectively.

2. **Particulars of Employees**

The statement showing particulars of the employees of the Company, to be furnished under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, is annexed hereto and forms part of this report.

### Corporate Social Responsibility (CSR)

The Company is a responsible corporate citizen and is conscientiously working towards fulfilling its Corporate Social Responsibility. A separate section on CSR forms part of the Annual Report.

### Acknowledgement

Your Directors wish to place on record their sincere gratitude to the shareholders, customers, bankers, financial institutions, investors, vendors and all the other business associates for the continuous support provided by them to the Company and for their confidence in the management of the Company. Your Directors wish to appreciate the confidence reposed by the foreign investors in the Company, by inducting funds for implementation of various ongoing projects of the Company through investment in our SPV Companies. Your Directors also place on record their deep appreciation for the contribution made by Shri G.R. Gogia, Whole-time Director who was associated with the Company for nearly a decade in different capacities and resigned due to health reasons during the year. Your Directors also acknowledge the contribution made by the employees of the Company at all levels.

**On behalf of the Board of Directors**

Place: New Delhi  
 Date: August 13, 2012

Sd/-  
**PRADEEP KUMAR JAIN**  
 Chairman

**ANNEXURE TO DIRECTORS' REPORT**

**PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 217 (2A) OF THE COMPANIES ACT, 1956 READ WITH THE COMPANIES (PARTICULARS OF EMPLOYEES) RULES, 1975**

A. Employed throughout the year and was in receipt of remuneration aggregating ₹ 60,00,000/- or more per annum.

| S. No. | Name                    | Designation / Nature of Duties | Qualifications | Remuneration (₹/ lacs) | Experience (Years) | Date of Joining | Age (Years) | Last Employment Held               |                    | Number & % of shares held in the Company |        |
|--------|-------------------------|--------------------------------|----------------|------------------------|--------------------|-----------------|-------------|------------------------------------|--------------------|--|--------|
|        |                         |                                |                |                        |                    |                 |             | Employer                           | Designation        | Number                                   | %      |
| 1      | Shri Pradeep Kumar Jain | Chairman                       | Graduate       | 360.79                 | 26                 | 1-Jan-02        | 47          | Parasnath And Associates Pvt. Ltd. | Director           | 14,75,86,425                             | 33.914 |
| 2      | Shri Sanjeev Kumar Jain | Managing Director & CEO        | B.E. (Civil)   | 132.40                 | 20                 | 1-Feb-02        | 42          | Parasnath And Associates Pvt. Ltd. | Director           | 21,600                                   | 0.005  |
| 3      | Dr. Rajeev Jain         | Director (Marketing)           | M.B.B.S.       | 96.40                  | 14                 | 1-Jan-02        | 39          | Indraprastha Apollo Hospital       | Resident Doctor    | 16,000                                   | 0.004  |
| 4      | Shri Prehlad Kumar Jain | President                      | B.E.(Civil)    | 72.40                  | 42                 | 27-Sep-04       | 62          | IDEB Constructions Pvt. Ltd.       | Executive Director | 8,266                                    | 0.002  |
| 5      | Shri Pawan Kumar Gupta  | President                      | B.Com., C.A.   | 72.40                  | 22                 | 11-May-06       | 47          | Own Business                       | Proprietor         | -  | -      |

B. Employed for part of the year and was in receipt of remuneration aggregating ₹ 5,00,000/- or more per month.

| S. No. | Name                  | Designation / Nature of Duties  | Qualifications      | Remuneration (₹/ lacs) | Experience (Years) | Date of Joining | Age (Years) | Last Employment Held               |             | Number & % of shares held in the Company |   |
|--------|-----------------------|---------------------------------|---------------------|------------------------|--------------------|-----------------|-------------|------------------------------------|-------------|--|---|
|        |                       |                                 |                     |                        |                    |                 |             | Employer                           | Designation | Number                                   | % |
| 1      | Shri Gobind Ram Gogja | Director (Business Development) | B.A. (Hons.), LL.B. | 94.27                  | 50                 | 1-Apr-04        | 77          | Ansal Properties & Industries Ltd. | Director    | -  | - |

**Notes :**

- None of the employees is a relative of any Director except Shri Pradeep Kumar Jain, Shri Sanjeev Kumar Jain and Dr. Rajeev Jain, who are related to each other as brothers.
- Number of shares held by Shri Pradeep Kumar Jain includes shares held by Mrs. Nutan Jain, wife of Shri Pradeep Kumar Jain.
- Remuneration includes salary, allowances and monetary value of all perquisites as valued under the Income Tax Rules, 1962.
- The remuneration does not include leave encashment, gratuity and other retirement benefits.
- The nature of duties of Chairman and Managing Director includes management of day to day operations / affairs of the Company, subject to superintendence, direction and control of the Board of Directors. Presidents of the Company oversee the projects undertaken by the Company and other business opportunities in the territories assigned to them by the management of the Company.
- The nature of employment in all cases is on contractual basis except in case of Directors, whose terms have been approved by the shareholders. Other terms and conditions of employment are as per Company policy.
- All the employees have adequate experience to discharge the responsibilities assigned to them and their designations are indicative of their nature of duties.

# Management Discussion and Analysis

## I Global Economy

During the year 2011-12, the pace of global economic growth slowed down to the extent of 3.8 per cent as compared to 5.2 per cent in the previous year. Economists across the world had anticipated a slowdown, but this was even lesser growth than expected, mainly on account of the earthquake and the tsunami in Japan, the unrest in oil-producing countries, the debt crisis in Europe and a stagnating recovery in the US. The slowdown was quite severe in developed countries, where the average growth declined by almost half to 1.3 per cent. Unemployment remained high in most developed economies, even as some improvement was witnessed in the case of the US. According to the International Monetary Fund (IMF), the global economy will continue to be sluggish in the coming quarters as the recovery is threatened by intensifying strains in the Euro area and fragilities elsewhere. Global output is projected to expand by 3.5 per cent in the calendar year 2012.

## II Indian economy and Industry overview

India's economic growth fell to its slowest pace in almost a decade last year. In the financial year 2011-12, the GDP growth fell to 6.9 per cent, a drop of 1.5 per cent from the previous year, amidst poor performance in sectors like manufacturing, mining and agriculture. Analysts were expecting India's growth rate to slow down because of contraction in new investments by the private sector and the financial crisis in the Euro zone, but the numbers were worse than predicted. In the backdrop of sharp rise in interest rates and higher borrowing costs, the investment growth rate declined to 5.8 per cent against double digit figures of the previous years. The financial savings rate also registered a decline on account of decline in private savings due to inflationary tendencies. The WPI inflation remained high at 9.1 per cent, riding on the back of changing dietary patterns of consumers, increasing global metal and chemical prices and high international crude oil prices. All in all, the last fiscal was not a smooth ride. However, it is expected that the economic activity has hit the bottom and from here on, a gradual upswing is imminent. It is going to take some serious policy making and execution to tide over these challenging times.

As the economy showed signs of decreasing GDP growth rate, the Indian real estate industry faced its own share of concerns even as the latent demand, particularly in the residential segment, continued to be strong. After showing some signs of improvement post the global financial crisis in the previous year, the real estate sector found itself in a difficult phase on account of unfavourable micro and macro factors. Sharp rise in interest rates and uncertainties in the economy took its heavy toll on the overall buyer sentiment, leading to weak movement in property sales. Residential

sales remained slow in most of the cities during the year 2011-12. Residential project launches also showed a marked slowdown by the second quarter of the year. All this severely impacted the cash flow of developers, who were already struggling to overcome the tight liquidity condition. Some of the big developers were seen deleveraging their balance sheets by selling their non-core assets. But there was no distress kind of situation. Except in few micro markets, the prices corrected marginally. As banks maintained their cautious approach, the industry looked for other funding options in PE funds and NBFCs. PE investments in real estate saw 75 per cent increase to US \$1,656 million in 2011 from US \$944.7 million in the previous year, according to accountancy and advisory firm Grant Thornton.

*(Source: <http://economictimes.indiatimes.com/markets/real-estate/realty-trends/private-equity-investments-soar-75-in-realty-mutual-funds-shun-sector-on-rising-interest-rates/articleshow/11456518.cms>)*

However, the overall investment scenario was not very encouraging. FII inflows remained moderate and a number of companies deferred their initial public offerings due to volatile stock market conditions, with realty index taking a severe beating. Investments in land banking too experienced a slowdown to the tune of 20 per cent. On the policy front, though there was much more scope to provide necessary impetus, the year under review witnessed a few landmark initiatives by the Government with the introduction of the Land Acquisition Reforms and Rehabilitation Bill, the Real Estate Regulatory Bill, 100 per cent foreign direct investment (FDI) in single brand retail, exemption of service tax for construction of low housing, permission of external commercial borrowings for low cost housing and the new development norms introduced by some states. Although many of the bills are yet to be enacted, it is important to note that these are the first step towards institutionalising the sector.

## III Segment wise growth scenario

### a) Residential Segment

The residential sector has traditionally been a leading driver of real estate demand in India. The residential market in India witnessed stagnant demand for most of the year 2011-12, after an initial spurt in the first few months of the year. While the residential markets across NCR and Mumbai witnessed steady escalation in prices during the revival period from 2009 to first half of 2011 (as high as 40-50 per cent in certain micro-markets), the latter half of the year brought in stagnation in overall prices. The NCR market witnessed considerable appreciation in capital values in the first half of the year, with premium markets witnessing steady demand from expatriates, high net worth individuals (HNIs) and executives from multinationals and Indian companies.

Numerous repo-rate revisions by RBI, which led to upward revision of mortgage rates, tighter control on teaser rates earlier being offered by financial institutions to reduce EMI burden in the initial years of loan tenure and inflationary pressures impacted end user as well as investor sentiment. This started impacting the sales volume in a big way towards the middle of the year. All this, coupled with supply pile-up, led to downward pressures on capital values across various micro-markets.

While the financial year 2011-12 started on a positive note, the impact on demand rejuvenation was limited. According to Global Property Consultants CBRE South Asia, the stagnancy in demand will continue in the short to medium term unless there is an overall improvement in the economic scenario. Because of the prevailing uncertainties in the global market and higher interest rates, sentiments on the residential market will remain cautious over the short to medium term.

In the long term, the domestic residential sector has got massive potential in the wake of growing demand-supply gap, as also factors like changing demographics and rapid urbanisation. In the last decade or so, real estate has emerged as one of the important asset classes, with investors eagerly looking to boost their portfolio with safer options and better yield in the long term.

### Demand dynamics

The rapid pace of urbanisation in Indian cities has resulted in a supply shortage of more than 26 million housing units in the Country. While majority of this shortage is limited to the low-end segment of the population, speculation and investment interests have withheld substantial residential stock from the mid-end populace as well. In this context, the residential market has been witnessing a spurt of affordable residential projects by private developers in the last few years, although the matrix of defining affordable varies across cities. With the revival in economic activity in the second half of 2010, coupled with improved investor sentiment, most developers enhanced their price expectations, especially in the cities of Mumbai and Delhi. From the end of 2009 to early 2011 the housing market had witnessed an average capital appreciation of 40-50 per cent across most prime locations. However, RBI's series of rate revisions and curbs on teaser rates by the end of the year impacted the overall market sentiment. This led to a substantial supply pipeline pile-up in the key markets, leading to downward pressure on capital values.

Additionally, even as the majority of the demand has been coming from actual users, in the last decade, real estate has emerged as a new asset class with availability of more avenues for investment. Improving construction quality, enhanced market transparency and availability of suitable options have made real estate a good asset class to invest

in. It is estimated that around 20 per cent of demand is currently accounted for by investors. The share of this demand is expected to go up as investors are provided with more investment tools such as Real Estate Investment Trusts (REITs) and Real Estate Mutual Funds (REMFs).

According to a Cushman & Wakefield report, the pan India residential demand for the period 2010- 2014 is estimated to be approximately 4.25 million units, of which mid range and affordable sectors continue to capture a significant share of 70 per cent. About 60 per cent of total estimated pan India residential demand by 2014 is expected to be spread across India's top seven cities, with Tier I metropolitan cities like NCR and Mumbai expected to account for around 40 per cent of total demand. Mumbai is likely to witness the highest cumulative demand of 8,30,000 units as well as growth of 23 per cent, followed by NCR which is likely to witness a growth of about 20 per cent. After NCR and Mumbai, it is Pune that is expected to witness the highest demand of 2,70,000 units in residential sector during the given period, driven by the rapidly growing city population (both migratory and local population), coupled with growing IT and other manufacturing sectors. The demand across the top seven cities is estimated to be three times higher than supply during 2010-14. However, this ratio differs within segments. Affordable and mid segment is expected to witness about three times higher demand, while demand in the EWS segment would be six times higher than upcoming supply. The high-end segment is likely to witness a demand supply gap of around 1.5 times.

### Outlook

Increasing urbanisation, favourable demographics, growth of services sector and rising incomes continue to push residential demand. Around five times more people live in urban India today than they did 50 years ago. Key cities in India contribute around 50 per cent to the country's GDP. In the next 20 years, around 68 Indian cities are likely to have a population in excess of 1 million as against around 42 cities today.

Moreover, the domestic real estate is undergoing a transformation. Some of the key trends in the Indian real estate sector include geographic de-concentration of real estate activity from large metros (such as Bengaluru, Mumbai and Delhi-NCR) to medium and small cities (such as Chandigarh, Pune, Jaipur, Kochi, Visakhapatnam etc.) and development of mixed-use projects, encompassing residential, commercial and retail complexes, increase in demand for affordable housing etc. These changes augur well for the domestic real estate, leading to a much matured set-up. By 2020, the Indian real estate industry is estimated to reach a size of US \$ 180 billion, according to Oxford Economics and Global Construction Perspectives.

*(Source: Grant Thornton CII Realty report 2011)*

## b) Commercial segment

The slowdown in economic growth had a direct bearing on the real estate sector and especially on the office space segment. Office space absorption during 2011-12 was 2 per cent lower than 2010-11. During 2011-12, a total of 38 million sq. ft. of new space was constructed in the top seven cities which, together, currently occupy 389 million sq. ft. of Grade-A office space. A lot of this space was constructed during the boom period of 2005 to 2007. However, recessionary conditions in 2008 led to many projects getting delayed and these projects eventually entered the market post 2009 when the domestic economy started showing signs of recovery. This resulted in huge amount of new office space supply entering the market during the previous two years.

*(Source: Economy and Realty at Glance April 2012, Knight Frank)*

### Demand dynamics

The IT/ITeS sector constitutes the largest segment of office space in India and contributed to more than half of the total space absorbed during 2011-12. Although its share has fallen marginally during 2011-12 as compared to 2010-11, the IT/ITeS sector still remains the driving force of Indian office space market. The share of manufacturing sector has witnessed an increasing trend over the last two years and contributed 19 per cent to the total absorption during 2011-12. The share of other service sectors, which includes consulting, education, logistics and other such companies, has increased from 11 per cent to 16 per cent in the last two years. The average growth rate of more than 9 per cent in the services sector over the last few years has fuelled the need for an additional office space and is expected to grow further in the coming years. Banking, Financial Services and Insurance (BFSI) sector is the other leading contributor to office space in the country. However, its share in the total absorption came down from 13 per cent in the previous year to 8 per cent in 2011-12 as demand from other sectors increased.

*(Source: Economy and Realty at Glance April 2012, Knight Frank)*

### Outlook

Going forward, the slowdown in economic growth is likely to bring down the need for additional space by these sectors and this could lead to higher vacancy levels. Even as demand remains stable, the office space supply is expected to outweigh demand in most prime cities. Corporate expansions are likely to decrease due to the uncertainties in the global economic situation, which will have an impact on business budgets. Demand will derive from consolidation and relocation to the Special Economic Zones by large IT occupiers, who will seek to reduce costs and avail of the related tax incentives. The suburban markets will continue to be preferred by tenants, due to

cost advantage and availability of substantial supply. Commercial office space rents and capital values are likely to increase across all cities, albeit marginally. Commercial office space investor sentiments will remain cautious in the year ahead. According to a Cushman and Wakefield report (Embracing Changes – Scripting the future of Indian Real Estate 2011), the pan India cumulative office demand in the next five years is estimated to be around 267 million sq. ft.

## c) Retail

The global economic slowdown and contraction in the domestic economy had its impact on the retail real estate segment also during the period under review, but the impact was not too severe. The rental market in retail segment is yet to stabilise as supply continues to outstrip demand. With the organised retail continuously increasing its share, the demand for quality space has been on the rise, even as some of the not-so-well conceived mall spaces have suffered in the past. It is estimated that only around 5-6 per cent of the Indian retail market is organised, which is very low as compared to developed economies where the share of organised retail is over 80 per cent. Analysts forecast that this segment is likely to expand, representing a large opportunity in this sector.

### Demand dynamics

Increasing disposable income, rising consumption and shopping convenience have been driving the growth of organised retail in the Country. The retail industry is expected to reach \$450 billion by 2015, with organised retail accounting for a 14-18 per cent share. There has also been a huge shift in shopping patterns in recent years. Today, customers are looking for an overall experience and the malls offer this as compared to high street shopping. While most malls till the recent past were restricted to the top seven cities, development is now moving to Tier II and III cities. The sector has immense potential, most of which still remains untapped.

*(Source: Global management consultancy firm AT Kearney—9<sup>th</sup> Annual Global Retail Development Index 2010).*

### Outlook

FDI in multi brand real estate, when finally permitted, is expected to catalyse a lot of demand from international retailers. The recent announcement of 100 per cent FDI in single-brand retail is likely to have limited impact on the real estate business in the short term. Given the complexities of starting a business in India, it will take some time for new international retailers to start operations and add to the existing demand for retail spaces. However, positive sentiment will still remain within the real estate industry and this, along with an increase in actual demand, will create an upward pressure on rentals in quality high-street retail

spaces and malls. Consequently, the vacancy levels will also come down. The long-term impact will be that the retail real estate market will mature and India will witness quality retail spaces emerge on high street locations as is the case in developed and other developing markets. With the opening of FDI, the market will see more corporate-backed convenient large format players entering the market. This will impact the retail real estate markets across all major cities by transforming the quality of retail space supply.

#### **d) Hospitality**

The global weak macro economic scenario, Euro zone crisis, geopolitical turmoil in Arab countries, high interest rate and inflation, as also muted corporate performance, had an adverse impact on the domestic hospitality industry during the year 2011-12. But, notwithstanding these upheavals, foreign tourist arrivals (FTA) to India grew by 8.8 per cent to 6.29 million tourists, while international tourist's arrivals grew by 4.4 per cent to 980 million travellers. The pace was however, significantly slower than 11.8 per cent FTA and 7.0 per cent international travellers of the previous year.

*Source: ICRA report (Quarter Review on Indian Hotel Industry, March 2012).*

#### **Demand dynamics**

Despite incremental room inventory in several markets, occupancies were sustained at previous levels, while certain heavily supplied markets like NCR witnessed a 5-10 per cent decline in occupancy. During the past few quarters, several under-construction hotel projects by first-time developers have run into time and cost overrun. With interest rates at least 300-400 basis points higher than the planning phase and significantly higher construction cost, several developers have suffered liquidity crisis.

*Source: ICRA report (Quarter Review on Indian Hotel Industry, March 2012).*

#### **Outlook**

Supply creates its own demand in the hotel industry. However, initial periods of any major supply addition can create significant demand supply imbalance. During the peak of the last hotel cycle in 2008, India had an extremely large pipeline inventory. Over the past three years, a number of these projects have materialised with particularly heavy supply being added in Pune, Delhi NCR, Bengaluru and Hyderabad. Delhi NCR, Hyderabad, Kolkata still has a large pipeline inventory, which is likely to impact the occupancy and tariff. With uncertainty continuing to cloud the near term, some relief, experts feel, is likely by the Q4 of FY 2013. All the same, analysts are optimistic about the long-term growth story for the domestic hotel sector. Some of the recent measures like the VOA (visa on arrival) scheme

(extended to 13 countries from January 2010) will have positive impact.

#### **e) Special Economic Zones (SEZs)**

After the policy paralysis, the Union government is recently on a revival mode. The Government has decided to come out with new norms to revive Special Economic Zones, which lost sheen after the imposition of certain levies and the proposal to take away tax incentives and other reliefs. Discussions are currently on between the Ministry of Commerce and Finance Ministry to spell out clear policy guidelines so that there are no grey areas left out in the policy framework and the developers can take firm decisions. The Government is contemplating re-visiting some aspects of the policy and operational framework and planning to come out with new guidelines to make the operation of the SEZ policy more buoyant. The Government had imposed Minimum Alternate Tax (MAT) and Dividend Distribution Tax (DDT) on these SEZs in 2010-11 Budget, which were earlier exempted from almost all levies. Contrary to industry's expectations, the Government did not bring about any change in MAT in 2012-13 Budget either, leading to further slowdown in investments.

### **IV Sector outlook**

In the short-term, the domestic real estate sector is passing through a challenging phase amidst global uncertainties, weakening of growth in domestic economy, rising interest rates and muted sales volumes. However, despite these negative sentiments, the long-term growth story for the real estate sector continues to be quite robust since the fundamental demand drivers - increasing urbanisation, favourable demographics, growth of the services sector and rising incomes - are still intact. India's population is rapidly moving towards urbanisation, providing further boost to the fundamentals. Despite all sorts of recent hurdles, the industry has shown resilience.

Along with tight liquidity, the shortage of labour has been also impacting the growth of the industry in a big way. Going forward, improved liquidity situation with a relatively stable interest rate scenario will go a long way in improving the overall sentiments.

### **V Company overview**

With more than two decades of experience across all verticals, the Company is a leading real estate and integrated infrastructure developer with pan India presence. The Company's business portfolio includes residential, commercial (office and retail), DMRC Projects, Hotels, SEZs, IT Parks and third party construction. With an impeccable track record of completing 45 projects, the Company is currently working on 50 projects with a total area of 76 million sq. ft. The financial year 2011-12 was

quite challenging for the Company in the backdrop of increasing input cost and higher funding cost. The Company was also affected adversely as a result of non-extension of time by Central Government for completion of specified projects, for availing income tax exemption, resulting in reversal of income tax exemption earlier availed by the Company for such projects.

The Company has reported total standalone revenue of ₹73,857.93 lacs for the year ended March 31, 2012 as against ₹75,154.02 lacs in the previous fiscal. The Company's Profit before tax has increased to ₹14,062.95 lacs as against ₹10,168.17 lacs last year. The net profit of the Company stood at ₹ 2,552.92 lacs as against ₹ 7,547.71 lacs last year.

### Operational Highlights

- Obtained approval of Building plans for a commercial building on a plot of land at K.G. Marg, New Delhi.
- Secured a fresh 'Letter of Intent' from Directorate of Town & Country Planning-Haryana, for 50.56 acres for Karnal Township and for 3.106 acres for Commercial project at Badshahpur, Gurgaon.
- Received the notification for Hyderabad Biotechnology SEZ.
- Launch of luxury residential project "Parsvnath Exotica, Ghaziabad".
- Marking foray into the Affordable Hospitality segment- first hotel of the Company's 100% subsidiary viz. Parsvnath Hotels Limited, under the name "Comfort Inn Anneha" became operational at Greater Kailash Enclave II, New Delhi.
- During the year under review, the Company offered possessions in various projects to its customers including the following:
  - Parsvnath Pratishtha, Pune (Part completion/possession)
  - Parsvnath Exotica, Gurgaon (Part possession)
  - Parsvnath Royale Floors, Jodhpur (Part possession)
  - Parsvnath City, Sonapat A-Block (Villas) (Part possession)
  - Parsvnath City, Indore (Part possession)
  - Parsvnath City, Ujjain (Part possession)
  - Parsvnath Narayan City, Jaipur (Part possession)
  - Parsvnath City, Jodhpur (Part possession)
  - Parsvnath City, Dharuhera (Part possession)
  - Parsvnath Planet, Lucknow

### Going forward, the Company has identified following priority areas:

- 1) Emphasis on execution of existing projects;
- 2) Strengthening of balance sheet and reducing the debt balance;
- 3) Outsourcing construction and project management to improve execution performance in key projects;
- 4) Continued focus on affordable segment; and
- 5) Exit from non-core Assets

### Execution of existing projects

As part of its strategy, the Company has decided to continue with its focus on timely execution of its existing projects rather than going in for new project launches. In fact, the Company has taken a conscious decision not to go for any major project launches till it executes its existing projects.

|                      |   |
|----------------------|---|
| Residential Segment  | : 18 projects with saleable area of 20.40 million sq. ft. |
| Integrated Townships | : 12 projects with saleable area of 51.56 million sq. ft. |
| Commercial Segment   | : 9 projects with saleable area of 1.77 million sq. ft.   |
| DMRC                 | : 5 projects with saleable area of 1.51 million sq. ft.   |
| Hotels               | : 5 projects with saleable area of 0.54 million sq. ft.   |
| IT Park              | : 1 project with saleable area of 0.69 million sq. ft.    |

### Strengthening Balance Sheet and reducing the debt balance

- i) In order to meet the funding requirement and ease the liquidity situation, the Company is joining hands with PE players at project levels. The Company, which intends to further de-risk its business model, has been raising funds from PE players for the last three years. After raising a total of US \$117 million from Red Fort Capital and SUN-Apollo for its four projects spread across New Delhi, Gurgaon and Ghaziabad, the Company had also raised US \$51 million (for 22 per cent project-level stake) for its La-Tropicana project in Delhi.
- ii) The Company has chalked out a major plan to deleverage itself. Apart from various cost cutting measures, as also rationalisation of process costs,

the Company is aiming to sell non-core assets, including land. The Company has also developed a recurring revenue plan from its DMRC, commercial and hospitality projects. It aims to create a portfolio of such properties that can yield recurring revenue through lease rentals.

### **Outsourcing construction and project management to improve execution performance in key projects**

As part of its strategy to bring down the execution time in some of its ongoing projects, the Company has started signing third-party contracts with leading construction companies:

- Awarded the construction contract of 'Parsvnath Technica', Gurgaon to IL&FS Engineering and Construction Company Ltd.
- Awarded contract for part of its project, 'Parsvnath La-Tropicana' at Khyber Pass, New Delhi, being implemented by Parsvnath Landmark Developers Pvt. Ltd., subsidiary company to IL&FS Engineering and Construction Company Ltd. for accelerating the construction work and timely delivery to customers.
- Outsourced the construction work relating to its project, 'Red Fort Parsvnath Towers' at Bhai Veer Singh Marg, Connaught Place, New Delhi, an A-grade office-cum-commercial complex of international standards, being implemented by Parsvnath Estate Developers Pvt. Ltd., subsidiary company to Larsen & Toubro Limited.
- Awarded contract for construction of luxury residential project at Subhash Nagar in West Delhi, being implemented by Parsvnath Realcon Pvt. Ltd., group company to CTC Geotechnical Private Limited as third party contractor.

### **Continued focus on residential (affordable) segment**

The Company has, since long, been committed to providing mid level and affordable homes and it has a robust portfolio in this segment. The attractive pricing along with the high quality standards have been well received by consumers in the past. Several projects in the past have witnessed large booking in the early launch phase itself. Currently most of the Company's total projects (in terms of area) under development are in the residential/township segment.

### **Exit from non-core Assets**

In line with Company's strategy to reduce debt, the Company has continued with the strategic and comprehensive portfolio review of its real estate assets, with a view to exit the non-core assets as and when any suitable opportunity arises.

## **SWOT**

### **Strengths**

- Over two decades of execution track record
- Well diversified product portfolio comprising residential projects, integrated townships, commercial complexes, SEZs, IT parks and third-party contracts
- Pan India presence encompassing over 44 cities across 15 states
- Further building income generating properties in DMRC, commercial and hospitality segments
- Focus on fast-moving residential projects
- Robust land bank
- Focused execution plan
- Clear strategy to deleverage and strengthen Balance Sheet
- Strong management team

### **Weaknesses**

- Being in capital intensive industry, the Company has massive capital outlay requirements and is hence exposed to wide fluctuation in the interest rate cycle
- Long gestation period of projects

### **Opportunities**

- Massive demand supply gap in housing segment
- Except for recent hiccups, the Indian growth story is intact, which will continue to generate demand across all verticals of real estate
- In the last decade or so, real estate has emerged as a new asset class with investors eying this pie seriously
- Integrated townships and urban infrastructure have emerged as new focus areas
- The growth expected in the hospitality augurs well for the Company, which has recently also ventured into budget hotels where the demand is quite consistent
- Introduction of PPP (Public Private Partnership) model in infrastructure development has opened up new avenues for private developers
- IT/ITeS and BSFI sector will continue to generate demand for commercial space

### **Threats**

- Despite its big contribution to the GDP, the real estate sector is yet to get industry status
- Lack of Institutional participation limits the funding option

- Non availability of labour can adversely impact the execution schedule
- Rise in input cost can have serious bearing on the cost of final products, which can affect the demand
- Any adverse move by the banking sector towards the lending policy may increase the cost of borrowing
- The domestic industry is still unorganised, which affects the overall sentiment of the market

## VI Future Outlook

Given the current market scenario, the Company will continue to focus on the mid income and affordable segment of the residential sector, where a huge growth potential on account of the massive demand supply gap exists. This serves the dual purpose of maintaining its cash flow in adverse conditions and at the same time insulating it from the commercial real estate segment. In view of the immense opportunities foreseen in the sector, the Company aims to open more budget hotels across the country, with focus on Delhi and Tier-II and III cities such as Vrindavan, Varanasi and Haridwar.

As part of its strategic initiatives to tackle challenges at hand, the Company has drawn up a clear roadmap to reduce its debts in the next few years. To infuse liquidity into the system, the Company will be monetising some of its non-core assets including land. In line with its strategic thinking to improve the revenue flow, the Company aims to develop a portfolio of regular income-yielding assets through a mix of commercial and hospitality projects.

The Company remains committed to the timely delivery of its projects and has drawn up a detailed execution and implementation map, while also engaging third-party to aid the construction process. The Company remains confident that these measures will minimise any risk of delays or cost over-runs.

The Company firmly believes that the present slowdown is a temporary phenomenon and the scenario will improve considerably in coming quarters. With both operational and tactical measures and the strategic blueprint in place for future growth, combined with its legacy of trust, its pan India presence and uncompromising quality standards, the Company is confident of making the most of emerging opportunities in the long run.

## VII Subsidiary and Associate Companies

### Parsvnath Infra Ltd. (PIL)

The Company took a concerted decision a year ago to scale down its presence in this segment following imposition of Minimum Alternate Tax (MAT) and uncertainty

over continuation of tax sops to SEZ. Adopting a cautious and prudent strategy in line with this decision, the Company surrendered six in-principle approvals of SEZ projects during the year.

As a consequence of the above, the Company has opted out of the SEZ projects at Sohna and Gurgaon where the Company had acquired development rights for the land from its parent company and its associates and the land is proposed to be put to alternate use by the parent company by way of re-transfer of development rights of the said lands. The parent company will develop such lands into suitable viable projects pursuant to such approvals as may be required for this purpose.

In another development during the year, the Hyderabad Biotechnology SEZ was notified in the Gazette by the Government of India.

We operate in this segment through Parsvnath Infra Ltd., in which Company holds 94.87%.

### Parsvnath Landmark Developers Pvt. Ltd. (PLDPL)

Pursuant to the funding obtained in the form of loan aggregating to ₹140 Crores from J.P. Morgan Advisors India Pvt. Ltd. for execution of its premium luxury residential project 'La-Tropicana' in Civil Lines, Delhi, PLDPL is executing the project and construction of the project is in full swing after receiving all requisite approvals and sanctions. The Company has appointed M/s IL&FS Engineering and Construction Company Ltd. for constructing a part of the Project.

### Parsvnath Hotels Ltd. (PHL)

The Company has commissioned the first affordable hotel under its banner "Comfort Inn Anneha" at Greater Kailash Enclave II, New Delhi under arrangement with Choice Hotel International and it is proposed to add sizable number of hotels in this segment. Further, the hotel project at Shirdi is under construction and the same is expected to be completed during the course of the current financial year. As regards the other hotel projects, the Company proposes to take up construction of the hotels at Jodhpur only for the time being.

### Primetime Realtors Pvt. Ltd. (PRPL)

The Company decided to put the plot of land admeasuring 1.185 acres situated at 27, Kasturba Gandhi Marg, New Delhi- 110001, owned by M/s Primetime Realtors Pvt. Ltd., a wholly-owned subsidiary of the Company, for sale and has given an exclusive mandate to Jones Lang LaSalle India (JLL) to handle the process. In the absence of any suitable offer coming in way in near future, the Company will develop a commercial building on the said plot as per the earlier plans.

#### **Parsvnath Estate Developers Pvt. Ltd. (PEDPL)**

Pursuant to an agreement entered into with Red Fort Capital (RFC), a leading international Private Equity Real Estate firm, whereby RFC has invested funds in PEDPL, project SPV/subsidiary company to jointly develop "Red Fort Parsvnath Towers", the landmark A-Grade modern state-of-the-art office-cum-commercial Complex of International Standards, located in the heart of New Delhi i.e. Connaught Place on Bhai Veer Singh Marg. The construction of the project has already commenced after receiving all requisite approvals and sanctions. The Company has already awarded the contract to Larsen & Toubro (L&T), India's leading construction and engineering firm, for construction of the project on a turnkey basis and the project is expected to be completed by the end of the current financial year after which the space available will be leased to various users as per market rent prevalent at that time.

#### **Parsvnath Promoters And Developers Pvt. Ltd. (PPDPL)**

The Company has entered into an agreement with RFC to develop a prime land parcel of 38.3 acres in Sarai Rohilla, New Delhi, auctioned by Rail Land Development Authority (RLDA) for ₹1,651.51 Crores. The Company sold 49% stake of its project SPV/subsidiary company viz. PPDPL to RFC for ₹110 Crores with further investment from RFC of another ₹160 Crores for the development mainly of luxury Residential Apartments along with required infrastructure on a total developable area of over 4 million sq. ft. While RLDA granted its approval for using PPDPL as SPV for the project initially, it revoked the said approval later on and asked the Company to incorporate a new company for this purpose. While Company has approached the Delhi High Court by way of writ petition to direct RLDA to accept PPDPL as SPV for implementing the project, in view of investments made by the Company and the overseas investors in PPDPL, Company has also incorporated a new company viz. Parsvnath Rail Land Project Pvt. Ltd. (PRLPPL) and has offered RLDA for using PRLPPL as SPV for this project and RLDA has very recently approved the same. In view of this, the investment made by the investors will be withdrawn from PPDPL after requisite approval and the investors have already obtained the approval of FIPB for this purpose.

#### **Parsvnath Hessa Developers Pvt. Ltd. (PHDPL)**

Pursuant to the agreement entered into by the Company with Anuradha SA Investments LLC and Anuradha Ventures Ltd., funds managed by SUN-Apollo, an international real estate private equity fund, for an investment in its premium luxury residential project viz. "Parsvnath Exotica", Phase -II, Gurgaon, at an agreed investment of ₹75 Crores for a 50% stake in the project SPV viz. PHDPL which is developing the said project. The construction of the project is progressing smoothly and the Company is handing over the flats to the

customers on a phase wise basis.

#### **Parsvnath Buildwell Pvt. Ltd. (PBPL)**

The Company has entered into an agreement with Anuradha SA Investments LLC and Anuradha Ventures Ltd., funds managed by SUN-Apollo, an international real estate private equity fund, for an investment in its premium residential project at Ghaziabad, Uttar Pradesh ("Project") spread over an area of approx. 31 acres known as "Parsvnath Exotica - Ghaziabad". SUN-Apollo has agreed to invest upto ₹1,000 million in the project SPV, PBPL, which will develop the Project, pursuant to assignment of development rights to the Company. The construction of the Project has already commenced and all requisite approvals including sanction of building plans, besides various other approvals such as environmental clearance etc., have already been obtained. The project has received a very good response from the customers and it is intended to complete the project within the stipulated time.

#### **Parsvnath Realcon Pvt. Ltd. (PRPL)**

PRPL is operating as a project SPV for developing a luxury residential project at Subhash Nagar in West Delhi on the land acquired from DMRC where CTC Geotechnical Private Limited is working as third party contractor for construction of towers and the construction is going on smoothly.

#### **Nanocity Haryana Infrastructure Ltd. (NHIL)**

NHIL, set up as a joint venture Company between Nano Works Developers Private Limited (Nano Works) and Haryana State Industrial & Infrastructure Development Corporation Limited (HSIIDC), wherein the Company has substantial interest, proposes to develop "Nanocity" project in the district of Panchkula, Haryana and has sought the approval of HSIIDC for reduction in area to 500 acres in the first phase from the original 10000 acres. NHIL will acquire the land required for the first phase of the project upon receipt of approval from HSIIDC.

### **VIII Risk Management**

Despite its significant contribution to the Country's GDP, the domestic real estate sector is languishing with multiple problems. The sector is still waiting to be accorded industry status and hence lacking the basic organised structure. Due to this, the industry often struggles to receive capital at a reasonable cost. Unlike developed countries, there is relatively non-existence of institutional funding. The industry has to depend heavily on the conventional resources of funding where banking system calls the shot. There are very limited avenues available for investors to participate in the Country's real estate growth story. There is no adequate system to mitigate the risk of rising input costs and hence, it becomes very difficult for the industry to have proper pricing mechanism. Lack of reforms, the Government's

cautious approach towards Foreign Direct Investment (FDI), poor disclosures and lack of transparency have adversely impacted the growth of industry. But over the last decade, things are gradually falling in place with the Government and authorities gearing up to resolve some of the issues.

The Company has put in place an integrated risk management framework, comprising risk identification, creation of an appropriate risk management structure and evaluation of performance. Some of the significant risks faced by the Company as a whole and the steps taken to mitigate them are:

### **1. Industry demand fluctuations**

The real estate sector is prone to multiple issues on the macro and micro fronts. In order to mitigate the risk of demand fluctuations owing to the nature of the industry, the Company has put up a well diversified portfolio which includes mid-income residential projects, integrated townships, commercial complexes, hotels (recently ventured into budget hotels where demand is robust and consistent), IT Parks, BOT Projects, SEZs and third party contracts. Moreover, the Company is focusing on the residential developments (primarily the mid income and affordable segment) where demand is less volatile. Further, the Company has expanded its reach to multiple locations. Looking at the sluggish market condition, the Company has reduced its exposure to commercial, retail and SEZ segments. The Company had sought withdrawal of its six SEZ projects due to policy uncertainty and the same was allowed by the Government. The Company's approach of including BOT projects and third-party contracting provides clear visibility to the revenue stream and also opens more avenues for the future.

### **2. Rising input costs**

The Company has set up a well-designed cost management mechanism. In an attempt to manage the input costs better, the Company undertakes most construction activities in-house, even as lately it has outsourced some of its construction activity to expedite the execution process. Gauging its scale of operations, coupled with its long-term relationship with its vendors, the Company is in a position to procure quality raw materials at reasonable rates. Due to its good relationship with suppliers and adequately placed logistic system, the Company has been able to sustain growth with a much smaller inventory, thereby reducing its storage costs.

### **3. Focus on project execution**

Keeping in mind the market conditions, the Company has gone in for consolidation. The Company has defined priorities in execution so as to ensure timely completion

within the stipulated time frame. Towards this end, the Company is also outsourcing construction activities. The Company has moved to a project-based organisation structure where it works dedicatedly for enhancing project flexibility and control, improving the quality of real estate construction.

### **4. Human resources**

The right kind of human resource pool plays a vital role in the real estate sector, where successful and timely execution of projects is crucial in the long term. Faced with competition from other industries, attracting the right manpower resources and retaining them has become a big challenge for the sector. Towards this end, the Company has clearly laid out well-defined HR policies. The Company has a human resource department which oversees the HR policies and has successfully retained and attracted the best talents in the industry.

### **5. Financial availability**

As the Company operates in a capital-intensive industry, the availability of finance is crucial for seamless execution of its projects. The Company has adopted a focused strategy of raising capital through various resources (ranging from banks to private equity) and strengthening its Balance Sheet. Moreover, the Company is also in the process of creating a portfolio which will generate recurring income through income-generating properties in commercial and hospitality segments. These measures undertaken recently will help the Company successfully tide over the concerns of its future ability to mobilise funds for its projects. Additionally, the Company's third-party contract projects and BOT projects which are under construction are expected to generate attractive returns over the coming years.

## **IX Human Resources**

Manpower forms a vital resource for the real estate sector. Human resource continues to be a core strength of the Company, which continuously endeavours to work towards having sound, proactive and progressive HR strategies and practices in place for aligning its objectives with employee aspirations. The Company has been at the forefront in attracting and retaining the best talents. Over the years, the Company has created a human resource pool that is comparable with the best in the industry. The Company's human resource policy plays an important role in shaping and sustaining this. The Company ensures that its employees are provided the best working environment and compensated with attractive remunerations. The people oriented approach, along with a conducive working environment, promotes a proactive approach to work and also encourages thought process and innovation.

As on March 31, 2012, the Company's total employee strength stood at 715.

#### **X Internal Control and Systems**

The Company has in place, a comprehensive in-house Internal Audit Department, which examines and evaluates the adequacy and effectiveness of the internal control systems to achieve the objective of maximum productivity and output. The scope of activities of this department includes safeguarding and protecting the Company's assets against unauthorised use or disposition, maintenance of proper accounting records and verification of authentication of all transactions. Also, in order to further strengthen our Internal Audit systems, an independent firm of Chartered Accountants has been appointed to carry out the internal audit of various project sites, commercial and other functions of the Company. The Company has a strong reporting system which evaluates and forewarns the management on issues related to compliances. The performance of the Company is regularly reviewed by the Audit Committee and/or the Board of Directors to ensure that it is in consonance with the overall Corporate Policy and in line with pre-set objectives.

#### **Cautionary statement**

*Statements made in the Management Discussion and Analysis Report describing the Company's objective, projections, estimates, expectations may be forward looking statements within the meaning of applicable laws and regulations, based on beliefs of the management of your Company. Such statements reflect the Company's current views with respect to the future events and are subject to risks and uncertainties. Many factors could cause the actual result to be materially different from those projected in this report, including among others, changes in the general economic and business conditions affecting demand/supply and price conditions in the segment in which the Company operates, changes in business strategy, changes in interest rates, inflation, deflation, foreign exchange rates, competition in the industry, changes in governmental regulations, tax laws and other Statutes & other incidental factors. The Company does not undertake any obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.*

# Corporate Governance Report For Financial Year 2011-2012

## 1. Company's Philosophy on Corporate Governance

The welfare of the stakeholders of the Company forms the crux of the Company's Corporate Governance Policy. The Company's philosophy strives to ensure that its business strategies and plans prioritise the welfare of all stakeholders, while at the same time, maximising shareholders' value on a sustained basis. The Board of Directors, Management and Employees of the Company consistently envisage attainment of the highest level of transparency, integrity and equity in all facets of the operations of the Company and also in its interactions with the stakeholders. The Company is committed to benchmark itself with the best standards of Corporate Governance, not only in form but also in spirit. Our Company is in compliance with the Corporate Governance guidelines as stipulated under various clauses of Listing Agreement entered into with the stock exchanges. A report on the matters mentioned in the said clauses and the practices followed by the Company is detailed below.

## 2. Board of Directors

### A. Composition & Category

The composition of the Board of Directors of the Company has undergone a change due to resignation of Shri Gobind Ram Gogia, Whole-time Director designated as Director (Business Development). The detailed composition of the Board is represented in Table 1 below. Presently, there are 9 (Nine) Directors on the Board including 6 (Six) Non-Executive Directors in compliance with the prescribed combination of Executive and Non-Executive Directors on the Board. As regards the presence of Independent Directors, the Company requires atleast half of the Board to be represented by Independent Directors, since the Board of Directors of the Company is headed by an Executive Chairman. All the 6 (Six) Non-Executive Directors of the Company are Independent and thereby, the composition of the Board of Directors is in compliance with the parameters prescribed under Clause 49 of the Listing Agreement.

The Independent Directors of the Company shall mean Non-Executive Directors of the Company who:

- a) apart from receiving Director's remuneration by way of sitting fees, do not have any material pecuniary relationships or transactions with the Company, its Promoters, its Directors, its senior management, its subsidiaries and associates, which may affect their independence;
- b) are not related to the Promoters or persons occupying management positions at the Board level or at one level below the Board;
- c) have not been executive(s) of the Company in the immediately preceding three financial years;
- d) are not partner(s) or executive(s) or were not partner(s) or executive(s) during the preceding three years of any of the following:
  - i. The statutory audit firm or the internal audit firm that is associated with the Company; and
  - ii. The legal firm(s) and consultancy firm(s) that have a material association with the Company;
- e) are not material supplier(s), service provider(s) or customer(s) or lessor(s) or lessee(s) of the Company, which may affect their independence;
- f) are not substantial shareholder(s) of the Company, i.e. owning two percent or more of the block of voting shares; and
- g) are not less than 21 years of age.

As per the declarations received by the Company, none of the Directors are disqualified under Section 274(1)(g) of the Companies Act, 1956 read with Companies (Disqualification of Directors under Section 274(1)(g) of the Companies Act, 1956) Rules, 2003.

None of the Directors of the Company is a member of more than ten Committees or acts as a Chairman of more than five Committees across all Public Limited Companies in which he holds the directorship. The Company is notified by the Directors, from time to time, the status of Committee positions they occupy in other companies.

**Table 1: Composition of the Board of Directors as on March 31, 2012**

| Sr. No.                                    | Name & Category of the Director    | DIN      | Designation                     | Number of Directorship(s) in other Public Limited Companies* | Number of Membership(s)/ Chairmanship(s) held in Committees of other Public Limited Companies** |                 |
|--|------------------------------------|----------|---------------------------------|--|---|-----------------|
|  |                                    |          |                                 |  | Membership(s)   | Chairmanship(s) |
| <b>Executive Directors</b>                 |                                    |          |                                 |  |   |                 |
| 1  | Shri Pradeep Kumar Jain            | 00333486 | Chairman                        | 7  | -   | -               |
| 2  | Shri Sanjeev Kumar Jain            | 00333881 | Managing Director & CEO         | 14   | 1   | 1               |
| 3  | Dr. Rajeev Jain                    | 00433463 | Director (Marketing)            | 8  | -   | -               |
| 4  | Shri Gobind Ram Gogia <sup>1</sup> | 00306560 | Director (Business Development) | N.A.   | N.A.  | N.A.            |
| <b>Non-Executive Independent Directors</b> |                                    |          |                                 |  |   |                 |
| 5  | Shri Ashok Kumar                   | 00138677 | Director                        | 3  | 1   | -               |
| 6  | Shri Sunil Kumar Jain              | 00010695 | Director                        | 3  | 3   | -               |
| 7  | Shri Ram Niwas Lakhotia            | 00091290 | Director                        | -  | -   | -               |
| 8  | Shri Ramdas Janardhana Kamath      | 00035386 | Director                        | 6  | -   | 2               |
| 9  | Dr. Pritam Singh                   | 00057377 | Director                        | 4  | 7   | -               |
| 10   | Dr. Vinod Juneja                   | 00044311 | Director                        | 4  | 1   | -               |

<sup>1</sup> Resigned with effect from December 31, 2011

\* Excludes private, foreign, unlimited liability companies, Government bodies and companies registered under Section 25 of the Companies Act, 1956.

\*\* For the purpose of reckoning the limit of the Committees on which a Director can serve, the Chairmanship/Membership of the Audit Committee and the Shareholders'/Investors' Grievance Committee of all listed and/or unlisted Public Limited Companies only have been considered.

## B. Board Meetings & Last Annual General Meeting – Attendance of Directors

The Board met five times on 30.05.2011, 11.08.2011, 24.09.2011, 07.11.2011 and 13.02.2012, during the financial year ended March 31, 2012. The attendance of each Director at the Board Meetings and at the last Annual General Meeting (AGM) of the Company is set out in Table 2 below:

**Table 2: Attendance of the Directors at the Board Meetings and at the last AGM**

| Sr. No. | Name of the Director          | Number of Board Meetings attended | Attendance at AGM held on 24.09.2011 |
|---------|-------------------------------|-----------------------------------|--------------------------------------|
| 1       | Shri Pradeep Kumar Jain       | 5                                 | Y                                    |
| 2       | Shri Sanjeev Kumar Jain       | 4                                 | Y                                    |
| 3       | Dr. Rajeev Jain               | 5                                 | Y                                    |
| 4       | Shri Gobind Ram Gogia*        | 3                                 | Y                                    |
| 5       | Shri Ashok Kumar              | 4                                 | N                                    |
| 6       | Shri Sunil Kumar Jain         | -                                 | N                                    |
| 7       | Shri Ram Niwas Lakhotia       | 4                                 | Y                                    |
| 8       | Shri Ramdas Janardhana Kamath | 3                                 | N                                    |
| 9       | Dr. Pritam Singh              | 3                                 | Y                                    |
| 10      | Dr. Vinod Juneja              | 1                                 | N                                    |

\* Resigned with effect from December 31, 2011.

## C. Information supplied to the Board & Statutory Compliance

The Board of Directors has complete access to all information available with the Company. The agenda notes prepared for the meetings of the Board of Directors cover all items specified in Annexure 1A to Clause 49 of the Listing Agreement to the extent applicable to the Company. In addition, the following items are also provided and reviewed by the Board of Directors on a regular basis:

- Report on statutory compliance with all applicable laws by the Company, as well as steps taken by the Company to rectify instances of non-compliance, if any;
- Minutes of the meetings of the Board of Directors of all the subsidiary companies of the Company; and
- Statement of all significant transactions and arrangements entered into by/with the subsidiary companies.

#### D. Non-Executive Directors' compensation

The Non-Executive Directors are paid sitting fee of ₹20,000/- for attending each meeting of the Board of Directors or Committees thereof. The sitting fee so paid by the Company is within the limits prescribed under the provisions of the Companies Act, 1956, fixed by the Board of Directors under the Articles of Association of the Company and does not require approval of the shareholders.

#### E. Code of Conduct

The Board of Directors has laid down a 'Code of Conduct' applicable to all Board members and senior management personnel of the Company. This Code of Conduct is posted on the website of the Company ([www.parsvnath.com](http://www.parsvnath.com)). In compliance with Clause 49 of the Listing Agreement, annual affirmation of this Code of Conduct by all Board members and senior management personnel has been ensured and the certificate to this effect signed by the Managing Director & CEO is appended to this report.

### 3. Committees of Board of Directors

#### A. Audit Committee

The Audit Committee of Directors of the Company has such powers as are detailed under Section 292A of the Companies Act, 1956 and Clause 49 of the Listing Agreement.

The responsibilities of the Audit Committee include, inter alia, overseeing the financial reporting process to ensure proper disclosure of financial statements, recommending appointment/removal of Statutory Auditors and their remuneration, reviewing the quarterly and annual financial statements before submission to the Board, reviewing the adequacy of the internal audit function including the structure and staffing of the internal audit department, ensuring compliance of internal control systems, reviewing findings of internal investigations, discussing the nature and scope of audit with Statutory Auditors, reviewing the Company's financial and risk management policies and looking into reasons of substantial defaults, if any, of non-payment to stakeholders and a mandatory review of Management Discussion and Analysis of financial condition and results of operations, Statement of significant related party transactions submitted by management, management letters/letters of internal control weaknesses, if any, issued by the Statutory Auditors and the internal audit reports relating to internal control weaknesses, if any.

The Audit Committee comprises Shri Ramdas Janardhana Kamath (Chairman), Shri Sanjeev Kumar Jain, Shri Ashok Kumar, Dr. Pritam Singh and Dr. Vinod Juneja. All members except Shri Sanjeev Kumar Jain are Non-Executive Independent Directors of the Company.

All the members of the Audit Committee possess sound knowledge of accounts, audit, taxation etc. Shri V. Mohan, Sr. Vice President (Legal) & Company Secretary acts as the Secretary to the Audit Committee. The Committee invites Group Chief Financial Officer, head of the Internal Audit Department and representative(s) of External Internal Auditors and the Statutory Auditors, to attend the meetings of the Audit Committee on a regular basis. The Committee met four times with adequate quorum on 30.05.2011, 11.08.2011, 07.11.2011 and 13.02.2012 during the financial year ended March 31, 2012. The attendance of each member thereat is set out in Table 3 below:

**Table 3: Attendance of the Members at the Audit Committee Meetings**

| Sr. No. | Name of the Member            | Number of Audit Committee Meetings attended |
|---------|-------------------------------|---|
| 1       | Shri Ramdas Janardhana Kamath | 3   |
| 2       | Shri Sanjeev Kumar Jain       | 3   |
| 3       | Shri Ashok Kumar              | 4   |
| 4       | Dr. Pritam Singh              | 2   |
| 5       | Dr. Vinod Juneja              | 1   |

#### B. Remuneration Committee

The Remuneration Committee of Directors of the Company has been constituted to recommend/review the remuneration package of the Executive Directors. The Committee is chaired by Dr. Pritam Singh and other members are Shri Ramdas Janardhana Kamath, Shri Ashok Kumar and Dr. Vinod Juneja, all being Non-Executive Independent Directors.

During the year ended March 31, 2012, one meeting of the Remuneration Committee was held on 13.02.2012. The attendance of each member thereat is set out in Table 4 below:

**Table 4: Attendance of the Members at the Remuneration Committee Meetings**

| Sr. No. | Name of the Member            | Number of Remuneration Committee Meetings attended |
|---------|-------------------------------|--|
| 1       | Dr. Pritam Singh              | 1  |
| 2       | Shri Ramdas Janardhana Kamath | 0  |
| 3       | Shri Ashok Kumar              | 1  |
| 4       | Dr. Vinod Juneja              | 0  |

The remuneration of Executive Directors is decided after taking into consideration a number of factors including industry trend, remuneration package in other comparable corporates, job responsibilities and key performance areas, Company's performance etc. The remuneration policy is directed towards rewarding performance, based on review of achievements on a periodical basis. The remuneration paid to the Executive Directors is subject to the limits laid down under Sections 198, 269 and 309 read with Schedule XIII to the Companies Act, 1956 and in accordance with the terms of appointment approved by the shareholders of the Company. The Executive Directors are not being paid any sitting fees for attending the meetings of the Board of Directors and/or Committees thereof.

All pecuniary relationships and elements of remuneration package of Directors are disclosed in Table 5 below:

**Table 5: Remuneration paid/payable to the Directors of the Company during Financial Year 2011-12**

| Sr. No. | Name of the Director          | No. of Shares held | Salary & Perquisites (₹/ Lacs) | Sitting Fees (₹/ Lacs) | Total Amount (₹/ Lacs) |
|---------|-------------------------------|--------------------|--------------------------------|------------------------|------------------------|
| 1       | Shri Pradeep Kumar Jain       | 10,36,76,781       | 360.79                         | -                      | 360.79                 |
| 2       | Shri Sanjeev Kumar Jain       | 21,600             | 132.40                         | -                      | 132.40                 |
| 3       | Dr. Rajeev Jain               | 16,000             | 96.40                          | -                      | 96.40                  |
| 4       | Shri Gobind Ram Gogia*        | -                  | 94.27                          | -                      | 94.27                  |
| 5       | Shri Ashok Kumar              | 2,000              | -                              | 2.60                   | 2.60                   |
| 6       | Shri Sunil Kumar Jain         | 1,782              | -                              | -                      | -                      |
| 7       | Shri Ram Niwas Lakhotia       | -                  | -                              | 1.40                   | 1.40                   |
| 8       | Shri Ramdas Janardhana Kamath | -                  | -                              | 1.20                   | 1.20                   |
| 9       | Dr. Pritam Singh              | -                  | -                              | 1.20                   | 1.20                   |
| 10      | Dr. Vinod Juneja              | -                  | -                              | 0.60                   | 0.60                   |

\* Resigned w.e.f. December 31, 2011

**Notes:**

- Shareholding figures are as on March 31, 2012. The Company has not issued any instruments that can be converted into equity shares. No Stock option has been granted to any of the Directors of the Company.
- The term of office of the Executive Directors shall remain valid for a period of five years from the respective dates of their appointment, which may be terminated by giving prior notice of six months in writing by either side. No severance fee is payable.
- The remuneration, by way of salary & perquisites, does not include leave encashment, gratuity and other retirement benefits.
- Shri Pradeep Kumar Jain, Shri Sanjeev Kumar Jain and Dr. Rajeev Jain are related to each other as brothers. This apart, none of the other Directors is inter-se related to each other.
- The Company pays rentals to Shri Pradeep Kumar Jain and Smt. Nutan Jain, wife of Shri Pradeep Kumar Jain, for the Car Parking Spaces/office flats taken on rent.
- Shri Sunil Kumar Jain does not accept sitting fees.

**C. Shareholders'/Investors' Grievance Committee**

The Shareholders'/Investors' Grievance Committee comprises four Members, including one Executive Director viz. Dr. Rajeev Jain and three Non-Executive Independent Directors viz. Shri Ashok Kumar, Shri Ram Niwas Lakhotia and Dr. Vinod Juneja. Shri Ashok Kumar is the Chairman of the Committee and Shri V. Mohan, Sr. Vice President (Legal) & Company Secretary acts as the Secretary to the Committee and is the Compliance Officer. Further, the Committee has been re-constituted by the Board of Directors at its meeting held on May 30, 2012 by inducting Shri Sanjeev Kumar Jain and Shri Ramdas Janardhana Kamath as members.

During the financial year ended March 31, 2012, the Shareholders'/Investors' Grievance Committee met 4 times with adequate quorum on 30.05.2011, 11.08.2011, 07.11.2011 and 13.02.2012. The attendance of each member thereat is set out in Table 6 below:

**Table 6: Attendance of the Members at the Shareholders'/Investors' Grievance Committee Meetings**

| Sr. No. | Name of the Member      | Number of Shareholders'/Investors' Grievance Committee Meetings attended |
|---------|-------------------------|--|
| 1       | Shri Ashok Kumar        | 4  |
| 2       | Shri Gobind Ram Gogia*  | 2  |
| 3       | Dr. Rajeev Jain**       | 1  |
| 4       | Shri Ram Niwas Lakhotia | 3  |
| 5       | Dr. Vinod Juneja        | 1  |

\* Resigned w.e.f. December 31, 2011.

\*\* Inducted w.e.f. January 01, 2012

The Committee addresses issues relating to the redressal of shareholders' and investors' grievances on non-receipt of balance sheet/declared dividend/other related issues. Besides, the Committee also approves transfer of shares/re-materialization/sub-division/consolidation of share certificates. In order to provide timely and efficient service to the shareholders, the Board of Directors has delegated the power to approve share transfers, requests for re-materialization/sub-division/consolidation of share certificates to Shri V. Mohan, Sr. Vice President (Legal) & Company Secretary.

During the year under review, 41 complaints were received from the shareholders and 2 complaints were pending at the beginning of the year, out of which 43 have been properly resolved and/or replied by the Company/ Registrar & Share Transfer Agent (RTA) viz. M/s Link Intime India Private Limited, leaving a balance of nil complaints as on March 31, 2012.

SEBI Complaints Redress System (SCORES): SEBI vide its Circular No. CIR/OIAE/2/2011 dated June 03, 2011, has commenced processing of investor complaints on a centralised web based complaints redress system called SCORES. During the financial year 2011-12, the Company has not received any investor complaints through the same.

#### 4. General Body Meetings

##### A. Annual General Meetings (AGMs) & Special Resolutions passed therein in the last three years

The date, time and location of the last three AGMs of the Company and the Special Resolutions passed by the Shareholders in these AGMs are set out in Table 7 and Table 8 respectively:

**Table 7: Particulars of last three AGMs of the Company**

| Year    | Location   | Date       | Time       |
|---------|--|------------|------------|
| 2010-11 | Air Force Auditorium, Subroto Park, New Delhi 110010 | 24.09.2011 | 11.00 A.M. |
| 2009-10 | Air Force Auditorium, Subroto Park, New Delhi 110010 | 24.09.2010 | 3.30 P.M.  |
| 2008-09 | Air Force Auditorium, Subroto Park, New Delhi 110010 | 22.09.2009 | 11.00 A.M. |

**Table 8: Special Resolutions passed in the last three AGMs of the Company**

| Date of Meeting | Nature of Resolutions  |
|-----------------|--|
| 24.09.2011      | Raising of additional long-term funds through further issuance of Securities   |
| 22.09.2009      | Revision in terms of appointment of Dr. Rajeev Jain (Whole-time Director) by making his office liable to retirement by rotation as per the relevant applicable provisions of the Companies Act, 1956 with all other terms and conditions of his appointment remaining unchanged. |

##### B. Extra-Ordinary General Meetings (EGMs) & Special Resolutions passed therein in the last three years

The Special Resolutions passed in EGMs during the last three years are set out in Table 9 below:

**Table 9: Special Resolutions passed in EGMs during the last three years**

| Date of Meeting | Nature of Resolutions   |
|-----------------|---|
| 20.06.2009      | <ul style="list-style-type: none"> <li>Raising of additional long-term funds through further issuance of Securities</li> <li>Approval for increase in the limit of 24% for holding by registered Foreign Institutional Investors (FIIs) upto 40%</li> </ul> |

## C Postal Ballot Exercise

During the year under review, the Company has passed following Ordinary resolutions as set out in Table 10 below, through the postal ballot exercise:

**Table 10: Ordinary Resolutions passed through Postal Ballot during financial year 2011-12, result of which was declared on April 8, 2011**

| Date of Postal Ballot Notice | Nature of Resolutions  | Particulars of result declared |   |                                    |
|------------------------------|--|--------------------------------|---|------------------------------------|
|                              |  | No. of valid votes polled      | Votes cast in favour of the Resolutions | Votes cast against the Resolutions |
| 14.02.2011                   | Re-appointment and Remuneration of Shri Pradeep Kumar Jain as Whole-time Director, designated as 'Chairman' of the Company     | 31,37,34,090                   | 31,37,07,751<br>(99.9916%)              | 26,339<br>(0.0084%)                |
|                              | Re-appointment and Remuneration of Shri Sanjeev Kumar Jain as Managing Director and Chief Executive Officer of the Company     | 31,37,34,090                   | 31,37,08,125<br>(99.9917%)              | 25,965<br>(0.0083%)                |
|                              | Re-appointment and Remuneration of Dr. Rajeev Jain as Whole-time Director, designated as 'Director (Marketing)' of the Company | 31,37,34,090                   | 31,37,08,251<br>(99.9918%)              | 25,839<br>(0.0082%)                |

The Company had appointed Shri Sanjay Grover, Practising Company Secretary, as scrutinizer to conduct the postal ballot exercise. The postal ballot exercise was carried out in the manner prescribed under Section 192A of the Companies Act, 1956, read with Companies (Passing of Resolution by Postal Ballot) Rules, 2001, as amended from time to time. The postal ballot notices and postal ballot forms were distributed amongst the Shareholders of the Company, whose names appeared in the Register of Members/ Depositories on a particular date fixed for the purpose. Shareholders were required to complete the postal ballot forms following relevant instructions and send them back at the address printed on postage-paid envelopes provided by the Company alongwith the postal ballot forms so as to reach at the specified address on or before the specified date. The scrutinizer examined the postal ballot forms received from shareholders to ascertain the votes cast in favour of/against the resolutions set out in the postal ballot notice and results of such voting were announced by Shri V. Mohan, Sr. Vice President (Legal ) & Company Secretary, duly authorised by the Chairman of the Company, for this purpose.

## 5. Disclosures

**A. Subsidiary Companies:** The Company had 15 subsidiary companies as on March 31, 2012, including two overseas subsidiaries viz. Parsvnath Developers Pte. Limited and Parsvnath Hospitality Holdings Limited (subsidiary of Parsvnath Developers Pte. Limited), incorporated in Singapore and one "material non-listed Indian subsidiary" viz. Parsvnath Landmark Developers Private Limited (PLDPL) as defined under Clause 49 of the Listing Agreement. The Company is complying with the requirement of having atleast one common Independent Director on the Board of material non-listed Indian subsidiary as the Board of Directors had earlier nominated Shri Ramdas Janardhana Kamath, Independent Director on the Board of PLDPL.

Additionally, as a good Corporate Governance practice, the Board of Directors had nominated Shri Ramdas Janardhana Kamath on the Boards of Parsvnath Infra Limited, Parsvnath Hotels Limited and Parsvnath Retail Limited, other subsidiaries of the Company. The Audit Committee of the Company periodically reviews the financial statements, in particular the investments, if any, made by subsidiary companies. Similarly, the Board of Directors of the Company reviews, on a regular basis, the minutes of the meetings of the Board of Directors of all the subsidiary companies, as well as the statements of all significant transactions and arrangements entered into by/ with the subsidiary companies.

**B. Related Party Transactions:** The transactions entered into by the Company with its 'Related Parties' during the financial year 2011-12 are set out in Note No. 58 forming part of financial statements, published elsewhere in this Annual Report. These transactions were generally with the subsidiary and associate companies, based on considerations like synergy in operations, future growth strategy, optimization of resources etc. All Related Party Transactions were on an arm's length basis and do not conflict with the interest of the Company at large.

- C. Accounting Treatment:** The financial statements are prepared under the historical cost convention, on the accrual basis of accounting and in accordance with Generally Accepted Accounting Principles (GAAP) in India and comply with Accounting Standards prescribed by the Companies (Accounting Standards) Rules, 2006, to the extent applicable and in accordance with the provisions of the Companies Act, 1956.
- D. Risk Management:** Risk evaluation and management is an ongoing process within the organization. The Meeting of Risk Management Committee constituted by the Board of Directors for monitoring the compliance with the risk management policy laid down by the Company was held on March 28, 2012.
- E. Insider Trading Regulations – Code of Conduct (Code):** In compliance with SEBI (Prohibition of Insider Trading) Regulations, 1992, as amended from time to time, the Company has in place a 'Code of Conduct', as modified in view of various amendments in the aforesaid Regulations, applicable to its Directors/ Promoters/ Person(s) belonging to Promoter Group and their dependant relatives, Officers/ Designated Employees and their dependant relatives. Further, the Board of Directors has appointed Shri V. Mohan, Sr. Vice President (Legal) & Company Secretary as Compliance Officer who is responsible for setting forth policies and procedures for monitoring adherence to the Code for the preservation of price sensitive information, pre-clearance of trade and implementation of the Code for trading in Company's securities under the overall supervision of the Board of Directors.
- F. Non-compliance/strictures/penalties:** There were no instances of non-compliance by the Company on any matter related to capital markets and therefore, no penalties and/or strictures have been imposed on the Company by any Stock Exchange or SEBI or any statutory authority during the last three years.
- G. Compliance with mandatory & non-mandatory requirements:** The Company complies with all the mandatory requirements and the following non-mandatory requirement as prescribed under Clause 49 of the Listing Agreement:
- a) The Company has constituted a Remuneration Committee of Directors, details of which have been given under Para 3B of this Report.

## 6. Means of Communication

The notice of Board Meetings, quarterly and annual financial results of the Company are normally published in Business Standard/ The Financial Express (English/daily) / Jansatta (Hindi/Daily) and also posted on the website of the Company (www.parsvnath.com). The information and latest updates and announcements regarding the Company, including its shareholding pattern, management profile and presentation made to institutional investors/analysts are also available on the website of the Company.

Further, in support of the "Green Initiative in the Corporate Governance" announced by The Ministry of Corporate Affairs (MCA), the Company proposes to send all documents such as Notices for General Meetings, Annual Reports containing, inter alia, Directors' Report, Auditor's Report etc. including the Annual Report for the Financial Year 2011-12 in electronic form.

## 7. General Shareholder Information

### A. Annual General Meeting

**Day, Date & Time** : Saturday, September 22, 2012 at 11.00 A.M.

**Venue** : Air Force Auditorium, Subroto Park, New Delhi-110010

### B. Financial Calendar

The tentative financial calendar for the ongoing financial year i.e. April 01, 2012 to March 31, 2013 is set out in Table 11 below:

**Table 11: Tentative schedule for the Financial Year (FY) 2012-13**

| Activity   | Schedule                       |
|--|--------------------------------|
| Financial Reporting for the Quarter ending June 30, 2012       | On or before August 14, 2012   |
| Financial Reporting for the Quarter ending September 30, 2012  | On or before November 14, 2012 |
| Financial Reporting for the Quarter ending December 31, 2012   | On or before February 14, 2013 |
| Financial Reporting for the Quarter/Year ending March 31, 2013 | On or before May 15, 2013*     |

\*As provided under clause 41 of the Listing Agreement, the Board may also consider publication of Audited Results for Financial Year 2012-13 by May 30, 2013, instead of publishing Un- Audited Results for the fourth quarter.

### C. Date of Book Closure

The period of book closure is from Friday, September 14, 2012 to Saturday, September 22, 2012 (both days inclusive).

### D. Dividend Payment Date

For the year 2011-12, with a view to conserve the resources for the operations of the Company, no dividend was recommended by the Board of Directors.

### E. Listing on Stock Exchanges

The equity shares of the Company are listed on the National Stock Exchange of India Limited (NSE), BSE Limited (BSE) and Delhi Stock Exchange Limited (DSE). Further, the Secured Redeemable Non-Convertible Debentures (Series VII & IX NCDs) are listed on NSE & BSE.

The Company has paid the annual listing fee for the financial year 2012-13 to all the said Stock Exchanges.

The annual custodial fee for the financial year 2012-13 to both the depositories viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) has also been paid by the Company.

### F. Stock Code

The codes assigned to the equity shares of the Company by NSDL/CDSL, NSE, BSE & DSE are set out in Table 12 & 13 below:

**Table 12: Codes assigned to the equity shares of the Company**

| NSDL/CDSL (ISIN) | NSE Stock Code | BSE Stock Code | DSE Stock Code |
|------------------|----------------|----------------|----------------|
| INE561H01026     | PARSVNATH – EQ | 532780         | 470013         |

**Table 13: Codes assigned to the NCDs of the Company**

| SERIES | NSDL/CDSL (ISIN) | NSE Scrip Code | BSE Scrip Code |
|--------|------------------|----------------|----------------|
| VII    | INE561H07098     | PAR13          | 946877         |
| IX     | INE561H07114     | PAR13A         | 947004         |

### G. Market Price Data

The monthly high and low prices of the Company's equity shares traded at BSE and NSE, as also the high and low of BSE Sensex and NSE Nifty for the financial year 2011-12 are set out in Table 14 & 15 below:

**Table 14: High/Low Price of the equity shares of the Company at BSE vis-à-vis Sensex**

| Month/Year      | HIGH      |          | LOW       |          |
|-----------------|-----------|----------|-----------|----------|
|                 | Price (₹) | Sensex   | Price (₹) | Sensex   |
| April, 2011     | 48.40     | 19811.14 | 43.00     | 18976.19 |
| May, 2011       | 44.40     | 19253.87 | 39.90     | 17786.13 |
| June, 2011      | 47.50     | 18873.39 | 40.25     | 17314.38 |
| July, 2011      | 49.75     | 19131.70 | 45.55     | 18131.86 |
| August, 2011    | 50.45     | 18440.07 | 43.00     | 15765.53 |
| September, 2011 | 69.00     | 17211.80 | 49.55     | 15801.01 |
| October, 2011   | 82.25     | 17908.13 | 62.55     | 15745.43 |
| November, 2011  | 81.95     | 17702.26 | 32.45     | 15478.69 |
| December, 2011  | 45.45     | 17003.71 | 36.30     | 15135.86 |
| January, 2012   | 61.25     | 17258.97 | 41.85     | 15358.02 |
| February, 2012  | 64.45     | 18523.78 | 58.50     | 17061.55 |
| March, 2012     | 62.25     | 18040.69 | 55.60     | 16920.61 |

**Table 15: High/Low Price of the equity shares of the Company at NSE vis-à-vis S&P CNX Nifty**

| Month/Year      | HIGH      |         | LOW       |         |
|-----------------|-----------|---------|-----------|---------|
|                 | Price (₹) | Nifty   | Price (₹) | Nifty   |
| April, 2011     | 48.40     | 5944.45 | 43.10     | 5693.25 |
| May, 2011       | 44.50     | 5775.25 | 39.15     | 5328.70 |
| June, 2011      | 47.50     | 5657.90 | 40.50     | 5195.90 |
| July, 2011      | 49.90     | 5740.40 | 45.70     | 5453.95 |
| August, 2011    | 50.90     | 5551.90 | 37.00     | 4720.00 |
| September, 2011 | 69.50     | 5169.25 | 49.55     | 4758.85 |
| October, 2011   | 82.25     | 5399.70 | 62.25     | 4728.30 |
| November, 2011  | 82.05     | 5326.45 | 32.40     | 4639.10 |
| December, 2011  | 45.45     | 5099.25 | 36.70     | 4531.15 |
| January, 2012   | 61.95     | 5217.00 | 41.50     | 4588.05 |
| February, 2012  | 64.50     | 5629.95 | 58.10     | 5159.00 |
| March, 2012     | 62.25     | 5499.40 | 55.00     | 5135.95 |

#### H. Registrar & Share Transfer Agent (RTA)

M/s Link Intime India Private Limited  
 (Unit: Parsvnath Developers Limited)

A-40, 2<sup>nd</sup> Floor, Naraina Industrial Area, Phase II, Near Batra Banquet Hall, New Delhi 110028

Phone: 011-4141 0592/93/94, Fax: 011-4141 0591,

e-mail: delhi@linkintime.co.in

#### I. Share Transfer System

For registration of transfer of shares held in physical mode, the share certificate(s) in original alongwith the share transfer deed(s) and other relevant documents should be submitted at the registered office of the Company or with its RTA. In case the documents are in order, the requests for registration of transfer of shares are placed either before the delegated authority or before the Shareholders'/ Investors' Grievance Committee, as the case may be, for approval.

Pursuant to Clause 47(c) of the Listing Agreement, certificates issued by the Practising Company Secretary for due compliance of share transfer formalities have been furnished by the Company to the Stock Exchanges on half yearly basis. Pursuant to SEBI (Depositories and Participants) Regulations, 1996, the Company has received certificates from its RTA, confirming timely dematerialization/ rematerialization of the shares of the Company and Reconciliation of Share Capital Audit Reports from Practising Company Secretary on a quarterly basis for reconciliation of the share capital of the Company.

#### J. Distribution of Shareholding

Table 16 and 17 list the shareholding pattern and distribution of the shareholding of the equity shares of the Company, in terms of categories of shareholders and size of holding respectively.

**Table 16: Shareholding Pattern as on March 31, 2012**

| Category of Shareholders        | Mode of Holding Shares |                     | Total Shareholding  |               |
|---------------------------------|------------------------|---------------------|---------------------|---------------|
|                                 | Physical               | Demat               | Number              | %             |
| Promoters                       | -                      | 31,05,06,510        | 31,05,06,510        | 71.35         |
| Bodies Corporate                | -                      | 4,20,62,669         | 4,20,62,669         | 9.67          |
| Financial Institutions/Banks    | -                      | 13,41,068           | 13,41,068           | 0.31          |
| Mutual Funds                    | -                      | -                   | -                   | -             |
| Foreign Institutional Investors | -                      | 4,12,54,230         | 4,12,54,230         | 9.48          |
| NRIs                            | -                      | 5,27,684            | 5,27,684            | 0.12          |
| Individuals                     | 22,643                 | 3,65,84,739         | 3,66,07,382         | 8.41          |
| Others                          | -                      | 28,81,627           | 28,81,627           | 0.66          |
| <b>Total</b>                    | <b>22,643</b>          | <b>43,51,58,527</b> | <b>43,51,81,170</b> | <b>100.00</b> |

**Table 17: Distribution of Shareholding as on March 31, 2012**

| Range of Shareholding | Shareholders    |               | Shareholding        |               |
|-----------------------|-----------------|---------------|---------------------|---------------|
|                       | Number          | %             | Number              | %             |
| Upto 250              | 1,92,484        | 88.96         | 1,36,52,047         | 3.14          |
| From 251 to 500       | 13,778          | 6.37          | 50,95,522           | 1.17          |
| From 501 to 1000      | 6,277           | 2.90          | 46,91,762           | 1.08          |
| From 1001 to 2000     | 2,281           | 1.05          | 34,51,184           | 0.79          |
| From 2001 to 3000     | 542             | 0.25          | 13,72,898           | 0.32          |
| From 3001 to 4000     | 273             | 0.13          | 9,98,923            | 0.23          |
| From 4001 to 5000     | 135             | 0.06          | 6,20,298            | 0.14          |
| From 5001 to 10,000   | 244             | 0.11          | 17,94,623           | 0.41          |
| 10,001 and above      | 365             | 0.17          | 40,35,03,913        | 92.72         |
| <b>Total</b>          | <b>2,16,379</b> | <b>100.00</b> | <b>43,51,81,170</b> | <b>100.00</b> |

**K. Dematerialization of shares**

Table 18 lists the number of equity shares of the Company held in dematerialised mode through National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on March 31, 2012.

**Table 18: Shares in Dematerialised mode as on March 31, 2012**

| NSDL          |              | CDSL          |              | Total         |              |
|---------------|--------------|---------------|--------------|---------------|--------------|
| No. of Shares | % of Capital | No. of Shares | % of Capital | No. of Shares | % of Capital |
| 33,61,60,017  | 77.246       | 9,89,98,510   | 22.749       | 43,51,58,527  | 99.995       |

**L. Outstanding GDRs/ADRs/Warrants or any Convertible instruments**

The Company has not issued any GDRs/ADRs/Warrants or any other instruments, which are convertible into equity shares of the Company.

**M. Address for correspondence**

| Company  | Registrar & Share Transfer Agent (RTA)   |
|--|--|
| Shri V. Mohan<br>Sr. Vice President (Legal) & Company Secretary<br>Parsvnath Developers Limited<br>Parsvnath Metro Tower<br>Near Shahdara Metro Station,<br>Shahdara, Delhi-110032.<br>Phone: 011-43050100/43010500<br>Fax: 011-43050468/43050473<br>e-mail: investors@parsvnath.com | Link Intime India Private Limited<br>(Unit: Parsvnath Developers Limited)<br>A-40, 2 <sup>nd</sup> Floor, Naraina Industrial Area, Phase-II<br>Near Batra Banquet Hall<br>New Delhi-110028<br>Phone: 011-41410592/93/94<br>Fax: 011-41410591<br>e-mail: delhi@linkintime.co.in |

**N. Status of Unclaimed Shares**

Pursuant to Clause 5A of the Equity Listing Agreement, the Company has opened a separate demat suspense account named as "Parsvnath Developers Limited – Unclaimed Securities Suspense Account" and credited the shares of the Company which are remaining unclaimed by the Shareholders under the Initial Public Offer (IPO).

The details of such unclaimed shares as on March 31, 2012 are set out in Table 19 below.

**Table 19: Unclaimed Shares\***

| Sr. No. | Particulars   | Number       |        |
|---------|---|--------------|--------|
|         |   | Shareholders | Shares |
| 1       | Aggregate Number of Shareholders and the outstanding shares in the aforesaid suspense account lying at the beginning of the year i.e. as at April 1, 2011 | 372          | 18,558 |
| 2       | Number of Shareholders who approached for transfer of shares from the said account during the year 2011-12  | 1            | 40     |
| 3       | Number of Shareholders to whom shares were transferred from the said account during the year 2011-12  | 1            | 40     |
| 4       | Aggregate Number of Shareholders and the outstanding shares in the said account lying at the end of the year i.e. as at March 31, 2012                    | 371          | 18,518 |

\*The voting rights on the above-mentioned Shares shall remain frozen till the rightful owners of such shares claim the Shares.

Shareholders who have not so far received shares allotted to them in the IPO are requested to contact, by writing, to the Company and/or to the RTA of the Company alongwith necessary documents.

#### **O. Transfer of Unpaid/Unclaimed amounts to Investor Education and Protection Fund**

Pursuant to Sections 205A and 205C and other applicable provisions, if any, of the Companies Act, 1956, all unclaimed/unpaid dividend, application money, principal amount and interest on deposits pertaining to the Company, as applicable, remaining unpaid or unclaimed for a period of seven years from the date they became due for payment, would be transferred to the Investor Education and Protection Fund (IEPF) established by the Central Government. No claim shall lie against the IEPF or the Company for the amounts so transferred nor shall any payment be made in respect of such claims. Members who have not yet encashed their dividend warrant(s) with respect to the dividend declared for the financial years 2006-07 and 2007-08, are requested to make their claims without any delay to the Company's Registrar & Share Transfer Agent viz. M/s Link Intime India Private Limited.

The information relating to outstanding dividend is set out in Table 20 below :

**Table 20: Information relating to outstanding dividend:**

| Financial Year | Date of declaration | Last date for claiming unpaid dividend |
|----------------|---------------------|--|
| 2006-07        | August 10, 2007     | August 09, 2014                        |
| 2007-08        | September 24, 2008  | September 23, 2015                     |

#### **8. CEO and CFO Certification**

The certificate required under Clause 49 (IV) of the Listing Agreement duly signed by the Managing Director & CEO and Group Chief Financial Officer was placed before the Board of Directors, which has been duly taken on record.

#### **9. Corporate Governance Voluntary Guidelines, 2009**

As on March 31, 2012, the Company is compliant with some of the Corporate Governance Voluntary Guidelines, 2009 issued by the Government of India, Ministry of Corporate Affairs ("MCA") in December, 2009, to the extent they are consistent with the provisions of Clause 49 of the Listing Agreement.

The Company is committed to good Corporate Governance and has been adopting the best practices that have evolved over the last decade.

The Board of Directors  
Parsvnath Developers Limited  
Parsvnath Metro Tower,  
Near Shahdara Metro Station,  
Shahdara,  
Delhi – 110032

## DECLARATION REGARDING CODE OF CONDUCT

I, Sanjeev Kumar Jain, Managing Director & Chief Executive Officer of Parsvnath Developers Limited (“the Company”), hereby declare that all the Board Members and Senior Management of the Company have affirmed compliance with the Company’s Code of Conduct for the financial year ended March 31, 2012, as required under Clause 49(l)(D)(ii) of the Listing Agreement with the Stock Exchanges.

New Delhi  
August 13, 2012

Sd/-  
**Sanjeev Kumar Jain**  
Managing Director &  
Chief Executive Officer

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## AUDITOR’S CERTIFICATE ON CORPORATE GOVERNANCE

### TO THE MEMBERS OF PARSVNATH DEVELOPERS LIMITED

We have examined the compliance of conditions of Corporate Governance by **Parsvnath Developers Limited**, for the year ended on 31 March, 2012, as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementations thereof, adopted by the Company for ensuring the compliance of the conditions of the Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Registration No. 015125N)

Sd/-  
**JITENDRA AGARWAL**  
Partner  
(Membership No. 87104)

New Delhi  
13 August, 2012

# Auditors' Report on Consolidated Financial Statements

## TO THE BOARD OF DIRECTORS OF PARSVNATH DEVELOPERS LIMITED

1. We have audited the attached Consolidated Balance Sheet of **Parsvnath Developers Limited** ("the Company"), its subsidiaries and jointly controlled entities (The Company, its subsidiaries and jointly controlled entities constitute "the Group") as at 31 March, 2012, the Consolidated Statement of Profit and Loss and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's Management and have been prepared by the Management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of six subsidiaries and one joint venture, whose financial statements reflect total assets of ₹1,438.30 lacs, as at 31 March, 2012, total revenues of ₹4.75 lacs and net cash inflows amounting to ₹2.19 lacs for the year ended on that date as considered in the Consolidated Financial Statements. We also did not audit the financial statements of three associates which reflects Company's share of profit in associates aggregating to ₹3.47 lacs. These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of these subsidiaries, joint ventures and associates, is based solely on the report of other auditors.
4. We report that the consolidated financial statements have been prepared by the Company's Management in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements), Accounting Standard 23 (Accounting for Investments in Associates in Consolidated Financial Statements) and Accounting Standard 27 (Financial Reporting of Interest in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006.
5. Based on our audit and on consideration of separate audit reports on individual financial statements of the Company and the aforesaid subsidiaries, joint ventures and associates, and to the best of our information and explanations given to us, we are of the opinion that the attached Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - i. in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31 March, 2012;
  - ii. in the case of the Consolidated Statement of Profit and Loss, of the profit of the Group for the year ended on that date; and
  - iii. in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

**For DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Registration No. 015125N)

Sd/-

**JITENDRA AGARWAL**  
Partner  
(Membership No. 87104)

New Delhi  
30 May, 2012

# Consolidated Balance Sheet as at 31 March, 2012

₹ in lacs

|                                     | Note No. | As at<br>31 March, 2012 | As at<br>31 March, 2011 |
|-------------------------------------|----------|-------------------------|-------------------------|
| <b>I. EQUITY AND LIABILITIES</b>    |          |                         |                         |
| <b>1. Shareholders' funds</b>       |          |                         |                         |
| a. Share capital                    | 4        | 21,759.06               | 21,759.06               |
| b. Reserves and surplus             | 5        | 2,45,173.97             | 2,40,326.90             |
|                                     |          | <b>2,66,933.03</b>      | <b>2,62,085.96</b>      |
| <b>2. Minority Interest</b>         |          |                         |                         |
|                                     |          | 17,291.91               | 11,184.38               |
| <b>3. Non-current liabilities</b>   |          |                         |                         |
| a. Long-term borrowings             | 6        | 1,40,536.54             | 1,18,445.42             |
| b. Other long-term liabilities      | 7        | 5,290.77                | 7,905.51                |
| c. Long-term provisions             | 8        | 356.42                  | 301.83                  |
|                                     |          | <b>1,46,183.73</b>      | <b>1,26,652.76</b>      |
| <b>4. Current liabilities</b>       |          |                         |                         |
| a. Short-term borrowings            | 9        | 46,397.42               | 59,567.25               |
| b. Trade payables                   | 10       | 98,165.25               | 90,669.07               |
| c. Other current liabilities        | 11       | 84,876.68               | 65,204.48               |
| d. Short-term provisions            | 12       | 13,361.44               | 6,018.29                |
|                                     |          | <b>2,42,800.79</b>      | <b>2,21,459.09</b>      |
|                                     |          | <b>6,73,209.46</b>      | <b>6,21,382.19</b>      |
| <b>II. ASSETS</b>                   |          |                         |                         |
| <b>1. Non-current assets</b>        |          |                         |                         |
| a. Fixed assets                     |          |                         |                         |
| - Tangible assets                   | 13       | 14,009.93               | 15,017.81               |
| - Capital work-in-progress          |          | 59,172.88               | 45,473.38               |
|                                     |          | 73,182.81               | 60,491.19               |
| b. Non-current investments          | 14       | 2,804.01                | 2,947.13                |
| c. Deferred tax assets (net)        | 15       | 558.14                  | 700.27                  |
| d. Long-term loans and advances     | 16       | 52,362.11               | 56,978.80               |
|                                     |          | <b>1,28,907.07</b>      | <b>1,21,117.39</b>      |
| <b>2. Goodwill on consolidation</b> |          |                         |                         |
|                                     |          | 8,834.77                | 7,733.52                |
| <b>3. Current assets</b>            |          |                         |                         |
| a. Inventories                      | 17       | 3,03,821.01             | 2,71,060.04             |
| b. Trade receivables                | 18       | 67,890.38               | 63,828.20               |
| c. Cash and bank balances           | 19       | 22,813.38               | 24,542.70               |
| d. Short-term loans and advances    | 20       | 56,709.70               | 58,033.85               |
| e. Other current assets             | 21       | 84,233.15               | 75,066.49               |
|                                     |          | <b>5,35,467.62</b>      | <b>4,92,531.28</b>      |
|                                     |          | <b>6,73,209.46</b>      | <b>6,21,382.19</b>      |

See accompanying notes forming part of the financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**  
Chartered Accountants  
Sd/-  
**Jitendra Agarwal**  
Partner

For and on behalf of the Board of Directors

Sd/-  
**Pradeep Kumar Jain**  
Chairman

Sd/-  
**Sanjeev Kumar Jain**  
Managing Director & CEO

Sd/-  
**R.J. Kamath**  
Director

New Delhi  
30 May, 2012

Sd/-  
**R.N. Maloo**  
Group Chief Financial Officer

Sd/-  
**V. Mohan**  
Company Secretary

# Consolidated Statement of Profit and Loss

for the year ended 31 March, 2012

₹ in lacs

|  | Note No. | Year ended<br>31 March, 2012 | Year ended<br>31 March, 2011 |
|--|----------|------------------------------|------------------------------|
| 1. Revenue from operations                                       | 22       | 90,521.18                    | 90,915.47                    |
| 2. Other income  | 23       | 7,600.23                     | 3,324.68                     |
| <b>3. Total revenue (1+2)</b>                                    |          | <b>98,121.41</b>             | <b>94,240.15</b>             |
| <b>4. Expenses</b>   |          |                              |                              |
| a. Cost of land/development rights                               |          | 25,313.08                    | 11,118.45                    |
| b. Cost of materials consumed                                    | 24       | 17,180.63                    | 24,897.14                    |
| c. Purchases of stock-in-trade                                   | 25       | 343.90                       | 194.01                       |
| d. Contract cost, labour and other charges                       |          | 15,416.51                    | 15,610.09                    |
| e. Changes in inventories of finished goods and work-in-progress | 26       | (25,675.25)                  | (19,532.66)                  |
| f. Employee benefits expense                                     | 27       | 4,777.08                     | 4,070.04                     |
| g. Finance costs   | 28       | 28,133.07                    | 22,853.74                    |
| h. Depreciation and amortisation expense                         | 13       | 1,544.94                     | 1,647.02                     |
| i. Other expenses  | 29       | 10,973.11                    | 9,526.32                     |
| <b>Total expenses</b>  |          | <b>78,007.07</b>             | <b>70,384.15</b>             |
| <b>5. Profit before tax (3 - 4)</b>                              |          | <b>20,114.34</b>             | <b>23,856.00</b>             |
| <b>6. Tax expense:</b>   |          |                              |                              |
| a. Current tax expense   |          | 13,096.03                    | 7,286.73                     |
| b. Deferred tax charge / (credit)                                |          | 142.13                       | (238.88)                     |
|  |          | <b>13,238.16</b>             | <b>7,047.85</b>              |
| <b>7. Profit after tax (5 - 6)</b>                               |          | <b>6,876.18</b>              | <b>16,808.15</b>             |
| 8. Less: Share of profit/(loss) transferred to minority interest |          | 1,267.38                     | 2,702.20                     |
| <b>9. Profit after Minority Interest (7 - 8)</b>                 |          | <b>5,608.80</b>              | <b>14,105.95</b>             |
| <b>10. Earnings per equity share:</b>                            |          |                              |                              |
| Basic & Diluted  | 52       | 1.29                         | 3.40                         |
| (Face value ₹ 5/- per equity share)                              |          |                              |                              |

See accompanying notes forming part of the financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**  
Chartered Accountants  
Sd/-  
**Jitendra Agarwal**  
Partner

For and on behalf of the Board of Directors

Sd/-  
**Pradeep Kumar Jain**  
Chairman

Sd/-  
**Sanjeev Kumar Jain**  
Managing Director & CEO

Sd/-  
**R.J. Kamath**  
Director

New Delhi  
30 May, 2012

Sd/-  
**R.N. Maloo**  
Group Chief Financial Officer

Sd/-  
**V. Mohan**  
Company Secretary

# Consolidated Cash Flow Statement

for the year ended 31 March, 2012

₹ in lacs

|   | Year ended<br>31 March, 2012 | Year ended<br>31 March, 2011 |
|---|------------------------------|------------------------------|
| <b>1. Cash flow from operating activities</b>                                     |                              |                              |
| Net profit before tax   | 20,114.34                    | 23,856.00                    |
| Adjustments for :   |                              |                              |
| Depreciation and amortisation expense   | 1,544.94                     | 1,647.02                     |
| (Profit)/Loss on sale of Fixed Assets   | (5,570.99)                   | (1,552.26)                   |
| (Profit)/Loss on sale of Investments  | -                            | (15.05)                      |
| Finance costs   | 28,133.07                    | 22,853.74                    |
| Preliminary expenses written off  | 0.11                         | 3.42                         |
| Interest Income   | (1,401.53)                   | (1,104.90)                   |
| Share of (profit)/loss in Associates  | 18.65                        | 69.34                        |
| Provision for employee benefits   | 27.10                        | 84.22                        |
| Operating profit before working capital changes                                   | 42,865.69                    | 45,841.53                    |
| Changes in working capital:   |                              |                              |
| Adjustments for (increase)/decrease in operating assets:                          |                              |                              |
| Inventories   | (24,830.70)                  | (17,702.14)                  |
| Trade receivables   | (3,468.04)                   | (10,008.77)                  |
| Short term loans and advances   | 1,592.37                     | (45,327.85)                  |
| Long term loans and advances  | 4,123.62                     | (3,838.04)                   |
| Other current assets  | (9,198.42)                   | 12,216.86                    |
| Adjustments for increase/(decrease) in operating liabilities:                     |                              |                              |
| Trade payables  | 6,081.55                     | 4,208.72                     |
| Other current liabilities   | 8,202.64                     | (196.00)                     |
| Other long term liabilities   | (2,614.75)                   | 7,905.51                     |
| Cash generated from/(used in) operations  | 22,753.96                    | (6,900.18)                   |
| Direct taxes paid   | (5,730.08)                   | (6,710.35)                   |
| <b>Net cash flow from/(used in) operating activities</b>                          | <b>17,023.88</b>             | <b>(13,610.53)</b>           |
| <b>2. Cash flow from investing activities</b>                                     |                              |                              |
| Purchase of fixed assets, including Capital work-in-progress and capital advances | (14,244.15)                  | (17,835.15)                  |
| Proceeds from sale of fixed assets  | 6,071.65                     | 1,741.36                     |
| (Increase)/Decrease in fixed deposits with banks (under lien)                     | 4,740.63                     | (847.86)                     |
| Purchase of long term investments   | (0.60)                       | (125.07)                     |
| Sale of long term investments   | -                            | 1.04                         |
| Investment in Joint Venture   | (1,342.78)                   | (3,613.92)                   |
| Investment in Subsidiaries (Net)  | (0.10)                       | (2.00)                       |
| Sale of Investments in Subsidiaries   | -                            | 25.50                        |
| Interest received   | 1,434.48                     | 1,034.39                     |
| Preliminary Expenses incurred   | (0.11)                       | (3.32)                       |
| <b>Net cash flow from/(used in) investing activities</b>                          | <b>(3,340.98)</b>            | <b>(19,625.03)</b>           |

# Consolidated Cash Flow Statement

for the year ended 31 March, 2012

₹ in lacs

|   | Year ended<br>31 March, 2012 | Year ended<br>31 March, 2011 |
|---|------------------------------|------------------------------|
| <b>3. Cash flow from financing activities</b>   |                              |                              |
| Issue of share capital  | -                            | 1,903.81                     |
| Share Premium   | -                            | 25,048.45                    |
| Share issue expenses  | -                            | (371.72)                     |
| Refund of share application money   | -                            | (200.00)                     |
| Dividend paid (including corporate dividend tax)  | -                            | (6,069.18)                   |
| Finance costs   | (25,664.42)                  | (21,843.40)                  |
| Contribution by minority in share capital   | -                            | 138.77                       |
| Contribution by minority in share premium   | -                            | 1,643.01                     |
| Contribution by joint venture partners / others   | -                            | 125.50                       |
| Increase/(Decrease) in working capital borrowings   | 2,045.88                     | 57.82                        |
| Proceeds from other short term borrowings   | 12,366.29                    | 33,683.05                    |
| Repayment of other short term borrowings  | (27,582.00)                  | (40,192.10)                  |
| Proceeds from long term borrowings  | 49,783.31                    | 96,631.94                    |
| Repayment of long term borrowings   | (21,982.20)                  | (54,139.51)                  |
| <b>Net cash flow from/(used in) financing activities</b>  | <b>(11,033.14)</b>           | <b>36,416.44</b>             |
| 4. Net increase / (decrease) in cash and cash equivalents   | 2,649.76                     | 3,180.88                     |
| 5. Cash and cash equivalents as at the beginning of the year  | 4,988.55                     | 1,765.02                     |
| 6. Cash and cash equivalents of subsidiaries acquired during the year   | 361.30                       | 42.65                        |
| <b>7. Cash and cash equivalents as at the end of the year</b>   | <b>7,999.61</b>              | <b>4,988.55</b>              |
| <b>Notes:</b>   |                              |                              |
| a. Cash and cash equivalents as per Cash Flow Statement   | 7,999.61                     | 4,988.55                     |
| Add: Bank deposits under lien not considered as cash and cash equivalent  | 14,813.77                    | 19,554.15                    |
| <b>Cash &amp; bank balances as per Balance Sheet (See note 19)</b>  | <b>22,813.38</b>             | <b>24,542.70</b>             |
| b. The Cash Flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard-3 on Cash Flow Statement.                  |                              |                              |
| c. Movements during the year are calculated after restating opening balances of assets and liabilities in respect of subsidiary acquired during the year. |                              |                              |

See accompanying notes forming part of the financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**  
 Chartered Accountants  
 Sd/-  
**Jitendra Agarwal**  
 Partner

New Delhi  
 30 May, 2012

For and on behalf of the Board of Directors

Sd/-  
**Pradeep Kumar Jain**  
 Chairman

Sd/-  
**R.N. Maloo**  
 Group Chief Financial Officer

Sd/-  
**Sanjeev Kumar Jain**  
 Managing Director & CEO

Sd/-  
**R.J. Kamath**  
 Director

Sd/-  
**V. Mohan**  
 Company Secretary

# Notes Forming Part of the Consolidated Financial Statements

## Note 1 : Principles of Consolidation

The Consolidated Financial Statements relate to **PARSVNATH DEVELOPERS LIMITED** ("the Company") and its Subsidiary Companies, Jointly Controlled Entities and Associate Companies ("the group") (Refer Note 3 for details of the Subsidiaries, Joint Ventures and Associates). Subsidiary Companies, Jointly Controlled Entities and Associate Companies have been consolidated as per Accounting Standards on Accounting for Consolidated Financial Statements (AS 21), Financial Reporting of Interests in Joint Ventures (AS 27) and Accounting for Investments in Associate Companies (AS 23) respectively. The Consolidated Financial Statements have been prepared on the following basis:

- a. The financial statements of the Company and its Subsidiary Companies are consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating all significant intra-group balances, intra-group transactions and unrealised profits on intra-group transactions.
- b. The Company's share of assets, liabilities, income and expenses of the Joint Ventures are consolidated using the proportionate consolidation method. Intra-group balances, intra-group transactions and unrealised profits are eliminated to the extent of Company's proportionate share.
- c. The difference between the cost of investment in the Subsidiaries and Joint Ventures over its proportionate share in the net asset value at the time of acquisition of stake in subsidiaries and Joint Ventures is recognised in the financial statements as Goodwill or Capital Reserve as the case may be.
- d. Minorities' interest in net profit/loss of the consolidated Subsidiaries for the year is identified and adjusted against income in order to arrive at the net income attributable to shareholders of the Company. Minorities' interest in net asset of the consolidated Subsidiaries is identified and presented separately in the Consolidated Financial Statements.
- e. In case of Associates, where the Company holds more than 20% of equity capital, Investments in Associates are accounted for using the equity method.
- f. The difference between the cost of investment in the Associates and the share of net assets at the time of acquisition of shares in the Associates is identified in the financial statements as Goodwill or Capital Reserve as the case may be and included in the carrying value of the investment in the Associate.
- g. As far as possible the Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances

and are presented in the same manner as the Company's separate financial statements.

- h. The financial statements of the entities used for the purpose of consolidation are drawn up to the same reporting date as that of the Company i.e. year ended 31 March, 2012.

## Note 2 : Significant Accounting Policies

### a. Basis of accounting

The financial statements are prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

### b. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make 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 the 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 recognized in the periods in which the results are known/materialise.

### c. Fixed assets

Fixed assets are carried at cost less accumulated depreciation. Cost includes purchase price and all other attributable costs of bringing the assets to working condition for intended use. Borrowing costs attributable to acquisition or construction of qualifying fixed assets, which takes substantial period of time to get ready for its intended use are also included, up to the date the asset is ready for its intended use. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such assets beyond its previously assessed standard of performance.

### d. Depreciation

- i. Depreciation on fixed assets is provided on written down value method at the rates specified in Schedule XIV to the Companies Act, 1956 or based on the management's estimates of the useful life of the assets, whichever is higher. Accordingly, the depreciation rates used are as follows:

## Notes Forming Part of the Consolidated Financial Statements

|                          |        |
|--------------------------|--------|
| Building                 | 5.00%  |
| Plant & Machinery        | 30.00% |
| Office Equipment         | 30.00% |
| Shuttering & Scaffolding | 40.00% |
| Furniture & Fixtures     | 30.00% |
| Motor Vehicles           | 25.89% |
| Computers                | 60.00% |

- ii. Cost of building on land held on license basis is amortized over the period of license of project facility on straight line basis.
- iii. Assets costing ₹5,000 or less individually are fully depreciated in the year of purchase.
- e. Capital Work In Progress**
- Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing costs.
- f. Pre-operative expenditure pending allocation**
- Pre-operative expenditure incurred in relation to construction of fixed assets in respect of projects which are yet to commence commercial operations pending allocation includes:
- i. Incidental expenditure during construction period comprising payment to and provision for employees, professional fees and other administrative expenses pending allocation to fixed assets on completion of the Project.
- ii. Borrowing costs net of interest income pending allocation to fixed assets on completion of the Project.
- g. Revenue Recognition**
- i. Revenue from real estate projects including integrated townships is recognised on the 'Percentage of Completion Method' of accounting. Revenue is recognized, in relation to the sold areas only, on the basis of percentage of actual cost incurred thereon including land as against the total estimated cost of the project under execution subject to such actual costs being 30% or more of the total estimated cost. The estimates of saleable area and costs are revised periodically by the management. The effect of such changes to estimates is recognised in the period such changes are determined.
- ii. Revenue from sale of land without any significant development is recognised when the agreement to sell is executed resulting in transfer of all significant risk and rewards of ownership.
- iii. Revenue from sale of development rights is recognised when agreements are executed.
- iv. Income from construction contracts is recognised by reference to the stage of completion of the contract activity at the reporting date of the financial statements. The related costs there against are charged to the Statement of Profit and Loss of the year. The stage of completion of the contract is measured by reference to the proportion that contract cost incurred for work performed up to the reporting date bear to the estimated total contract cost for each contract.
- v. Any expected loss on real estate projects or construction contract is recognised as an expense when it is certain that the total cost will exceed the total revenue.
- vi. The revenue on account of interest on delayed payment by customers and expenditure on account of compensation/penalty for project delays are accounted for at the time of acceptance/settlement with the customers due to uncertainties with regard to determination of amount receivable/payable.
- vii. Income from license fee is recognised on accrual basis in accordance with the terms of agreement with the sub-licensees.
- viii. Interest income is recognised on accrual basis on a time proportion basis.
- ix. Dividend income is recognised when the Company's right to receive dividend is established.
- h. Cost of Construction/Development**
- Cost of Construction/Development (including cost of land/development rights) incurred is charged to the Statement of Profit and Loss proportionate to project area sold. Adjustments, if required, are made on completion of the respective projects.
- i. Unbilled revenue**
- Unbilled revenue represents revenue recognized on 'Percentage of Completion Method' which is yet to be billed to the customers as per payment plans adopted by them.
- j. Inventories**
- In case of Real Estate Business, inventory comprises completed property for sale and property under construction (work-in-progress).
- i. Completed unsold inventory is valued at lower of cost and net realisable value. Cost is determined by including cost of land (including development rights), materials, services, related overheads and borrowing costs.
- ii. Work-in-progress is valued at lower of cost and net realisable value. Cost comprises cost of land (including development rights), materials, services, overheads related to projects under construction and borrowing costs.

## Notes Forming Part of the Consolidated Financial Statements

In case of Hotel Business, inventory of raw material comprises food and beverages and stores. Inventories are valued at lower of cost and net realizable value. Cost is determined using first-in-first-out method. Cost includes all charges incurred in bringing the inventories to their present location and condition.

### k. Investments

Investments intended to be held for more than a year are classified as long term investments. All other investments are classified as current investments. Long term investments are stated individually at cost less provision for diminution in value, if such diminution is other than temporary. Current investments are stated at lower of cost and fair value on an individual investment basis.

### l. Segment policies

The Group's reporting segments are identified based on dominant source, nature of risks and returns and the internal organization and management structure.

### m. Foreign Currency Transactions

- i. Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transactions. Monetary items denominated in foreign currency and outstanding at the balance sheet date are translated at the exchange rate prevailing on the balance sheet date. Exchange differences on translation of monetary assets and liabilities and realised gain and losses on foreign currency transactions are recognised in the statement of Profit and Loss.
- ii. The financial statements of Foreign Subsidiaries in the nature of non integral foreign operations are incorporated in the consolidated financial statements. For the purpose of consolidation, Income and expense items are translated into the reporting currency at the average exchange rate during the year and assets and liabilities are translated at the closing exchange rate. The resulting exchange differences are transferred to Foreign Currency Translation Reserve.

### n. Taxes on income

Income tax comprises current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted by the balance sheet date. Deferred tax liabilities recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise

such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that future taxable income will be available against which these can be realised. Deferred tax assets and liabilities are offset. Deferred tax assets are reviewed at each balance sheet date for their realisability.

### o. Earnings per share

Basic earnings per share is computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing net profit after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on 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.

### p. Provision for Retirement benefits

Employee benefits include provident fund, gratuity and compensated absences and long service awards.

- i. Defined contribution plan  
The Company's contribution to Provident Fund is considered as defined contribution plan. Provident fund contribution is deposited with the Employees Provident Fund Organisation (EPFO). Company's contribution to provident fund is charged to the statement of Profit and Loss when the contribution is due.
- ii. Defined benefit plan  
Gratuity is a defined benefit plan covering eligible employees. The plan provides for a lump sum payment to vested employees on retirement, death with in employment or termination of employment of an amount equivalent to 15 days salary for each completed year of service. Vesting occurs on completion of five years of service. Liability for Gratuity is provided on the basis of actuarial valuation carried out at the Balance Sheet date by an independent actuary using the Projected Unit Credit method. Actuarial gains and losses are recognised in the statement of Profit and Loss in the period in which they occur.
- iii. Short-term employee benefits  
The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the services.

## Notes Forming Part of the Consolidated Financial Statements

iv. Long term employee benefits

Compensated absences are treated as long term employee benefits and liability is recognised on the basis of valuation by an independent actuary at the year end.

q. **Borrowing cost**

Borrowing costs include interest and ancillary costs incurred. Borrowing costs allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction/development of the qualifying asset up to the date of capitalisation of such asset is added to the cost of the asset. A qualifying asset is an asset that necessarily requires substantial period of time to get ready for its intended use or sale. Other borrowing costs are recognised as an expense in the year in which they are incurred.

r. **Provisions and contingencies**

Provision is recognized when an enterprise has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions (excluding employee benefits) are not discounted to their present value and are determined based on management estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimate. Contingent liabilities are disclosed in the Notes.

s. **Impairment of assets**

The carrying value of assets at each balance sheet date is reviewed for impairment. If an indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the higher of asset's net selling price and value in use. Value in use is arrived by discounting the estimated future cash flows expected from the continuing use of the asset and from its disposal based on an appropriate discount factor. The impairment loss as determined above is charged to Statement of profit and loss. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of Profit and Loss.

t. **Leases**

Lease arrangements where the risk and rewards incident to ownership of an asset substantially vest with the lessor are recognised as operating lease. Lease rental under operating leases are recognised in the Statement of Profit and Loss on a straight line basis over the lease term.

Assets given under operating leases are included in fixed assets. Lease income is recognised in the Statement of Profit and Loss on a straight line basis over the lease term. Costs, including depreciation are recognised as expense in the Statement of Profit and Loss.

**Note 3 :**

The Subsidiary Companies, Joint Venture Entities and Associate Companies considered in Consolidated Financial Statements are as under:

| Name of Company  | Proportion of ownership interest |                      |
|--|----------------------------------|----------------------|
|  | As at 31 March, 2012             | As at 31 March, 2011 |
| <b>Subsidiaries</b>  |                                  |                      |
| a. Parsvnath Landmark Developers Private Limited                   | 78.00%                           | 78.00%               |
| b. Parsvnath Infra Limited   | 94.87%                           | 94.87%               |
| c. Parsvnath Film City Limited                                     | 100.00%                          | 100.00%              |
| d. Parsvnath Telecom Private Limited                               | 100.00%                          | 100.00%              |
| e. Parsvnath Hotels Limited  | 100.00%                          | 100.00%              |
| f. Parsvnath Retail Limited  | 100.00%                          | 100.00%              |
| g. PDL Assets Limited  | 100.00%                          | 100.00%              |
| h. Parsvnath Estate Developers Private Limited                     | 75.50%                           | 75.50%               |
| i. Parsvnath Promoters And Developers Private Limited              | 51.00%                           | 51.00%               |
| j. Parsvnath Developers Pte. Limited (See note i and iii below)    | 100.00%                          | 100.00%              |
| k. Parsvnath Hessa Developers Private Limited (See Note iv below)  | 50.10%                           | 50.10%               |
| l. Primetime Realtors Private Limited                              | 100.00%                          | 100.00%              |
| m. Parsvnath Buildwell Private Limited (See Note v below)          | 50.10%                           | NIL                  |
| n. Parsvnath Rail Land Project Private Limited (See Note vi below) | 100.00%                          | N.A.                 |

## Notes Forming Part of the Consolidated Financial Statements

| Name of Company   | Proportion of ownership interest |                      |
|---|----------------------------------|----------------------|
|   | As at 31 March, 2012             | As at 31 March, 2011 |
| <b>Step Down Subsidiaries</b>   |                                  |                      |
| a. Parsvnath Royal Orchid Hotels Limited (Subsidiary of Parsvnath Hotels Limited)   | 70.00%                           | 70.00%               |
| b. Parsvnath MIDC Pharma SEZ Private Limited (Subsidiary of Parsvnath Infra Limited)  | 100.00%                          | 100.00%              |
| c. Parsvnath Hospitality Holdings Limited (Subsidiary of Parsvnath Developers Pte. Limited) (See Note i and iii below)                                  | 100.00%                          | 100.00%              |
| d. Parsvnath Realcon Private Limited (Subsidiary of Parsvnath Buildwell Private Limited) (See Note v Below)   | 100.00%                          | NIL                  |
| <b>Jointly Controlled Entities/ Joint Venture Companies</b>   |                                  |                      |
| a. Parsvnath Developers (AOP) (See Note ii below)   | 50.00%                           | 50.00%               |
| b. Ratan Parsvnath Developers (AOP) (See Note ii below)   | 50.00%                           | 50.00%               |
| c. Parsvnath Buildwell Private Limited (See Note iv below)  | NIL                              | 50.00%               |
| <b>Jointly Controlled Entities of Parsvnath Infra Limited, Subsidiary Company (Ownership interest of Parsvnath Infra Limited)</b>                       |                                  |                      |
| a. Palakkad Infrastructure Private Limited  | 33.33%                           | 33.33%               |
| <b>Subsidiary Company of Parsvnath Buildwell Private Limited, Jointly Controlled Entity (Ownership Interest of Parsvnath Buildwell Private Limited)</b> |                                  |                      |
| a. Parsvnath Realcon Private Limited (See Note v below)   | NIL                              | 100.00%              |

| Name of Company                            | Proportion of ownership interest |                      |
|--|----------------------------------|----------------------|
|  | As at 31 March, 2012             | As at 31 March, 2011 |
| <b>Associate Companies</b>                 |                                  |                      |
| a. Amazon India Limited                    | 48.30%                           | 48.30%               |
| b. Home Life Real Estate Private Limited   | 50.00%                           | 50.00%               |
| c. Vardaan Buildtech Private Limited       | 33.33%                           | 33.33%               |
| d. Nanocity Haryana Infrastructure Limited | 38.00%                           | 38.00%               |

### Notes:

- All Subsidiary Companies, Jointly Controlled Entities and Associate Companies are incorporated in India except Parsvnath Developers Pte. Limited, a wholly owned subsidiary company and its wholly owned subsidiary Parsvnath Hospitality Holdings Limited, which were incorporated in Singapore.
- Parsvnath Developers (AOP) and Ratan Parsvnath Developers (AOP), the jointly controlled entities, being unincorporated Joint Ventures, have been set up vide agreements entered into in India.
- The audited financial statements of Parsvnath Developers Pte. Limited and Parsvnath Hospitality Holdings Limited, incorporated in Singapore have been prepared in accordance with the Singapore Financial Reporting Standards. Differences with the accounting policies of the Company are not material.
- Parsvnath Hessa Developers Private Limited has been considered as subsidiary on the basis of voting power in the company in accordance with Accounting Standard 21 (AS-21) on 'Consolidated Financial Statements'.
- The Company has acquired additional capital in Parsvnath Buildwell Private Limited (PBPL), resulting in voting power in excess of 50% in PBPL. Accordingly, in accordance with Accounting Standard 21 (AS 21) on 'Consolidated Financial Statements', PBPL has become a subsidiary of the Company and ceased to be jointly controlled entity. Similarly, Parsvnath Realcon Private Limited (PRPL) a wholly owned subsidiary of PBPL, has become a subsidiary of the company and ceased to be jointly controlled entity.
- Parsvnath Rail Land Project Private Limited, a subsidiary company, was incorporated during the year in India.

## Notes Forming Part of the Consolidated Financial Statements

### Note 4: Share Capital

| Particulars                                    | As at<br>31 March, 2012 |                  | As at<br>31 March, 2011 |                  |
|--|-------------------------|------------------|-------------------------|------------------|
|  | Number of shares        | ₹ in lacs        | Number of shares        | ₹ in lacs        |
| <b>a. Authorised</b>                           |                         |                  |                         |                  |
| i. Equity shares of ₹ 5/- each                 | 60,00,00,000            | 30,000.00        | 60,00,00,000            | 30,000.00        |
| ii. Preference shares of ₹ 10/- each           | 5,00,00,000             | 5,000.00         | 5,00,00,000             | 5,000.00         |
|  | <b>65,00,00,000</b>     | <b>35,000.00</b> | <b>65,00,00,000</b>     | <b>35,000.00</b> |
| <b>b. Issued, Subscribed and fully paid up</b> |                         |                  |                         |                  |
| i. Equity shares of ₹ 5/- each                 | 43,51,81,170            | 21,759.06        | 43,51,81,170            | 21,759.06        |
|  | <b>43,51,81,170</b>     | <b>21,759.06</b> | <b>43,51,81,170</b>     | <b>21,759.06</b> |

Refer notes (i) to (iv) below:

#### i. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:

| Particulars  | As at<br>31 March, 2012 |                  | As at<br>31 March, 2011 |                  |
|--|-------------------------|------------------|-------------------------|------------------|
|  | Number of shares        | ₹ in lacs        | Number of shares        | ₹ in lacs        |
| <b>Equity shares of ₹ 5/- each, fully paid up:</b> |                         |                  |                         |                  |
| Outstanding at the beginning of the year           | 43,51,81,170            | 21,759.06        | 19,85,52,472            | 19,855.25        |
| Issued during the year                             | -                       | -                | 1,90,38,113             | 1,903.81         |
| Other changes (see note below)                     | -                       | -                | 21,75,90,585            | -                |
| Outstanding at the end of the year                 | <b>43,51,81,170</b>     | <b>21,759.06</b> | <b>43,51,81,170</b>     | <b>21,759.06</b> |

**Note:** During the previous year 2010-11, the Company had sub-divided the nominal value of its equity shares from ₹ 10/- each to ₹ 5/- each on 19 October, 2010. Consequently, the number of authorised, issued, subscribed and paid-up equity shares have increased accordingly and the effect of the same has been shown in 'Other changes'.

#### ii. Rights, preferences and restrictions attached to equity shares:

The Company has only one class of equity shares having a par value of ₹ 5/- per share. Each holder of equity shares is entitled to one vote per share held. The dividend, if any, proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### iii. Details of Equity shares held by each shareholder holding more than 5% shares in the Company:

| Name of shareholder  | As at 31 March, 2012  |           | As at 31 March, 2011  |           |
|--|-----------------------|-----------|-----------------------|-----------|
|  | Number of shares held | % holding | Number of shares held | % holding |
| <b>Equity shares of ₹ 5/- each, fully paid up:</b>         |                       |           |                       |           |
| a. Pradeep Kumar Jain & Sons (HUF)                         | 11,55,58,893          | 26.554    | 11,33,89,744          | 26.056    |
| b. Pradeep Kumar Jain                                      | 10,36,76,781          | 23.824    | 9,14,68,656           | 21.019    |
| c. Parasnath and Associates Private Limited                | 4,72,77,992           | 10.864    | 4,65,87,200           | 10.705    |
| d. Nutan Jain  | 4,39,09,644           | 10.090    | 4,29,20,000           | 9.863     |
| e. Fidelity Securities Fund Fidelity Blue Chip Growth Fund | 2,17,71,340           | 5.003     | 2,17,71,340           | 5.003     |

## Notes Forming Part of the Consolidated Financial Statements

### iv. Aggregate number of bonus shares issued for the period of five years immediately preceding the Balance Sheet date:

| Particulars                             | Number of shares        |                         |
|---|-------------------------|-------------------------|
|   | As at<br>31 March, 2012 | As at<br>31 March, 2011 |
| <b>Equity shares</b>                    |                         |                         |
| a. Fully paid up by way of bonus shares | -                       | 9,89,13,600             |

### Note 5: Reserves and surplus

₹ in lacs

| Particulars   | As at<br>31 March, 2012 | As at<br>31 March, 2011 |
|---|-------------------------|-------------------------|
| <b>a. Capital Reserve</b>   |                         |                         |
| i. As per last balance sheet  | 377.87                  | 343.95                  |
| ii. Add: Created upon further acquisition of shares of a subsidiary       | -                       | 33.92                   |
|   | <b>377.87</b>           | <b>377.87</b>           |
| <b>b. Securities Premium</b>  |                         |                         |
| i. As per last balance sheet  | 1,45,412.92             | 1,20,932.85             |
| ii. Add : Premium on shares issued during the year                        | -                       | 26,657.58               |
| iii. Add: Created upon conversion of joint venture into subsidiary        | 4,781.06                | 4,463.91                |
| iv. Less: Transferred to Minority Interest                                | 4,771.50                | 6,269.70                |
| v. Less: Share issue expenses   | -                       | 371.72                  |
|   | <b>1,45,422.48</b>      | <b>1,45,412.92</b>      |
| <b>c. Debentures Redemption Reserve</b>                                   |                         |                         |
| i. As per last balance sheet  | 14,750.00               | 4,750.00                |
| ii. Add: Transferred from surplus in Statement of Profit & Loss           | 5,750.00                | 14,750.00               |
| iii. Less: Transferred to surplus in Statement of Profit & Loss           | 1,214.00                | 4,750.00                |
|   | <b>19,286.00</b>        | <b>14,750.00</b>        |
| <b>d. Foreign Currency Translation Reserve</b>                            |                         |                         |
| i. Exchange difference on investments in overseas subsidiary company:     |                         |                         |
| As per last balance sheet   | 8.67                    | 9.69                    |
| For the year  | (2.87)                  | (1.02)                  |
|   | <b>5.80</b>             | <b>8.67</b>             |
| <b>e. General Reserve</b>   |                         |                         |
| i. As per last balance sheet  | 9,310.00                | 7,960.00                |
| ii. Add: Transferred from surplus in Statement of Profit & Loss           | -                       | 1,350.00                |
|   | <b>9,310.00</b>         | <b>9,310.00</b>         |
| <b>f. Surplus in the Statement of Profit and Loss</b>                     |                         |                         |
| i. As per last balance sheet  | 70,467.44               | 75,361.21               |
| ii. Add: Profit for the year  | 5,608.80                | 14,105.95               |
| iii. Add: Transferred from Debenture Redemption Reserve                   | 1,214.00                | 4,750.00                |
| iv. Less: Interim dividend  | -                       | 5,204.74                |
| v. Less: Corporate dividend tax   | -                       | 864.44                  |
| vi. Less: Transferred to General Reserve                                  | -                       | 1,350.00                |
| vii. Less: Transferred to Debenture Redemption Reserve                    | 5,750.00                | 14,750.00               |
| viii. Add: Minority share in appropriations                               | -                       | 1,335.22                |
| ix. Add: Balance of subsidiaries acquired during the year                 | -                       | 0.11                    |
| x. Add: Created upon conversion of joint venture into subsidiary          | 8.68                    | 44.75                   |
| xi. Less: Adjusted upon conversion of joint venture into subsidiary       | 768.44                  | 2,915.99                |
| xii. Less: Opening balance of accumulated profits transferred to Minority | 8.66                    | 44.63                   |
|   | <b>70,771.82</b>        | <b>70,467.44</b>        |
|   | <b>2,45,173.97</b>      | <b>2,40,326.90</b>      |

## Notes Forming Part of the Consolidated Financial Statements

### Note 6: Long-term borrowings

₹ in lacs

| Particulars  | As at<br>31 March, 2012 |                  | As at<br>31 March, 2011 |                  |
|--|-------------------------|------------------|-------------------------|------------------|
|  | Non Current             | Current          | Non Current             | Current          |
| <b>Secured:</b>  |                         |                  |                         |                  |
| <b>1. Debentures</b>   |                         |                  |                         |                  |
| a. 14.80% Non-convertible Redeemable debentures (Series XI)              | 12,500.00               | -                | 12,500.00               | -                |
| b. 14.25% Non-convertible Redeemable debentures (Series VII & IX)        | 10,000.00               | 10,000.00        | 20,000.00               | -                |
| c. 13.00% Non-convertible Redeemable debentures (Series X)               | -                       | 370.00           | 2,500.00                | -                |
| d. 16.00% Non-convertible Redeemable debentures (Series VIII)            | 1,500.00                | 4,202.00         | 4,500.00                | 1,500.00         |
|  | <b>24,000.00</b>        | <b>14,572.00</b> | <b>39,500.00</b>        | <b>1,500.00</b>  |
| <b>2. Term Loans</b>   |                         |                  |                         |                  |
| a. From banks  | 15,973.72               | 3,423.37         | 14,659.44               | 14,273.65        |
| b. From Financial Institutions/ Others                                   | 46,182.67               | 18,223.23        | 21,021.33               | 11,942.77        |
|  | <b>62,156.39</b>        | <b>21,646.60</b> | <b>35,680.77</b>        | <b>26,216.42</b> |
| <b>Total</b>   | <b>86,156.39</b>        | <b>36,218.60</b> | <b>75,180.77</b>        | <b>27,716.42</b> |
| <b>Unsecured:</b>  |                         |                  |                         |                  |
| <b>1. Debentures</b>   |                         |                  |                         |                  |
| a. 15.25% Compulsorily Convertible debentures                            | 7,578.26                |                  | 7,578.26                |                  |
| b. 14% Fully Convertible debentures                                      | 4,500.00                |                  | 4,500.00                |                  |
| c. 15.50% Fully Convertible debentures                                   | 11,177.50               |                  | 11,177.50               |                  |
| d. 16% Fully Convertible debentures (Series I)                           | 9,340.73                |                  | 9,340.73                |                  |
| e. 16% Fully Convertible debentures (Series II)                          | 8,792.66                |                  | 8,792.66                |                  |
| f. 15.50% Fully Convertible debentures (Series 'A')                      | 8,751.00                |                  | 1,875.50                |                  |
| g. 17.25% Fully Convertible debentures (Series 'B')                      | 2,500.00                |                  | -                       |                  |
| h. 17.75% Fully Convertible debentures (Series 'C')                      | 1,740.00                |                  | -                       |                  |
|  | <b>54,380.15</b>        | <b>-</b>         | <b>43,264.65</b>        | <b>-</b>         |
|  | <b>1,40,536.54</b>      | <b>36,218.60</b> | <b>1,18,445.42</b>      | <b>27,716.42</b> |
| Less: Amount disclosed under "Other current liabilities" (refer Note 11) |                         | 36,218.60        |                         | 27,716.42        |
|  | <b>1,40,536.54</b>      | <b>-</b>         | <b>1,18,445.42</b>      | <b>-</b>         |

₹ in lacs

| Particulars  | As at<br>31 March, 2012  | As at<br>31 March, 2011 |
|--|--|-------------------------|
|  | <b>i. Details of terms of repayment and securities provided in respect of secured debentures as are under:</b> |                         |
| a. 14.80% NCDs of ₹ 12,500 lacs were issued during the year ended 31 March, 2011. The NCDs are secured by equitable mortgage of project land at Rohtak and Sonapat and charge on receivables of these projects through escrow account and personal guarantee of Chairman. These NCDs are redeemable in 4 quarterly instalments commencing from June, 2013 and ending in March, 2014. | 12,500.00  | 12,500.00               |

## Notes Forming Part of the Consolidated Financial Statements

|  |                         | ₹ in lacs               |  |
|--|-------------------------|-------------------------|--|
| Particulars  | As at<br>31 March, 2012 | As at<br>31 March, 2011 |  |
| b. 14.25% NCDs of ₹20,000 lacs were issued during the year ended 31 March, 2011. The NCDs are secured by pledge of equity shares of the company held by the promoters, registered mortgage of project land and charge on receivables of the project 'Parsvnath Mall', Rohini, and personal guarantee of Chairman. These NCDs are redeemable in 4 quarterly instalments commencing from November, 2012 and ending in August, 2013.  | 20,000.00               | 20,000.00               |  |
| c. 13.00% NCDs of ₹ 2,500 lacs were issued during the year ended 31 March, 2011. The NCDs are secured by pledge of equity shares of the company held by the promoters, registered mortgage of office space at Arunachal Building, Connaught Place, New Delhi and personal guarantee of Chairman. These NCDs are redeemable by bullet payment in July, 2012 with a Put / Call option after 12 months from date of issue.  | 370.00                  | 2,500.00                |  |
| d. 16.00% NCDs of ₹ 6,000 lacs were issued during the year ended 31 March, 2011. The NCDs are secured by pledge of equity shares of the company held by the promoters, registered mortgage of office space at Arunachal Building, Connaught Place, New Delhi. The NCDs are further secured by cross collateralization clause with NCDs of ₹ 12,500 lacs and personal guarantee of Chairman. These NCDs are redeemable in 24 monthly instalments commencing from October, 2011 and ending in August, 2013.  | 5,702.00                | 6,000.00                |  |
|  | <b>38,572.00</b>        | <b>41,000.00</b>        |  |
| <b>ii. Details of terms of repayment and securities provided in respect of secured long term borrowings are as under:</b>  |                         |                         |  |
| a. Term loan from a bank is secured by mortgage of project land at Greater Noida, hypothecation of present and future receivables of the said project and personal guarantee of Chairman. The term loan is repayable in 8 quarterly instalments commencing from June, 2013 and ending in March, 2015.  | 9,126.60                | 8,326.61                |  |
| b. Term loan from three banks under consortium arrangement is secured by (a) 2nd Pari Passu charge through escrow account on all receivables of commercial space at the 8 DMRC Stations namely Shahdara, Azadpur, Kashmiri Gate, Seelampur( Station Box), Pratap Nagar, Tis Hazari, Inderlok (Annexe) and Inderlok (Station Box) subject to prior charge of DMRC to the extent of outstanding dues, (b) corporate guarantee of Parasnath and Associates Private Limited, (c) personal guarantees of Chairman, Managing Director and a wholetime Director of the company, and (d) pledge of equity shares of the company held by the promoters. The term loan is repayable in 17 quarterly instalments commencing from October, 2009 and ending in October, 2013. | 3,724.75                | 6,194.83                |  |
| c. Term Loan from two banks and a financial institution under consortium arrangement is secured by pari-passu charge by way of (a) equitable mortgage of land at Saharanpur, (b) 2nd pari-passu charge over receivables of commercial space at Akshardham project, and (c) corporate guarantee of land owning companies. The term loan is repayable in 20 quarterly instalments commencing from December, 2010 and ending in March, 2016 .   | 3,296.00                | 4,054.74                |  |
| d. Term loan from three banks and a financial institution is secured by equitable mortgage of commercial land and land for service apartments at Chandigarh, 1st charge on receivables of the commercial units and residential units of the project and personal guarantee of Chairman, Managing Director and a wholetime Director of the company. The term loan from banks is repayable in 25/27 monthly instalments commencing from January, 2010 and ending in January, 2012 and March, 2012 respectively and 8 quarterly instalments commencing from May, 2010 and ending in February, 2012 in case of the financial institution.  | 681.34                  | 5,098.63                |  |

## Notes Forming Part of the Consolidated Financial Statements

| Particulars   | ₹ in lacs               |                         |
|---|-------------------------|-------------------------|
|   | As at<br>31 March, 2012 | As at<br>31 March, 2011 |
| e. Term loan from a financial institution is secured by equitable mortgage of project land at Indore and Kurukshetra, charge on receivables of project 'Pragati' Dharuhera and personal guarantee of Chairman. The term loan is repayable in 16 quarterly instalments commencing from October, 2009 and ending in July, 2013.   | 14,647.64               | 14,647.64               |
| f. Term loan from a non-banking finance company is secured by equitable mortgage of property at Hauz Khas, pledge of 150 lacs (fixed) equity shares of the company held by the promoters, cross default clause with another term loan of ₹ 31,000 lacs, personal guarantee of Chairman, Managing Director and a wholetime Director of the company and charge on receivables of project Sonapat Group Housing II through an escrow account. The term loan is repayable in 30 monthly instalments commencing from August, 2013 and ending in January, 2016.   | 6,000.00                | -                       |
| g. Term loan from a non-banking finance company is secured by equitable mortgage of project land at K.G. Marg, New Delhi, personal guarantee of Chairman, Managing Director and a wholetime Director of the company and interim charge on receivables of projects 'Parsvnath City' Dharuhera and 'Parsvnath Royale' Panchkula through escrow account. The term loan is repayable in 48 monthly instalments commencing from August, 2012 and ending in July, 2016.   | 31,000.00               | -                       |
| h. Term loan from a bank, sanctioned to a subsidiary company, is secured by mortgage of hotel land at Shirdi and buildings thereon, first charge on all the movable and immovable assets including receivables of Shirdi Hotel, corporate guarantee of the Company and personal guarantee of Chairman. Loan is repayable in thirty quarterly instalments commencing from December, 2013 and ending in March, 2021.  | 360.00                  | -                       |
| i. Term loan from a bank, sanctioned to a subsidiary company, is secured by Second pari passu charge on receivables of the project of the said subsidiary company, corporate guarantee of the company, pledge of equity shares by the company to the extent of its holdings in the subsidiary company and collateral security as equitable mortgage of land at Bhiwadi, Rajasthan, 30 commercial shops at Parsvnath City Mall, Faridabad and Commercial space at Parsvnath Mall Manhattan, Faridabad, all in the name of company. Loan is repayable in fourteen quarterly instalments commencing from March, 2013 and ending in June, 2016. | 3,300.00                | -                       |
| j. Term loan from a non-banking finance company, sanctioned to a subsidiary company, is secured by exclusive first charge and registered mortgage over all the assets present and future, properties including lease hold interest on the project land of 'La Tropicana Project' and receivables of the said project. The loan is further secured by corporate guarantee of the company along with pledge of all Class 'A' shares of the subsidiary company held by the Company. Loan is repayable in twelve quarterly instalments commencing from March, 2012 and ending in December, 2014.  | 11,666.66               | 14,000.00               |
| k. Term loan from a bank is secured by way of equitable mortgage of project land at Panipat and hypothecation of entire existing and future receivables of the said project.  | -                       | 2,500.00                |
| l. Term loan from a bank is secured by first charge of project land at Moradabad and personal guarantee of Chairman, Managing Director and a Whole time director of the company.  | -                       | 2,500.00                |
| m. Term loan from a bank is secured by way of equitable mortgage of project land at Noida and personal guarantee of Chairman.   | -                       | 936.50                  |
| n. Term loan from a bank is secured by equitable mortgage of project land at Indore.  | -                       | 1,630.00                |

## Notes Forming Part of the Consolidated Financial Statements

| Particulars  | ₹ in lacs               |                         |
|--|-------------------------|-------------------------|
|  | As at<br>31 March, 2012 | As at<br>31 March, 2011 |
| o. Term loan from a bank is secured by equitable mortgage of project land at Derabassi, Punjab.  | -                       | 667.78                  |
| p. Term loan from a financial institution is secured by first pari-passu charge on Sonapat project land and construction thereon and corporate guarantees of land owning companies.  | -                       | 1,340.46                |
|  | <b>83,802.99</b>        | <b>61,897.19</b>        |
| <b>iii. Details of terms of conversion/repayment in respect of unsecured debentures are as under:</b>  |                         |                         |
| a. 15.25% Compulsorily Convertible Debentures issued by a subsidiary company are convertible at the option of the holder at anytime on or prior to mandatory conversion date 12 June, 2024 in such number of equity shares at such price as may be mutually decided.   | 7,578.26                | 7,578.26                |
| b. 14% Fully Convertible Debentures issued by a subsidiary company. The debentures are convertible, at the option of the investor, into Class 'B' shares of ₹ 10/- each of the issuing subsidiary company at a premium of ₹ 990/- per share subject to Reserve Bank of India (RBI) pricing guidelines. In case no such option is exercised by the investor, these shall be mandatorily converted into class 'B' shares on expiry of five years from the date of issue.                   | 4,500.00                | 4,500.00                |
| c. 15.50% Fully Convertible Debentures issued by a subsidiary company. Each debenture shall be converted into 10 Class 'B' shares of the issuing subsidiary company at a time and manner as mutually decided in accordance with the Amended and Restated Investment and Security Holders Agreement dated 14 September, 2010.   | 11,177.50               | 11,177.50               |
| d. 16% Fully Convertible Debentures (Series I) issued by a subsidiary company. Each debenture is convertible into one equity share entitled to dividend and/or one different class of share (collectively entitled to 0.001% of the voting rights in the issuing subsidiary) on the terms and conditions mentioned in the 'Investment and Security Holder's Agreement' dated 23 November, 2010 as amended by the first supplementary agreement dated 31 March, 2011.                     | 9,340.73                | 9,340.73                |
| e. 16% Fully Convertible Debentures (Series II) issued by a subsidiary company. Each debenture is convertible into one different class of share entitled to dividend (collectively entitled to 0.001% of the voting rights in the issuing subsidiary) on the terms and conditions mentioned in the 'Investment and Security Holder's Agreement' dated 23 November, 2010 as amended by the first supplementary agreement dated 31 March, 2011.  | 8,792.66                | 8,792.66                |
| f. 15.50% Fully Convertible Debentures (Series 'A') issued by a subsidiary company. The debentures are convertible, at the option of the investor, into Class 'B' shares of ₹ 10/- each of the issuing subsidiary company at a premium of ₹ 190/- per share subject to Reserve Bank of India (RBI) pricing guidelines. In case no such option is exercised by the investor, these shall be mandatorily converted into Class 'B' shares on expiry of twenty years from the date of issue. | 8,751.00                | 1,875.50                |
| g. 17.25% Fully Convertible Debentures (Series 'B') issued by a subsidiary company. Each debenture shall be converted into 10 Class 'B' shares of the issuing subsidiary company at a time and manner as mutually decided in accordance with the Amended and Restated Investment and Security Holders Agreement dated 14 September, 2010.  | 2,500.00                | -                       |

## Notes Forming Part of the Consolidated Financial Statements

₹ in lacs

| Particulars   | As at<br>31 March, 2012 | As at<br>31 March, 2011 |
|---|-------------------------|-------------------------|
| h. 17.75% Fully Convertible Debentures (Series 'C') issued by a subsidiary company. Each debenture shall be converted into 10 Class 'B' shares of the issuing subsidiary company at a time and manner as mutually decided in accordance with the Amended and Restated Investment and Security Holders Agreement dated 14 September, 2010. | 1,740.00                | -                       |
|   | <b>54,380.15</b>        | <b>43,264.65</b>        |
| <b>iv. Details of long term borrowings guaranteed by some of the directors:</b>   |                         |                         |
| a. Debentures   | 38,572.00               | 41,000.00               |
| b. Term loans from banks  | 13,532.09               | 25,738.35               |
| c. Term loans from financial institutions/others  | 52,008.23               | 18,104.10               |
|   | <b>1,04,112.32</b>      | <b>84,842.45</b>        |

**v. The rate of interest applicable on long term borrowings are as under:**

| Particulars                                      | Outstanding<br>Amount | Rate of interest<br>per annum |
|--|-----------------------|-------------------------------|
|  | ₹ in lacs             | %                             |
| a. Debentures (See note below)                   | 92,952.15             | 13.00% to<br>18.50%           |
| b. Term loans from banks                         | 19,397.09             | 13.25% to<br>17.25%           |
| c. Term loans from financial institutions/others | 64,405.90             | 13.00% to<br>20.86%           |

Note: Interest on 16.00% NCDs of ₹ 6,000 lacs is linked to LTBMR and due to upward revision, the interest rate stands increased to 18.50% per annum as on 31.03.2012.

**vi. The Company has defaulted in repayment of loans and interest in respect of the following:**

| Particulars   | As at<br>31 March, 2012 |           | As at<br>31 March, 2011 |           |
|---|-------------------------|-----------|-------------------------|-----------|
|   | Period of<br>default    | ₹ in lacs | Period of<br>default    | ₹ in lacs |
| <b>a. Debentures</b>                                    |                         |           |                         |           |
| -Principal  | 25 to 146 days          | 1,202.00  | -                       | -         |
| -Interest   | 1 to 30 days            | 759.17    | -                       | -         |
| <b>b. Term loans from banks</b>                         |                         |           |                         |           |
| -Principal  | 30 to 60 days           | 300.92    | 16 to 151 days          | 4,742.29  |
| -Interest   | 1 to 60 days            | 373.08    | 1 to 59 days            | 490.27    |
| <b>c. Term loans from financial institutions/others</b> |                         |           |                         |           |
| -Principal  | 21 to 365 days          | 7,551.23  | 31 to 181 days          | 3,137.00  |
| -Interest   | 1 to 213 days           | 1,645.68  | 1 to 182 days           | 1,615.11  |

**Note 7: Other long-term liabilities**

₹ in lacs

| Particulars                           | As at<br>31 March, 2012 | As at<br>31 March, 2011 |
|---------------------------------------|-------------------------|-------------------------|
| a. Debenture Application Money        | -                       | 2,500.00                |
| b. Trade / security deposits received | 4,583.43                | 5,405.51                |
| c. Advances from customers            | 707.34                  | -                       |
|                                       | <b>5,290.77</b>         | <b>7,905.51</b>         |

## Notes Forming Part of the Consolidated Financial Statements

₹ in lacs

| Particulars                                | As at<br>31 March, 2012 | As at<br>31 March, 2011 |
|--|-------------------------|-------------------------|
| <b>Note 8: Long-term provisions</b>        |                         |                         |
| a. Provision for employee benefits:        |                         |                         |
| i. Provision for gratuity                  | 260.24                  | 211.52                  |
| ii. Provision for compensated absences     | 96.18                   | 90.31                   |
|  | <b>356.42</b>           | <b>301.83</b>           |
| <b>Note 9: Short-term borrowings</b>       |                         |                         |
| <b>Secured:</b>                            |                         |                         |
| a. Loans repayable on demand               |                         |                         |
| From banks - Cash Credit                   | 12,583.83               | 10,537.95               |
| b. Term Loans                              |                         |                         |
| From Financial Institutions/Others         | 17,653.02               | 31,413.91               |
| c. Other loans and advances                |                         |                         |
| Bank Overdraft                             | 6,737.18                | 11,249.89               |
|  | <b>36,974.03</b>        | <b>53,201.75</b>        |
| <b>Unsecured:</b>                          |                         |                         |
| a. Loans repayable on demand               |                         |                         |
| From other parties                         | 7,918.41                | 4,902.03                |
| b. Loans and advances from related parties | 267.55                  | 1,161.45                |
| c. Fixed Deposits                          |                         |                         |
| i. From Public                             | 1,154.74                | 282.15                  |
| ii. From Shareholders                      | 82.69                   | 19.87                   |
|  | 1,237.43                | 302.02                  |
|  | <b>9,423.39</b>         | <b>6,365.50</b>         |
|  | <b>46,397.42</b>        | <b>59,567.25</b>        |

₹ in lacs

| Particulars   | As at<br>31 March, 2012 | As at<br>31 March, 2011 |
|---|-------------------------|-------------------------|
| <b>i. Details of securities provided in respect of short term borrowings from banks - cash credit are as under:</b>   |                         |                         |
| a. Cash Credit is secured by first pari-passu charge over current assets of the company excluding those assets specifically charged to other Banks/FIs and equitable mortgage of land & building at Moradabad and Greater Noida, pledge of term deposits of ₹ 244 lacs and personal guarantee of Chairman, Managing Director and a wholetime Director of the company. | 5,067.63                | 5,028.84                |
| b. Cash Credit is secured by first pari-passu charge over current assets of the company excluding those assets specifically charged to other Banks/FIs, equitable mortgage of project land at Panipat and at Nangal Kalan, Sonapat and personal guarantee of Chairman, Managing Director and a wholetime Director of the company.                                     | 2,529.72                | 2,519.93                |

## Notes Forming Part of the Consolidated Financial Statements

| Particulars   | ₹ in lacs               |                         |
|---|-------------------------|-------------------------|
|   | As at<br>31 March, 2012 | As at<br>31 March, 2011 |
| c. Cash Credit is secured by first pari-passu charge over current assets of the company excluding those assets specifically charged to other Banks/FIs, equitable mortgage of commercial land at Dharuhera, personal guarantee of Chairman, Managing Director and a wholetime Director of the company and corporate guarantee of Land owning companies.   | 1,538.04                | 2,022.40                |
| d. Cash Credit is secured by first pari-passu charge over current assets of the company excluding those assets specifically charged to other Banks/FIs, equitable mortgage of project land at Rajpura and commercial space at Saharanpur, pledge of term deposit of ₹ 194 lacs, personal guarantee of Chairman, Managing Director and a wholetime Director of the company and corporate guarantee of a land owning company. | 3,448.44                | 966.78                  |
|   | <b>12,583.83</b>        | <b>10,537.95</b>        |
| <b>ii. Details of securities provided in respect of term loans from financial institutions / others are as under:</b>   |                         |                         |
| a. Term loan from a financial institution is secured by pledge of equity shares of the company held by the promoters, personal guarantee of Chairman, Managing Director and a wholetime Director of the company and equitable mortgage of project lands at Goa and Jodhpur.   | 9,091.87                | 12,900.00               |
| b. Term Loan from a financial institution is secured by mortgage of project land at Sonapat and charge on receivables of the said project through escrow account, personal guarantee of Chairman, Managing Director and a wholetime Director of the company and corporate guarantee of land owning companies.   | 1,200.00                | -                       |
| c. Term loan from a financial institution is secured by equitable mortgage of commercial land at Goa, pledge of equity shares of the company held by the promoters and personal guarantee of Chairman.  | 2,000.00                | -                       |
| d. Term loan from a non-banking financial company is secured by registered mortgage of project land at Sonapat, personal guarantee of Chairman and Managing Director and cross collateral clause with another term loan from the same non-banking financial company.  | 1,339.78                | -                       |
| e. Term loan from a non-banking financial company is secured by pledge of equity shares of the company held by the promoters, registered mortgage of project land at Sonapat and personal guarantee of Chairman.  | 2,969.36                | 2,358.00                |
| f. Term loan from a non-banking financial company is secured by mortgage of few Shops at Commercial Mall in Noida.  | 610.26                  | 908.69                  |
| g. Term loan from a financial institution is secured against keyman Insurance Policy taken by the company.  | 441.75                  | 233.93                  |
| h. Term loan from a financial institution is secured by way of equitable mortgage of project land at K.G. Marg, New Delhi, charge on receivables of K.G. Marg & IT Park, Gurgaon projects and personal guarantees of Chairman, Managing Director and a wholetime Director of the company.   | -                       | 15,000.00               |
| i. Loan taken for Vehicle / Equipment is secured by way of hypothecation of specific vehicle / equipment financed.  | -                       | 13.29                   |
|   | <b>17,653.02</b>        | <b>31,413.91</b>        |

## Notes Forming Part of the Consolidated Financial Statements

₹ in lacs

| Particulars   | As at<br>31 March, 2012 | As at<br>31 March, 2011 |
|---|-------------------------|-------------------------|
| <b>iii. Details of securities provided in respect of short term borrowings - Bank overdraft are as under:</b> |                         |                         |
| a. The Overdraft from four banks is secured by way of pledge of fixed deposits with them.                     | 6,737.18                | 11,249.89               |
| <b>iv. Details of short term borrowings guaranteed by some of the directors:</b>                              |                         |                         |
| a. Loans repayable on demand from banks   | 12,583.83               | 10,537.95               |
| b. Term loans from financial institutions/others  | 16,601.01               | 30,258.00               |
| c. Loans repayable on demand from others  | 2,500.00                | -                       |
|   | <b>31,684.84</b>        | <b>40,795.95</b>        |

**v. The rate of interest applicable on short term borrowings are as under:**

| Particulars                                  | Outstanding<br>Amount<br>₹ in lacs | Rate of interest<br>per annum<br>% |
|--|------------------------------------|------------------------------------|
| a. Cash Credit Limits                        | 12,583.83                          | 16.25 % to<br>17.25%               |
| b. Loans from Financial Institutions         | 11,091.87                          | 15.50% to<br>17.00%                |
| c. Loan from a Financial Institution         | 441.75                             | 9.00%                              |
| d. Loan from Non Banking Financial Companies | 6,119.40                           | 14.50% to<br>20.50%                |
| e. Inter Corporate deposits                  | 7,118.41                           | 12.00% to<br>19.00%                |
| f. Inter Corporate deposits                  | 800.00                             | Interest free                      |
| g. Overdraft limits against fixed deposits   | 6,737.18                           | 9.75% to<br>11.75%                 |
| h. Fixed deposits                            | 1,237.43                           | 10.00% to<br>12.50%                |
| i. Loan from related parties                 | 255.18                             | 12.00% to<br>18.00%                |
| j. Loan from a related party                 | 12.37                              | Interest free                      |

**vi. The Company has defaulted in repayment of loans and interest in respect of the following:**

| Particulars                                      | As at<br>31 March, 2012 |           | As at<br>31 March, 2011 |           |
|--|-------------------------|-----------|-------------------------|-----------|
|  | Period of<br>default    | ₹ in lacs | Period of<br>default    | ₹ in lacs |
| a. Term loans from financial institutions/others |                         |           |                         |           |
| -Principal                                       | 16 to 91 days           | 3,091.87  | 1 to 16 days            | 1,150.00  |
| -Interest  | -                       | -         | -                       | -         |

## Notes Forming Part of the Consolidated Financial Statements

₹ in lacs

| Particulars  | As at<br>31 March, 2012 | As at<br>31 March, 2011 |
|--|-------------------------|-------------------------|
| <b>Note 10: Trade payables</b>   |                         |                         |
| a. Other than Acceptances:   |                         |                         |
| i. Trade payables for goods and services   | 52,811.84               | 45,015.01               |
| ii. Trade payables for Land  | 45,353.41               | 45,654.06               |
|  | <b>98,165.25</b>        | <b>90,669.07</b>        |
| <b>Note 11: Other current liabilities</b>  |                         |                         |
| a. Current maturities of long-term debt (Refer Note no. 6)   | 36,218.60               | 27,716.42               |
| b. Interest accrued but not due on borrowings  | 4,033.96                | 2,179.33                |
| c. Interest accrued and due on borrowings  | 2,777.93                | 2,105.38                |
| d. Unpaid dividends  | 38.21                   | 38.38                   |
| e. Other payables:   |                         |                         |
| i. Statutory dues  | 2,687.75                | 1,369.66                |
| ii. Payables on purchase of fixed assets   | 1,430.61                | 1,228.19                |
| iii. Interest accrued but not due on others  | 441.22                  | 499.75                  |
| iv. Trade / security deposits received   | 3,156.37                | 2,420.35                |
| v. Advances from customers   | 32,561.06               | 26,437.47               |
| vi. Book overdraft - Banks   | 1,046.69                | 687.71                  |
| vii. Others  | 484.28                  | 521.84                  |
|  | <b>84,876.68</b>        | <b>65,204.48</b>        |
| <b>Note 12: Short-term provisions</b>  |                         |                         |
| a. Provision for employee benefits:  |                         |                         |
| i. Provision for gratuity  | 94.95                   | 117.89                  |
| ii. Provision for compensated absences   | 45.12                   | 49.67                   |
|  | <b>140.07</b>           | <b>167.56</b>           |
| b. Provision - Others:   |                         |                         |
| i. Provision for tax (net of advance tax ₹ 37,998.09 Lacs;<br>as at 31 March, 2011 ₹ 35,423.77 Lacs) | 13,221.37               | 5,850.73                |
|  | <b>13,221.37</b>        | <b>5,850.73</b>         |
|  | <b>13,361.44</b>        | <b>6,018.29</b>         |

# Notes Forming Part of the Consolidated Financial Statements

## Note 13: Fixed Assets

₹ in lacs

| Description                   | Gross Block         |                 |                          | Depreciation        |                     |                 | Net Block                |                     |                     |
|-------------------------------|---------------------|-----------------|--------------------------|---------------------|---------------------|-----------------|--------------------------|---------------------|---------------------|
|                               | As at<br>01.04.2011 | Additions       | Deduction/<br>Adjustment | As at<br>31.03.2012 | As at<br>01.04.2011 | For the<br>year | Deduction/<br>Adjustment | As at<br>31.03.2012 | As at<br>31.03.2011 |
| <b>Tangible Assets:</b>       |                     |                 |                          |                     |                     |                 |                          |                     |                     |
| <b>Own Assets:</b>            |                     |                 |                          |                     |                     |                 |                          |                     |                     |
| Land - Freehold               | 66.10               | 36.27           | 36.27                    | 66.10               | -                   | -               | -                        | 66.10               | 66.10               |
| Land and Building             | 2,420.06            | 565.10          | 481.80                   | 2,503.36            | 427.18              | 146.57          | 72.50                    | 2,002.11            | 1,992.88            |
| Building on<br>leasehold land | 12,064.85           | 91.86           | 24.62                    | 12,132.09           | 1,528.37            | 586.76          | -                        | 10,016.96           | 10,536.48           |
| Leasehold<br>improvements     | -                   | 199.06          | -                        | 199.06              | -                   | 16.59           | -                        | 182.47              | -                   |
| Plant & Machinery             | 3,589.41            | 65.33           | 3.02                     | 3,651.72            | 2,636.88            | 298.87          | 2.45                     | 718.42              | 952.53              |
| Shuttering &<br>Scaffolding   | 4,121.12            | 0.15            | -                        | 4,121.27            | 3,596.36            | 209.96          | -                        | 314.95              | 524.76              |
| Furniture & Fixtures          | 1,386.95            | 15.91           | 1.15                     | 1,401.71            | 1,042.35            | 107.82          | 1.01                     | 252.55              | 344.60              |
| Motor Vehicles                | 1,327.83            | 0.50            | 111.36                   | 1,216.97            | 898.67              | 110.80          | 87.69                    | 295.19              | 429.16              |
| Office Equipment              | 617.74              | 43.29           | 31.61                    | 629.42              | 466.69              | 50.24           | 25.73                    | 138.22              | 151.05              |
| Computers                     | 438.56              | 20.27           | 4.17                     | 454.66              | 418.31              | 17.33           | 3.94                     | 22.96               | 20.25               |
| <b>Total</b>                  | <b>26,032.62</b>    | <b>1,037.74</b> | <b>694.00</b>            | <b>26,376.36</b>    | <b>11,014.81</b>    | <b>1,544.94</b> | <b>193.32</b>            | <b>14,009.93</b>    | <b>15,017.81</b>    |
| <b>Previous Year</b>          | <b>20,260.69</b>    | <b>6,031.56</b> | <b>259.63</b>            | <b>26,032.62</b>    | <b>9,438.31</b>     | <b>1,647.02</b> | <b>70.52</b>             | <b>15,017.81</b>    | <b>10,822.38</b>    |

## Notes Forming Part of the Consolidated Financial Statements

| Particulars   | ₹ in lacs               |                         |
|---|-------------------------|-------------------------|
|   | As at<br>31 March, 2012 | As at<br>31 March, 2011 |
| <b>Note 14: Non-current investments</b>   |                         |                         |
| <b>(At Cost)</b>  |                         |                         |
| <b>A. Trade Investments (Unquoted)</b>  |                         |                         |
| <b>a. Investment in equity shares of:</b>   |                         |                         |
| <b>i. Associates</b>  |                         |                         |
| a. Amazon India Limited   |                         |                         |
| 25,000 (Previous year 25,000) Equity Shares of ₹ 10/- each fully paid-up                                    | 2.50                    | 2.50                    |
| Add: Goodwill on consolidation  | 210.00                  | 210.00                  |
| Add: Share in opening accumulated profits   | 39.83                   | 39.82                   |
| Add: Share in profits/(losses) of current year  | 0.99                    | 0.01                    |
|   | 253.32                  | 252.33                  |
| b. Home Life Real Estate Private Limited  |                         |                         |
| 7,75,000 (Previous year 7,75,000) Equity Shares of ₹ 10/- each fully paid-up                                | 77.50                   | 77.50                   |
| Add: share in opening accumulated profits   | 15.94                   | 14.91                   |
| Add: Share in profits/(losses) of current year  | 2.48                    | 1.03                    |
|   | 95.92                   | 93.44                   |
| c. Vardaan Buildtech Private Limited  |                         |                         |
| 16,000 (Previous year 16,000) Equity Shares of ₹ 10/- each fully paid-up                                    | 1.60                    | 1.60                    |
| Add: share in opening accumulated profits   | 3.15                    | 3.15                    |
| Add: Share in profits/(losses) of current year  | (0.01)                  | -                       |
|   | 4.74                    | 4.75                    |
| d. Nanocity Haryana Infrastructure Limited  |                         |                         |
| 38,00,000 (Previous year 38,00,000) Equity Shares of ₹ 10/- each, amount paid-up is ₹ 3.73 per equity share | 141.74                  | 141.74                  |
| Add: Goodwill on consolidation  | 1,408.26                | 1,408.26                |
| Add: Share in opening accumulated profits/(Losses)  | (184.42)                | (114.04)                |
| Add: Share in profits/(losses) of current year  | (22.11)                 | (70.38)                 |
|   | 1,343.47                | 1,365.58                |
|   | 1,697.45                | 1,716.10                |
| <b>ii. Other entities</b>   |                         |                         |
| a. Nakshatra Residency Private Limited  |                         |                         |
| 5,000 (Previous year Nil) Equity Shares of ₹ 10/- each fully paid-up  | 0.50                    | -                       |
| b. Aadi Best Consortium Private Limited   |                         |                         |
| 1,000 (Previous year Nil) Equity Shares of ₹ 10/- each fully paid-up  | 0.10                    | -                       |
|   | 0.60                    | -                       |
|   | 1,698.05                | 1,716.10                |
| <b>b. Investment in debentures of:</b>  |                         |                         |
| <b>i. Joint Venture Companies</b>   |                         |                         |
| a. Parsvnath Buildwell Private Limited  |                         |                         |
| Nil (Previous year 2,50,145) 15.50% Fully Convertible Debentures of ₹ 100/- each fully paid-up              | -                       | 125.07                  |
|   | -                       | 125.07                  |
| <b>Total Trade Investments (A)</b>  | <b>1,698.05</b>         | <b>1,841.17</b>         |

## Notes Forming Part of the Consolidated Financial Statements

|  |                         | ₹ in lacs               |  |
|--|-------------------------|-------------------------|--|
| Particulars  | As at<br>31 March, 2012 | As at<br>31 March, 2011 |  |
| <b>B. Other Investments (Unquoted)</b>   |                         |                         |  |
| <b>a. Investment in equity shares of:</b>  |                         |                         |  |
| <b>i. Other entities</b>   |                         |                         |  |
| a. Delhi Stock Exchange Limited  |                         |                         |  |
| 14,96,500 (Previous year 14,96,500) Equity Shares of ₹ 1/- each fully paid-up  | 1,047.55                | 1,047.55                |  |
| b. Jaipur Stock Exchange Limited   |                         |                         |  |
| 3,24,500 (Previous year 3,24,500) Equity Shares of ₹ 1/- each fully paid-up  | 58.41                   | 58.41                   |  |
| <b>Total Other Investments (B)</b>   | <b>1,105.96</b>         | <b>1,105.96</b>         |  |
| <b>Total Non-Current Investments (A + B)</b>   | <b>2,804.01</b>         | <b>2,947.13</b>         |  |
| Aggregate amount of quoted investments   | -                       | -                       |  |
| Market value of quoted investments   | -                       | -                       |  |
| Aggregate amount of unquoted investments   | 2,804.01                | 2,947.13                |  |
| <b>Note 15: Deferred Tax Assets (Net)</b>  |                         |                         |  |
| a. Deferred tax assets and liabilities are being offset as they relate to taxes on income levied by the same governing taxation laws.          |                         |                         |  |
| b. Break-up of deferred tax assets is as follows:  |                         |                         |  |
| Tax impact of provision for employee benefits charged in the financial statements but allowable as deductions in future years under income tax | 261.24                  | 463.38                  |  |
| Tax impact of difference between carrying amount of fixed assets in the financial statements and the income tax return                         | 296.90                  | 236.89                  |  |
| <b>Deferred Tax Assets</b>   | <b>558.14</b>           | <b>700.27</b>           |  |
| <b>Note 16: Long-term loans and advances</b>   |                         |                         |  |
| Unsecured, considered good:  |                         |                         |  |
| a. Capital Advances  | 1,717.35                | 2,210.42                |  |
| b. Security deposits   | 3,658.72                | 5,070.12                |  |
| c. Advance for land Purchase to related parties  | 17,782.05               | 20,523.01               |  |
| d. Advance for investment to related parties   | -                       | 11.01                   |  |
| e. Advance for Land Purchases  | 5,834.62                | 4,686.34                |  |
| f. Upfront fee paid for projects (Unamortised)   | 22,994.39               | 24,094.64               |  |
| g. MAT credit entitlement  | 33.00                   | 33.00                   |  |
| h. Other loans and advances  | 341.98                  | 350.26                  |  |
|  | <b>52,362.11</b>        | <b>56,978.80</b>        |  |

## Notes Forming Part of the Consolidated Financial Statements

₹ in lacs

| Particulars   | As at<br>31 March, 2012 | As at<br>31 March, 2011 |
|---|-------------------------|-------------------------|
| <b>Note 17: Inventories</b>   |                         |                         |
| (At lower of cost and net realisable value)   |                         |                         |
| a. Work-in-progress (Projects)  | 2,97,902.07             | 2,65,346.22             |
| b. Finished flats   | 5,881.26                | 5,713.82                |
| c. Food, Beverages and Stores   | 37.68                   | -                       |
|   | <b>3,03,821.01</b>      | <b>2,71,060.04</b>      |
| <b>Note 18: Trade receivables</b>   |                         |                         |
| (Unsecured, considered good)  |                         |                         |
| a. Outstanding for a period exceeding six months from the date they were due for payment  | 45,481.93               | 40,251.78               |
| b. Other trade receivables  | 22,408.45               | 23,576.42               |
|   | <b>67,890.38</b>        | <b>63,828.20</b>        |
| <b>Note 19: Cash and bank balances</b>  |                         |                         |
| <b>A. Cash and cash equivalents:</b>  |                         |                         |
| a. Cash on hand   | 32.32                   | 128.09                  |
| b. Cheques, drafts on hand  | 177.17                  | -                       |
| c. Balances with scheduled banks  |                         |                         |
| i. In current accounts  | 3,416.11                | 2,985.47                |
| ii. In deposit accounts   | 4,335.80                | 1,836.61                |
| iii. In earmarked accounts  |                         |                         |
| - Unpaid dividend accounts  | 38.21                   | 38.38                   |
|   | <b>7,999.61</b>         | <b>4,988.55</b>         |
| <b>B. Other bank balances:</b>  |                         |                         |
| a. Deposits with banks held as margin money or security against borrowings or guarantees  | 14,813.77               | 19,554.15               |
|   | 14,813.77               | 19,554.15               |
|   | <b>22,813.38</b>        | <b>24,542.70</b>        |
| Of the above, the balances that meet the definition of Cash and cash equivalents as per Accounting Standard 3 - Cash Flow Statement | 7,999.61                | 4,988.55                |

**Notes:**

(i) Balances with banks include deposits amounting to ₹ 1,443.18 lacs (Previous year ₹ 5,612.95 lacs), which have a maturity of more than 12 months from the balance sheet date.

## Notes Forming Part of the Consolidated Financial Statements

₹ in lacs

| Particulars                                   | As at<br>31 March, 2012 | As at<br>31 March, 2011 |
|---|-------------------------|-------------------------|
| <b>Note 20: Short-term loans and advances</b> |                         |                         |
| (Unsecured, considered good)                  |                         |                         |
| a. Loans and advances to related parties      | 600.56                  | 410.98                  |
| b. Security deposits                          | 1,690.90                | 1,551.59                |
| c. Loans and advances to employees            | 3.24                    | 12.71                   |
| d. Prepaid expenses                           | 2,306.69                | 3,997.52                |
| e. Balances with government authorities       | 585.82                  | 668.96                  |
| f. Others                                     |                         |                         |
| i. Advance for Land Purchases                 | 40,516.65               | 40,934.42               |
| ii. Advance to Suppliers                      | 6,104.15                | 5,170.54                |
| iii. Others                                   | 4,901.69                | 5,287.13                |
|   | <b>56,709.70</b>        | <b>58,033.85</b>        |
| <b>Note 21: Other current assets</b>          |                         |                         |
| a. Unbilled revenue                           | 80,503.29               | 74,157.31               |
| b. Accruals                                   |                         |                         |
| i. Interest accrued on deposits               | 505.39                  | 530.63                  |
| ii. Interest accrued on investments           | -                       | 7.70                    |
| c. Others                                     |                         |                         |
| i. Receivables on sale of fixed assets        | 3,123.98                | 370.85                  |
| ii. Assets held for disposal                  | 100.49                  | -                       |
|   | <b>84,233.15</b>        | <b>75,066.49</b>        |

₹ in lacs

| Particulars                             | Year ended<br>31 March, 2012 | Year ended<br>31 March, 2011 |
|---|------------------------------|------------------------------|
| <b>Note 22: Revenue from operations</b> |                              |                              |
| a. Revenue from sale of properties      | 77,001.02                    | 73,549.77                    |
|   | 77,001.02                    | 73,549.77                    |
| b. Sale of services:                    |                              |                              |
| i. Income from construction contracts   | 10,845.50                    | 14,732.42                    |
| ii. Management fee                      | 310.76                       | 7.35                         |
| iii. Licence income                     | 1,268.48                     | 879.85                       |
| iv. Rent received                       | 133.00                       | 163.37                       |
| v. Maintenance charges income           | 197.35                       | 129.02                       |
|   | 12,755.09                    | 15,912.01                    |
| <b>Sub-total (a + b)</b>                | <b>89,756.11</b>             | <b>89,461.78</b>             |
| c. Other operating revenues:            |                              |                              |
| i. Sale of scrap                        | 136.52                       | 231.94                       |
| ii. Others                              | 628.55                       | 1,221.75                     |
| <b>Sub-total (c)</b>                    | <b>765.07</b>                | <b>1,453.69</b>              |
| <b>Total (a + b + c)</b>                | <b>90,521.18</b>             | <b>90,915.47</b>             |

## Notes Forming Part of the Consolidated Financial Statements

| Particulars   | ₹ in lacs                    |                              |
|---|------------------------------|------------------------------|
|   | Year ended<br>31 March, 2012 | Year ended<br>31 March, 2011 |
| <b>Note 23: Other income</b>  |                              |                              |
| a. Interest income:   |                              |                              |
| i. Interest on deposits with banks  | 1,401.53                     | 1,104.90                     |
| ii. Interest Income from customers/others                                     | 563.42                       | 519.72                       |
| iii. Interest income from long term investments<br>- in Joint Ventures        | 7.78                         | 4.46                         |
| b. Profit on sale of fixed assets   | 5,570.99                     | 1,552.26                     |
| c. Other Non-Operating Income:  |                              |                              |
| i. Profit on sale of investment in subsidiaries                               | -                            | 15.05                        |
| ii. Miscellaneous income  | 56.51                        | 128.29                       |
|   | <b>7,600.23</b>              | <b>3,324.68</b>              |
| <b>Note 24: Cost of Materials Consumed</b>                                    |                              |                              |
| a. Construction Material  | 17,161.61                    | 24,897.14                    |
| b. Food, Beverages and Stores   | 19.02                        | -                            |
|   | <b>17,180.63</b>             | <b>24,897.14</b>             |
| <b>Note 25: Purchases of Stock-in-trade</b>                                   |                              |                              |
| a. Finished flats   | 343.90                       | 194.01                       |
|   | <b>343.90</b>                | <b>194.01</b>                |
| <b>Note 26: Changes in inventories of finished goods and work-in-progress</b> |                              |                              |
| a. Inventories at the beginning of the year:                                  |                              |                              |
| i. Work-in-progress   | 2,65,346.22                  | 2,45,784.03                  |
| Add: Acquired upon conversion of joint venture into subsidiary                | 7,930.26                     | 2,107.82                     |
| Less: Transferred to Capital Work-in-Progress                                 | 882.22                       | 1,943.17                     |
|   | 2,72,394.26                  | 2,45,948.68                  |
| ii. Finished flats  | 5,713.82                     | 5,578.70                     |
|   | <b>2,78,108.08</b>           | <b>2,51,527.38</b>           |
| b. Inventories at the end of the year:  |                              |                              |
| i. Work-in-progress   | 2,97,902.07                  | 2,65,346.22                  |
| ii. Finished flats  | 5,881.26                     | 5,713.82                     |
|   | <b>3,03,783.33</b>           | <b>2,71,060.04</b>           |
| <b>Net (increase) / decrease</b>  | <b>(25,675.25)</b>           | <b>(19,532.66)</b>           |
| <b>Note 27: Employee benefits expense</b>                                     |                              |                              |
| a. Salaries and wages   | 4,611.29                     | 3,896.76                     |
| b. Contributions to provident and other funds                                 | 42.55                        | 39.36                        |
| c. Staff welfare expenses   | 123.24                       | 133.92                       |
|   | <b>4,777.08</b>              | <b>4,070.04</b>              |

## Notes Forming Part of the Consolidated Financial Statements

₹ in lacs

|  | Year ended<br>31 March, 2012 | Year ended<br>31 March, 2011 |
|--|------------------------------|------------------------------|
| <b>Note 28: Finance costs</b>  |                              |                              |
| a. Interest expense on:  |                              |                              |
| i. Borrowings  | 21,997.69                    | 17,381.27                    |
| ii. Others   |                              |                              |
| - To Customers / on trade payables   | 2,853.12                     | 2,073.30                     |
| - Interest on delayed / deferred payment of income tax   | 506.09                       | 673.47                       |
| - Others   | 2.54                         | 0.73                         |
| b. Other borrowing costs   | 2,773.63                     | 2,724.97                     |
|  | <b>28,133.07</b>             | <b>22,853.74</b>             |
| Note: Finance Costs includes ₹ 21,369.17 lacs (Previous year ₹ 15,908.34 lacs) incurred on the development / construction of projects. |                              |                              |
| <b>Note 29: Other expenses</b>   |                              |                              |
| a. Power and fuel charges  | 960.46                       | 1,015.79                     |
| b. Rent including lease rentals  | 1,176.66                     | 899.44                       |
| c. Repairs and maintenance   |                              |                              |
| - Building   | 394.86                       | 62.42                        |
| - Machinery  | 116.11                       | 67.69                        |
| - Others   | 841.51                       | 558.39                       |
| d. Insurance   | 182.69                       | 220.59                       |
| e. Rates and taxes   | 328.01                       | 897.34                       |
| f. Postage and telephone expenses  | 138.58                       | 199.09                       |
| g. Travelling and conveyance   | 231.48                       | 190.21                       |
| h. Printing and stationery   | 141.13                       | 150.41                       |
| i. Advertisement and publicity   | 1,101.87                     | 810.33                       |
| j. Commission  | 1,200.05                     | 1,105.59                     |
| k. Vehicle running and maintenance   | 171.77                       | 150.10                       |
| l. Rebate and discount   | 1,298.77                     | 577.81                       |
| m. Legal and professional charges (see note i. below)  | 2,199.42                     | 2,115.72                     |
| n. Share of loss in Associates   | 18.65                        | 69.34                        |
| o. Preliminary expenses written off  | 0.11                         | 3.42                         |
| p. Miscellaneous expenses  | 470.98                       | 432.64                       |
|  | <b>10,973.11</b>             | <b>9,526.32</b>              |
| <b>Note:</b>   |                              |                              |
| <b>i. Auditors' remuneration</b>   |                              |                              |
| Legal and professional charges includes auditors' remuneration (net of service tax input credit) as follows:                           |                              |                              |
| - Statutory audit fee  | 60.70                        | 60.20                        |
| - Tax Audit fee  | 3.00                         | 3.00                         |
| - Limited reviews fee  | 24.00                        | 24.00                        |
| - Certification and other services   | 7.17                         | 50.00                        |
| - Reimbursement of out-of-pocket expenses  | 1.81                         | 0.11                         |
|  | <b>96.68</b>                 | <b>137.31</b>                |

## Notes Forming Part of the Consolidated Financial Statements

### Note 30: Contingent liabilities (to the extent not provided for)

| Particulars  | ₹ in lacs                  |                            |
|--|----------------------------|----------------------------|
|  | As at<br>31 March,<br>2012 | As at<br>31 March,<br>2011 |
| a. Claims against the Group not acknowledged as debt*:   |                            |                            |
| i. Demand for payment of stamp duty  | 479.10                     | 479.10                     |
| ii. Customer complaints pending in consumer courts   | 5,290.69                   | 4,586.08                   |
| iii. Civil Cases against the Group   | 171.35                     | 505.88                     |
| iv. Trade Tax demand   | 2,052.02                   | 5,693.94                   |
| v. Entry Tax demand  | 146.62                     | 367.25                     |
| vi. Others   | 1,072.81                   | 16.71                      |
| b. Security/Performance Guarantees issued by the banks to various Government authorities, for which the Group has provided counter guarantee | 20,085.28                  | 26,889.33                  |
| c. Corporate guarantees issued on behalf of subsidiary Companies in respect of loans taken by them:  |                            |                            |
| i. Sanctioned amount   | 24,268.00                  | 14,000.00                  |
| ii. Outstanding amount   | 15,355.89                  | 14,000.00                  |

\* Based on consultation with Group's solicitors, the Group does not expect any outflow of economic resources in respect of above claims and therefore no provision is made in respect thereof.

### Note 31: Commitments

| Particulars   | ₹ in lacs                  |                            |
|---|----------------------------|----------------------------|
|   | As at<br>31 March,<br>2012 | As at<br>31 March,<br>2011 |
| a. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)   | 20,782.51                  | 20,159.06                  |
| b. Capital commitment towards investment in joint venture, Parsvnath Buildwell Private Limited (other than own share) | Nil                        | 1,759.51                   |
| c. Uncalled liability on shares partly paid   | 2,600.00                   | 2,600.00                   |

### Note 32:

Pursuant to Investment Agreement dated 21 December, 2010 entered into between the Company, Parsvnath Buildwell Private Limited (PBPL), Parsvnath and Associates Private Limited (Co-Promoter) and two overseas Investment entities (Investors) and 'Assignment of Development Rights Agreement' dated 28 December, 2010 entered into with PBPL and Collaborators, the Company had assigned Development Rights in respect of one of its ongoing project, namely, 'Parsvnath Exotica, Ghaziabad' (on land admeasuring 31 acres) situated at Village Arthala, Ghaziabad (the Project) to PBPL on terms and conditions contained therein. Further the Company has given the following undertakings to PBPL:

- The project shall be completed within the agreed completion schedule. Construction cost for completion of project shall not exceed the amount set out in the agreement and the project revenue from sold area shall be at least the amount set out in the agreement.
- In case of delays in completion of the project, any penalties or compensation payable to customers shall be borne by the Company.
- The Company shall not, directly or indirectly, create any encumbrance over or transfer any equity securities held by it in PBPL during the lock in period (till completion of project) except for securing construction loan.

### Note 33:

Pursuant to Investment Agreement dated 9 December, 2009 entered into between the Company, Parsvnath Hessa Developers Private Limited (PHDPL) and two Overseas Investors, the Company had transferred and assigned Development Rights in relation to a part of its ongoing project, namely, 'Parsvnath Exotica, Gurgaon' (on land admeasuring 11.092 acres) situated at Sector 53, Golf Course Road, Gurgaon (the Project) to PHDPL on terms and conditions contained therein. Further, the Company has given the following undertakings to PHDPL:

- The Project will be completed within the completion schedule and construction cost shall not exceed the amount as set out in the agreement.
- Project Revenue shall be at least the amounts set out in the agreement. In case actual revenue is less than the amount specified in the agreement, the Company shall deposit the amount of shortfall with PHDPL.
- The Company shall not create any encumbrance over or transfer any equity securities held by it in PHDPL during the lock in period as defined in the Investment Agreement.

### Note 34:

The Company has entered into a Memorandum of Understanding (MOU) dated 22 December, 2010 with Parsvnath Realcon

## Notes Forming Part of the Consolidated Financial Statements

Private Limited (PRPL) which is a wholly owned subsidiary of its subsidiary Parsvnath Buildwell Private Limited (PBPL). Pursuant to the MOU, the Company has assigned development rights of the project, namely, 'Parsvnath Paramount' on land admeasuring 6,445 square metres situated at Subhash Nagar, New Delhi. The Company has also entered into a 'Project Management Agreement' with PRPL and PBPL for overall management and coordination of project development. Further, the Company has given following Undertakings to PRPL:

- a. It shall complete the project within the completion schedule and Construction Cost in the Agreement.
- b. The project revenues from sold area shall be at least the amount set out in the Agreement and such revenues shall be realised within 36 months from the effective date.
- c. In the event of construction cost overrun or revenue shortfall, the Company shall contribute such excess/shortfall amount against allotment of equity shares or other instruments at such premium as may be mutually determined by the parties.

### Note 35:

The Company entered into a Development Agreement with Chandigarh Housing Board for development of residential, commercial and other related infrastructure facilities as an integrated Project on land admeasuring 123.79 acres situated at Rajiv Gandhi Technology Park, Chandigarh.

Owing to various factors such as delay in handing over unencumbered land and consequential determination of start of development period, delay in approval of drawings, etc. and various other issues, disputes have arisen between the Company and Chandigarh Housing Board (CHB). The Company has invoked the arbitration clause in the development agreement. Pending any decision arising out of the arbitration proceedings, the amount spent on construction/development of the project has been included under work-in-progress (inventory).

### Note 36:

Parsvnath Film City Limited (PFCL), a subsidiary of the Company had given an advance of ₹ 4,775 lacs to 'Chandigarh Administration' (CA), being 25% of the consideration amount for acquisition of leasehold rights in respect of a plot of land admeasuring 30 acres, under Development Agreement dated 2 March 2007 for development of a Multimedia-cum-Film City Complex.

The possession of the said land has not yet been handed over to PFCL, accordingly it invoked the arbitration clause seeking refund of allotment money paid along with compensation and interest.

Arbitrators vide their order dated 10 March, 2012 have decided the matter in favour of PFCL and awarded refund of ₹ 4,919.00 lacs towards the bid amount and other expenses incurred

by PFCL along with interest @ 12% per annum. Pending acknowledgement from CA, cost reimbursement and interest has not been recognised in the books of account of PFCL.

### Note 37:

The Company had executed 'Amended and Restated Investment and Security Holder's Agreement' with one of its Subsidiaries, Parsvnath Estate Developers Private Limited (PEDPL), two Overseas Investment Entities (Investors) and others for development of office complex on plot of land admeasuring 15,583.83 sq. mtrs. situated at Bhai Veer Singh Marg, New Delhi, on the terms and conditions as contained in the Agreement and as amended time to time. The Rights in the said plot have been allotted on 'Build Operate Transfer' (BOT) basis to the Company by Delhi Metro Rail Corporation Ltd. (DMRC)]. These Rights have been assigned by the Company in favour of PEDPL for implementation of the Project on DMRC approval.

### Note 38:

The Company has executed 'PDL Support Agreement' in favour of Parsvnath Landmark Developers Private Limited (PLDPL) and J.P. Morgan Advisors India Private Limited being the Security Trustees for the Term Loan of ₹ 14,000.00 lacs given to PLDPL. In terms of the said Agreement, the Company has given Undertaking for completion of construction of 'La Tropicana' Project, New Delhi, within the amount set out in the Agreement and within the Completion Schedule, as stated therein. Any escalation in the construction cost is to be funded by the Company. Further, the Company has also undertaken that it shall maintain at all times 78% of the Ownership and Voting rights in PLDPL.

### Note 39:

The Company was selected as the preferred bidder for grant of lease for development of project on plot of land at Sarai Rohilla, Kishanganj, Delhi by 'Rail Land Development Authority' (RLDA) vide its 'Letter of Acceptance' (LOA) dated 26 November, 2010. In terms of LOA, the project is being implemented through a Special Purpose Vehicle (SPV), Parsvnath Promoters And Developers Private Limited (PPDPL). Subsequently RLDA informed that the permission for using the PPDPL as SPV was not in accordance with the provisions of the RFP and directed to incorporate a new SPV for implementation of the project. PPDPL is pursuing with RLDA to continue its approval with respect to acceptance of the said company as SPV and has also filed writ petition before the Delhi High Court and the matter is sub-judice.

### Note 40:

The Company has entered into concession agreement with Delhi Metro Rail Corporation Limited (DMRC) for various projects on Build-operate-transfer (BOT) basis. In two of such projects, the Company was unable to commercially utilise the properties due to

## Notes Forming Part of the Consolidated Financial Statements

(a) lack of clarity between DMRC and MCD with respect to authority for sanction of building plans for Tis Hazari Project; and (b) non submission of certain documents by DMRC as required by the sanctioning authority for Netaji Subhash Place project. In view of these delays, the Company has sought concessions from DMRC and has invoked Arbitration clause of the concession agreement.

### Note 41:

The group is executing a project through Parsvnath Developers (AOP). The Land was allotted by Punjab Small Industrial & Export Corporation Limited (PSIECL) to the Company (member of AOP), on free hold basis. Consideration for allotment of land was payable in yearly instalments with last instalment due on 23.12.2010. As on the date of balance sheet, ₹ 2,536.83 lacs are overdue for payment to PSIECL. In terms of the agreement, failure to complete the construction within the stipulated time or non-adherence to the payment schedule will entitle PSIECL to cancel the allotment and forfeit part of the amount paid. The cancellation can be made only after giving a Show Cause Notice to the Company. AOP is pursuing with PSIECL and is hopeful of getting extension of construction period and payment schedule. In the opinion of the joint venture partners, based on discussion with PSIECL; no adjustment is required for cancellation/forfeiture.

### Note 42:

Sundry debtors include ₹45,481.93 lacs (previous year ₹ 40,251.78 lacs) outstanding for a period exceeding six months. Due to recession in the industry, there have been delays in customer's collections. In view of industry practice and terms of agreement with customers, all these debts are considered good for recovery and hence no provision is considered necessary.

### Note 43:

- The company had claimed deduction under Sub-section 10 of Section 80-IB of the Income Tax Act, 1961 in respect of profit from eligible housing projects on the basis of percentage of completion method in the respective years during the financial years 2006-07 to 2010-11, which is admissible subject to condition that construction is completed within 5 years of approval from local authority. In respect of five housing projects, construction could not be completed within the period specified under the provisions of the said section. Consequently, Income Tax deductions claimed in respect of these 5 housing projects in earlier years have been considered as taxable during the current year based on legal opinion obtained by the Company. Accordingly the Company has made a provision for tax liability of ₹ 8,917.00 lacs for the year ended 31 March, 2012.
- The company had claimed deduction of ₹ 3,849.35 lacs under Sub-section 10 of Section 80-IB of the Income Tax

Act, 1961 in respect of profit from two of its eligible housing projects on the basis of percentage of completion method in the respective years during the financial years 2006-07 to 2010-11. The construction of these projects has been completed within the period specified under the provisions of the said section for which the company has obtained Certificate of completion from approved Architect and has also filed the applications for seeking completion certificate from the respective sanctioning authorities.

- The company has taken benefits in respect of one housing project qualifying under section 80-IB of the Income Tax Act, 1961. In terms of current tax laws, to avail tax benefits, this project has to be completed within the specified due date. The company is hopeful of completing this project on or before the said specified date.

### Note 44:

The Company has sold agriculture land during the year. Profit from sale of fixed assets includes capital gain on sale of agriculture land. Based on legal opinion obtained by the Company, capital gain arising from sale of such agriculture land has been considered as tax free and accordingly no tax provision has been made.

### Note 45:

The Group is setting up various projects on Build Operate Transfer (BOT) basis, SEZs and Hotels. Costs incurred on these Projects till completion of the project are reflected as Capital Work in Progress. Details of Net Incidental Expenditure during construction pending allocation in respect of these capital projects are as under:

₹ in lacs

| Particulars                                   | Year ended<br>31 March,<br>2012 | Year ended<br>31 March,<br>2011 |
|---|---------------------------------|---------------------------------|
| a. Balance brought forward                    | 24,584.03                       | 15,577.48                       |
| b. Incurred during the year                   |                                 |                                 |
| i. Salaries, Wages and Bonus                  | 53.03                           | 57.93                           |
| ii. Contribution to provident and other funds | 0.50                            | 0.56                            |
| iii. Miscellaneous expenses                   | 84.05                           | 76.61                           |
| iv. Legal and professional charges            | 51.01                           | 187.55                          |
| v. Interest expense                           | 8,752.97                        | 8,806.93                        |
| Sub-total ( B )                               | 8,941.56                        | 9,129.58                        |
| c. Total (A+B)                                | 33,525.59                       | 24,707.06                       |
| d. Less : capitalised during the year         | 90.13                           | 123.03                          |
| e. Less transferred to work-in-progress       | 518.57                          | -                               |
| <b>Balance carried forward (C-D)</b>          | <b>32,916.89</b>                | <b>24,584.03</b>                |

### Note 46:

The Group has no outstanding derivative or foreign exposure as at the end of the year.

## Notes Forming Part of the Consolidated Financial Statements

### Note 47: Details of contract revenue and costs

In accordance with the Accounting Standard 7 on 'Construction Contracts', details of contracts revenue and cost is as under:

| ₹ in lacs  |                |                |
|--|----------------|----------------|
| Particulars  | 31 March, 2012 | 31 March, 2011 |
| 1. Contract revenue recognised during the year                                   | 10,845.50      | 14,732.42      |
| 2. Aggregate of contract costs incurred and recognised profits upto the year-end | 30,430.54      | 27,036.27      |
| 3. Advances received for contracts in progress                                   | 618.24         | 611.48         |
| 4. Retention money for contracts in progress                                     | 487.56         | 388.42         |
| 5. Amount due from customers for contract work                                   | 1,676.15       | 7,850.60       |

### Note 48: Employee benefits

In accordance with the revised Accounting Standard 15, the requisite disclosures are as follows:

#### Defined contribution plans

The Group makes Provident Fund contributions to Regional Provident Fund Commissioner (RPFC) for qualifying employees. The Group contributed a specified percentage of salary to Fund the benefits. The Group recognised ₹ 42.55 lacs (previous year ₹ 39.35 lacs) for Provident Fund contributions in the Statement of Profit and Loss.

#### Defined benefit plan

Gratuity is a defined benefit plan covering eligible employees. The plan provides for a lump sum payment to vested employees on retirement, death with in employment or termination of employment of an amount equivalent to 15 days salary for each completed year of service. Vesting occurs on completion of five years of service.

Disclosure as required under Accounting Standard – 15 (Revised) on "Employee Benefits" in respect of defined benefit plan is as under:

#### i. Change in Defined Benefit Obligation

| ₹ in lacs  |                |                |
|--|----------------|----------------|
| Particulars  | 31 March, 2012 | 31 March, 2011 |
| Present value of obligations as at the beginning of the year | 329.41         | 227.44         |
| Interest cost  | 25.70          | 17.15          |
| Past service cost  | -              | 70.93          |
| Current service cost   | 59.32          | 64.31          |
| Benefits paid  | (28.43)        | (24.90)        |

₹ in lacs

| Particulars  | 31 March, 2012 | 31 March, 2011 |
|--|----------------|----------------|
| Actuarial (gain) / loss on obligations                 | (30.81)        | (25.52)        |
| Present value of obligations as at the end of the year | <b>355.19</b>  | <b>329.41</b>  |

ii. The fair value of plan assets is Nil since retirement benefit plans are wholly unfunded as on 31 March, 2012.

#### iii. Amounts recognized in the Balance Sheet

₹ in lacs

| Particulars  | 31 March, 2012 | 31 March, 2011 |
|--|----------------|----------------|
| Present value of obligations as at the end of the year | 355.19         | 329.41         |
| Amount recognized in the Balance Sheet                 | <b>355.19</b>  | <b>329.41</b>  |

#### iv. Expenses recognized in the statement of Profit and Loss

₹ in lacs

| Particulars                                     | 31 March, 2012 | 31 March, 2011 |
|---|----------------|----------------|
| Current service cost                            | 59.32          | 64.31          |
| Past Service Cost                               | -              | 70.93          |
| Interest cost                                   | 25.70          | 17.15          |
| Actuarial (gain) / loss                         | (30.81)        | (25.52)        |
| Expenses charged to the Profit and Loss Account | <b>54.21</b>   | <b>126.87</b>  |

#### v. Balance Sheet Reconciliation

₹ in lacs

| Particulars                                | 31 March, 2012 | 31 March, 2011 |
|--|----------------|----------------|
| Net Liability at the beginning of the year | 329.41         | 227.44         |
| Expense as above                           | 54.21          | 126.87         |
| Benefits paid                              | (28.43)        | (24.90)        |
| Amount Recognized in the Balance Sheet     | <b>355.19</b>  | <b>329.41</b>  |

#### vi. Principal Actuarial Assumptions

| Particulars                        | 31 March, 2012  | 31 March, 2011  |
|------------------------------------|-----------------|-----------------|
| <b>(a) Economic Assumptions</b>    |                 |                 |
|                                    | (%)             | (%)             |
| Discount rate                      | 8.00            | 7.50            |
| Salary escalation                  | 3.50            | 4.00            |
| <b>(b) Demographic Assumptions</b> |                 |                 |
| Retirement Age                     | 60              | 60              |
| Mortality Table                    | LIC (1994-1996) | LIC (1994-1996) |

## Notes Forming Part of the Consolidated Financial Statements

| Ages                | Withdrawal Rate (%) | Withdrawal Rate (%) |
|---------------------|---------------------|---------------------|
| Upto 30 years       | 3.00                | 3.00                |
| From 31 to 44 years | 2.00                | 2.00                |
| Above 44 years      | 1.00                | 1.00                |

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

The estimates of future salary increases considered in the actuarial valuation takes into account inflation, seniority, promotion and other relevant factors on long term basis.

### vii. Experience adjustment ₹ in lacs

| Particulars   | 31.03.12 | 31.03.11 | 31.03.10 | 31.03.09 | 31.03.08 |
|---|----------|----------|----------|----------|----------|
| Defined benefit Obligation                            | 355.19   | 329.41   | 227.44   | 196.24   | 303.60   |
| Plan assets   | -        | -        | -        | -        | -        |
| Surplus/(deficit)                                     | (355.19) | (329.41) | (227.44) | (196.24) | (303.60) |
| Experience adjustment on plan liabilities gain/(loss) | 30.81    | 25.52    | 13.61    | 99.20    | -        |

### Actuarial assumptions for long-term compensated absences

| Particulars                       | 31 March, 2012 (%)         | 31 March, 2011 (%)         |
|-----------------------------------|----------------------------|----------------------------|
| <b>a. Economic Assumptions</b>    |                            |                            |
| Discount rate                     | 8.00                       | 7.50                       |
| Salary escalation                 | 3.50                       | 4.00                       |
| <b>b. Demographic Assumptions</b> |                            |                            |
| Retirement Age                    | 60                         | 60                         |
| Mortality Table                   | LIC (1994-1996)            |                            |
| <b>Ages</b>                       | <b>Withdrawal Rate (%)</b> | <b>Withdrawal Rate (%)</b> |
| Upto 30 years                     | 3.00                       | 3.00                       |
| From 31 to 44 years               | 2.00                       | 2.00                       |
| Above 44 years                    | 1.00                       | 1.00                       |

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

The estimates of future salary increases considered in the actuarial valuation takes into account inflation, seniority, promotion and other relevant factors on long term basis.

### Note 49: Details of borrowing costs capitalised during the year

₹ in lacs

| Particulars                             | Year ended 31 March, 2012 | Year ended 31 March, 2011 |
|---|---------------------------|---------------------------|
| Fixed assets / capital work-in-progress | 8,752.97                  | 8,806.93                  |

### Note 50: Segment information:

The Group is predominantly engaged in Real Estate. Operations of the Group do not qualify for reporting as business segments as per the criteria set out under Accounting Standard 17 (AS-17) on "Segment Reporting". The Group is operating in India hence there is no reportable geographic segment. Accordingly no disclosure is required under AS-17.

### Note 51: Leasing arrangements

The Group has entered into Concession Agreements with Delhi Metro Rail Corporation (DMRC) and has acquired the License Rights to develop properties and sub license it to the customers for a defined period of time. Of the license fees of ₹2,094.02 lacs (Previous Year ₹1,555.25 lacs) paid/payable by the Group during the year, ₹701.58 lacs (Previous year ₹564.04 lacs) has been charged to revenue and ₹1,392.44 lacs (Previous Year ₹991.21 lacs) has been deferred till the completion of construction. The total of future minimum license payments / charge is as follows:

₹ in lacs

| Particulars  | As at 31 March, 2012 | As at 31 March, 2011 |
|--|----------------------|----------------------|
| a. Not later than one year                           | 3,683.44             | 3,207.60             |
| b. Later than one year but not later than five years | 18,120.13            | 16,177.08            |
| c. Later than five years                             | 1,90,803.80          | 1,93,033.46          |
| <b>Total</b>   | <b>2,12,607.37</b>   | <b>2,12,418.14</b>   |

Upfront fee paid by the Company has not been considered as lease charges.

### Note 52: Earnings per share

The earnings considered in ascertaining the group's EPS comprises the profit available for shareholders (i.e. profit after tax and statutory / regulatory appropriations). The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

| Particulars  | Unit        | Year ended 31 March, 2012 | Year ended 31 March, 2011 |
|--|-------------|---------------------------|---------------------------|
| Net Profit attributable to shareholders                              | ₹ in lacs   | 5,608.80                  | 14,105.95                 |
| Weighted average number of equity shares outstanding during the year | No. in lacs | 4,351.81                  | 4,149.43*                 |
| Basic and diluted earnings per share                                 | ₹           | 1.29                      | 3.40                      |
| Nominal Value of equity shares                                       | ₹           | 5.00                      | 5.00                      |

\* The company had sub-divided the face value of equity shares from ₹10/- each to ₹5/- each w.e.f. 19 October, 2010.

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Consequently, the weighted average number of equity shares for the previous year have been adjusted for split of equity shares in terms of paragraph 25 of Accounting Standard 20 (AS 20) on 'Earnings per Share'.

### Note 53: Joint venture

Details of the Company's share in Joint Ventures included in the Consolidated Financial Statements are as under:

| Particulars | ₹ in lacs                       |                                 |
|-------------|---------------------------------|---------------------------------|
|             | Year ended<br>31 March,<br>2012 | Year ended<br>31 March,<br>2011 |
| Assets      | 5,549.38                        | 14,390.20                       |
| Liabilities | 2,152.02                        | 7,260.63                        |
| Income      | 22.01                           | 389.39                          |
| Expenditure | 23.98                           | 406.29                          |
| Tax         | -                               | 0.76                            |

Note: The Company's share of assets, liabilities, income and expenditure has been included on the basis of audited financial information of its joint ventures.

### Note 54: Related Party Transactions

#### a. List of related parties

i. Entities over which Company, Subsidiary Companies or key management personnel or their relatives, exercise significant influence

- Aahna Realtors Private Limited
- Aaron Real Estates Private Limited
- Adela Buildcon Private Limited
- Afra Infrastructure Private Limited
- Ajit Board Private Limited
- Amazon India Limited
- Anjaney Developers Private Limited
- Arunachal Infrastructure Private Limited
- Ashirwad Realtors Private Limited
- Bae Buildwell Private Limited
- Baidehi Infrastructure Private Limited
- Balbina Real Estates Private Limited
- Balwaan Buildwell Private Limited
- Banita Buildcon Private Limited
- Bliss Infrastructure Private Limited
- Brinly Properties Private Limited
- Charushila Buildwell Private Limited
- Congenial Real Estates Private Limited
- Coral Buildwell Private Limited
- Crimson Infrastructure Private Limited
- Cyanea Real Estate Private Limited

- Dae Realtors Private Limited
- Dai Real Estates Private Limited
- Deborah Real Estate Private Limited
- Deleena Developers Private Limited
- Dhiren Real Estates Private Limited
- Digant Realtors Private Limited \*
- Dolphin Buildwell Private Limited
- Elixir Infrastructure Private Limited
- Enormity Buildcon Private Limited
- Farhad Realtors Private Limited
- Gauranga Realtors Private Limited
- Gauresh Buildwell Private Limited
- Gazala Promoters & Developers Private Limited
- Gem Buildwell Private Limited
- Generous Buildwell Private Limited
- Himsagar Infrastructure Private Limited
- Homelife Real Estate Private Limited
- Honey Builders Private Limited
- Izna Realcon Private Limited
- Jaguar Buildwell Private Limited
- Janak Finance & Leasing Private Limited
- Jodhpur Infrastructure Private Limited
- K.B.Realtors Private Limited
- Kalyani Pulp Private Limited
- Laban Real Estates Private Limited
- Label Real Estates Private Limited
- Lakshya Realtors Private Limited.
- Landmark Malls & Towers Private Limited
- Landmark Township Planners Private Limited
- LSD Realcon Private Limited
- Madhukanta Real Estate Private Limited
- Madhulekha Developers Private Limited
- Magic Promoters Private Limited
- Mahanidhi Buildcon Private Limited
- Marksmen Facilities Private Limited  
(Formerly, Basundhra Properties Private Limited)
- Mirage Buildwell Private Limited
- Nanocity Haryana Infrastructure Limited
- Navneet Realtors Private Limited
- Neha Infracon (India) Private Limited
- New Hind Enterprises Private Limited
- Nilanchal Realtors Private Limited
- Noida Marketing Private Limited
- Oni Projects Private Limited
- P.S. Realtors Private Limited
- Paavan Buildcon Private Limited

## Notes Forming Part of the Consolidated Financial Statements

- Panchvati Buildwell Private Limited
- Parasnath And Associates Private Limited
- Parsvnath Dehradun Info Park Private Limited
- Parsvnath Indore Info Park Private Limited
- Parsvnath Gurgaon Info Park Private Limited
- Parasnath Travels & Tours Private Limited
- Parsvnath Biotech Private Limited
- Parsvnath Knowledge Park Private Limited
- Parsvnath Cyber City Private Limited
- Parikrama Infrastructure Private Limited
- Pearl Propmart Private Limited
- Perpetual Infrastructure Private Limited
- Pradeep Kumar Jain & Sons (HUF)
- Prasidhi Developers Private Limited
- Prastut Real Estate Private Limited
- Prosperity Infrastructures Private Limited
- Rangoli Buildcon Private Limited
- Rangoli Infrastructure Private Limited
- Sadgati Buildcon Private Limited
- Samiksha Realtors Private Limited
- Sapphire Buildtech Private Limited
- Scorpio Realtors Private Limited
- Sharmistha Realtors Private Limited \*
- Silversteet Infrastructure Private Limited
- Snigdha Buildwell Private Limited
- Springdale Realtors Private Limited
- Stupendous Buildtech Private Limited
- Suksma Buildtech Private Limited
- Sumeru Developers Private Limited
- Sureshwar Properties Private Limited
- Timebound Contracts Private Limited
- Vardaan Buildtech Private Limited
- Vinu Promoters Private Limited
- Parsvnath Developers (GMBT) Private Limited
- Parsvnath Developers (SBBT) Private Limited
- Jarul Promoters & Developers Private Limited
- Baasima Buildcon Private Limited
- Vital Buildwell Private Limited

\* ceased to be a related party during the year

### i. Joint Ventures

#### Joint Ventures of the Company

- Ratan Parsvnath Developers AOP
- Parsvnath Developers AOP
- Parsvnath Buildwell Private Limited #

- Parsvnath Realcon Private Limited #  
(Subsidiary of Parsvnath Buildwell Private Limited)

# Ceased to be joint venture during the year and became Subsidiaries by virtue of Accounting Standard 21 (AS-21) on 'Consolidated Financial statements'

#### Joint Ventures of a Subsidiary Company

- Palakkad Infrastructure Private Limited
- ii. Entities which can exercise significant influence over the Company or its subsidiaries/joint ventures

- Anuradha SA Investments LLC, Mauritius (ASA)
- Anuradha Ventures Limited, Cyprus (AVL)
- City Centre Monuments, Mauritius
- Green Destination Holding Limited, Mauritius (GDHL)
- Crimsonstar Ventures Limited, Cyprus

### iii. Key Management Personnel

- Mr. Pradeep Kumar Jain, Chairman
- Mr. Sanjeev Kumar Jain, Managing Director & CEO
- Dr. Rajeev Jain, Whole-time Director
- Mr. G.R. Gogia, Whole-time Director\*
- Mr. S P Aggarwal

\* Ceased to be Key Management Personnel during the year

iv. Relatives of Key Management Personnel (with whom the Company had transactions)

- Mrs. Nutan Jain (Wife of Mr. Pradeep Kumar Jain, Chairman)

## Notes Forming Part of the Consolidated Financial Statements

### b. Balances outstanding/transactions with related parties:

₹ in lacs

| Transaction / Outstanding Balances                   | Entities under significant influence | Joint Venture Entities | Key Management Personnel and their relatives | Entities Exercise significant influence | Total           |
|--|--------------------------------------|------------------------|--|---|-----------------|
| <b>I. Transactions during the year:</b>              |                                      |                        |  |   |                 |
| <b>Management fee income</b>                         |                                      |                        |  |   |                 |
| Parsvnath Buildwell Private Limited                  | -                                    | -                      | -  | -                                       | -               |
|  | (-)                                  | (3.37)                 | (-)  | (-)                                     | (3.37)          |
| Parsvnath Realcon Private Limited                    | -                                    | -                      | -  | -                                       | -               |
|  | (-)                                  | (3.99)                 | (-)  | (-)                                     | (3.99)          |
|  | -                                    | -                      | -  | -                                       | -               |
|  | (-)                                  | (7.36)                 | (-)  | (-)                                     | (7.36)          |
| <b>Rent received</b>                                 |                                      |                        |  |   |                 |
| Nanocity Haryana Infrastructure Limited              | 18.77                                | -                      | -  | -                                       | 18.77           |
|  | (44.46)                              | (-)                    | (-)  | (-)                                     | (44.46)         |
| Marksman Facilites Private Limited                   | 18.90                                | -                      | -  | -                                       | 18.90           |
|  | (30.22)                              | (-)                    | (-)  | (-)                                     | (30.22)         |
|  | <b>37.67</b>                         | -                      | -  | -                                       | <b>37.67</b>    |
|  | <b>(74.68)</b>                       | (-)                    | (-)  | (-)                                     | <b>(74.68)</b>  |
| <b>Interest Income on debentures</b>                 |                                      |                        |  |   |                 |
| Parsvnath Buildwell Private Limited                  | -                                    | -                      | -  | -                                       | -               |
|  | (-)                                  | (4.46)                 | (-)  | (-)                                     | (4.46)          |
| <b>Interest expenses on debentures</b>               |                                      |                        |  |   |                 |
| Crimsonstar Venture Limited                          | -                                    | -                      | -  | -                                       | -               |
|  | (-)                                  | (-)                    | (-)  | (7.95)                                  | (7.95)          |
| Anuradha Ventures Limited, Cyprus                    | -                                    | -                      | -  | 1,644.25                                | 1,644.25        |
|  | (-)                                  | (-)                    | (-)  | (612.63)                                | (612.63)        |
|  | -                                    | -                      | -  | <b>1,644.25</b>                         | <b>1,644.25</b> |
|  | (-)                                  | (-)                    | (-)  | <b>(620.58)</b>                         | <b>(620.58)</b> |
| <b>Interest expenses on debentures (capitalised)</b> |                                      |                        |  |   |                 |
| City Centre Monuments                                | -                                    | -                      | -  | <b>2,006.63</b>                         | <b>2,006.63</b> |
|  | (-)                                  | (-)                    | (-)  | <b>(625.42)</b>                         | <b>(625.42)</b> |
| <b>Sale of development rights</b>                    |                                      |                        |  |   |                 |
| Parsvnath Buildwell Private Limited                  | -                                    | -                      | -  | -                                       | -               |
|  | (-)                                  | (3750.00)              | (-)  | (-)                                     | (3,750.00)      |
| Parsvnath Realcon Private Limited                    | -                                    | -                      | -  | -                                       | -               |
|  | (-)                                  | (3000.00)              | (-)  | (-)                                     | (3,000.00)      |
|  | -                                    | -                      | -  | -                                       | -               |
|  | (-)                                  | (6,750.00)             | (-)  | (-)                                     | (6,750.00)      |
| <b>Unsecured loan received</b>                       |                                      |                        |  |   |                 |
| Pradeep Kumar Jain                                   | -                                    | -                      | 1,951.37                                     | -                                       | 1,951.37        |
|  | (-)                                  | (-)                    | (6,606.80)                                   | (-)                                     | (6,606.80)      |
| Nutan Jain   | -                                    | -                      | -  | -                                       | -               |
|  | (-)                                  | (-)                    | (916.85)                                     | (-)                                     | (916.85)        |

## Notes Forming Part of the Consolidated Financial Statements

₹ in lacs

| Transaction / Outstanding Balances                     | Entities under significant influence | Joint Venture Entities | Key Management Personnel and their relatives | Entities Exercise significant influence | Total              |
|--|--------------------------------------|------------------------|--|---|--------------------|
| Pradeep Kumar Jain & Sons (HUF)                        | 88.39                                | -                      | -  | -                                       | 88.39              |
|  | (5,819.13)                           | (-)                    | (-)  | (-)                                     | (5,819.13)         |
| Parasnath And Associates Private Limited               | 2,474.34                             | -                      | -  | -                                       | 2,474.34           |
|  | (2,953.90)                           | (-)                    | (-)  | (-)                                     | (2,953.90)         |
| Marksman Facilites Private Limited                     | -                                    | -                      | -  | -                                       | -                  |
|  | (94.64)                              | (-)                    | (-)  | (-)                                     | (94.64)            |
|  | <b>2,562.73</b>                      | -                      | <b>1,951.37</b>                              | -                                       | <b>4,514.10</b>    |
|  | <b>(8,867.67)</b>                    | <b>(-)</b>             | <b>(7,523.65)</b>                            | <b>(-)</b>                              | <b>(16,391.32)</b> |
| <b>Unsecured loan repaid</b>                           |                                      |                        |  |   |                    |
| Pradeep Kumar Jain                                     | -                                    | -                      | 1,950.16                                     | -                                       | 1,950.16           |
|  | (-)                                  | (-)                    | (6,621.55)                                   | (-)                                     | (6,621.55)         |
| Nutan Jain   | -                                    | -                      | 60.06  | -                                       | 60.06              |
|  | (-)                                  | (-)                    | (1,644.96)                                   | (-)                                     | (1,644.96)         |
| Pradeep Kumar Jain & Sons (HUF)                        | 506.52                               | -                      | -  | -                                       | 506.52             |
|  | (5,641.91)                           | (-)                    | (-)  | (-)                                     | (5,641.91)         |
| Parasnath And Associates Private Limited               | 2,606.77                             | -                      | -  | -                                       | 2,606.77           |
|  | (4,717.01)                           | (-)                    | (-)  | (-)                                     | (4,717.01)         |
| Marksman Facilities Private Limited                    | 284.49                               | -                      | -  | -                                       | 284.49             |
|  | (53.86)                              | (-)                    | (-)  | (-)                                     | (53.86)            |
|  | <b>3,397.78</b>                      | -                      | <b>2,010.22</b>                              | -                                       | <b>5,408.00</b>    |
|  | <b>(10,412.78)</b>                   | <b>(-)</b>             | <b>(8,266.51)</b>                            | <b>(-)</b>                              | <b>(18,679.29)</b> |
| <b>Advance received back during the year</b>           |                                      |                        |  |   |                    |
| Parsvnath Realcon Private Limited                      | -                                    | -                      | -  | -                                       | -                  |
|  | (-)                                  | (21.69)                | (-)  | (-)                                     | (21.69)            |
| New Hind Enterprises Private Limited                   | -                                    | -                      | -  | -                                       | -                  |
|  | (1264.41)                            | (-)                    | (-)  | (-)                                     | (1,264.41)         |
| Associates (each having less than 10% of transactions) | 20.73                                | -                      | -  | -                                       | 20.73              |
|  | (5.38)                               | (-)                    | (-)  | (-)                                     | (5.38)             |
|  | <b>20.73</b>                         | -                      | -  | -                                       | <b>20.73</b>       |
|  | <b>(1,269.79)</b>                    | <b>(21.69)</b>         | <b>(-)</b>                                   | <b>(-)</b>                              | <b>(1,291.48)</b>  |
| <b>Advance received</b>                                |                                      |                        |  |   |                    |
| Nilanchal Realtors Private limited                     | 16.32                                | -                      | -  | -                                       | 16.32              |
|  | (-)                                  | (-)                    | (-)  | (-)                                     | (-)                |
| K B Realtors Private limited                           | 21.00                                | -                      | -  | -                                       | 21.00              |
|  | (-)                                  | (-)                    | (-)  | (-)                                     | (-)                |
| Landmark Malls & Towers Private Limited                | 132.40                               | -                      | -  | -                                       | 132.40             |
|  | (-)                                  | (-)                    | (-)  | (-)                                     | (-)                |
| Landmark Township Planners Private Limited             | 64.86                                | -                      | -  | -                                       | 64.86              |
|  | (-)                                  | (-)                    | (-)  | (-)                                     | (-)                |
| Laban Real Estates Private Limited                     | 46.74                                | -                      | -  | -                                       | 46.74              |
|  | (-)                                  | (-)                    | (-)  | (-)                                     | (-)                |
| P S Realtors Private limited                           | 18.68                                | -                      | -  | -                                       | 18.68              |
|  | (-)                                  | (-)                    | (-)  | (-)                                     | (-)                |
|  | <b>300.00</b>                        | -                      | -  | -                                       | <b>300.00</b>      |
|  | <b>(-)</b>                           | <b>(-)</b>             | <b>(-)</b>                                   | <b>(-)</b>                              | <b>(-)</b>         |

# Notes Forming Part of the Consolidated Financial Statements

₹ in lacs

| Transaction / Outstanding Balances           | Entities under significant influence | Joint Venture Entities | Key Management Personnel and their relatives | Entities Exercise significant influence | Total           |
|--|--------------------------------------|------------------------|--|---|-----------------|
| <b>Advances repaid</b>                       |                                      |                        |  |   |                 |
| Jarul Promoters & Developers Private Limited | 7.00                                 | -                      | -  | -                                       | 7.00            |
|  | (200.00)                             | (-)                    | (-)  | (-)                                     | (200.00)        |
| <b>Interest paid</b>                         |                                      |                        |  |   |                 |
| Marksmen Facilities Private Limited          | -                                    | -                      | -  | -                                       | -               |
|  | (24.75)                              | (-)                    | (-)  | (-)                                     | (24.75)         |
| Parasnath And Associates Private Limited     | 20.86                                | -                      | -  | -                                       | 20.86           |
|  | (194.29)                             | (-)                    | (-)  | (-)                                     | (194.29)        |
| Pradeep Kumar Jain                           | -                                    | -                      | 32.75  | -                                       | 32.75           |
|  | (-)                                  | (-)                    | (86.27)                                      | (-)                                     | (86.27)         |
| Pradeep Kumar Jain & Sons (HUF)              | 25.09                                | -                      | -  | -                                       | 25.09           |
|  | (274.04)                             | (-)                    | (-)  | (-)                                     | (274.04)        |
| Nutan Jain                                   | -                                    | -                      | -  | -                                       | -               |
|  | (-)                                  | (-)                    | (118.92)                                     | (-)                                     | (118.92)        |
| Parsvnath Buildwell Private Limited          | -                                    | -                      | -  | -                                       | -               |
|  | (-)                                  | (0.20)                 | (-)  | (-)                                     | (0.20)          |
|  | <b>45.95</b>                         | <b>-</b>               | <b>32.75</b>                                 | <b>-</b>                                | <b>78.70</b>    |
|  | <b>(493.08)</b>                      | <b>(0.20)</b>          | <b>(205.19)</b>                              | <b>(-)</b>                              | <b>(698.47)</b> |
| <b>Rent paid</b>                             |                                      |                        |  |   |                 |
| Pradeep Kumar Jain                           | -                                    | -                      | 3.46   | -                                       | 3.46            |
|  | (-)                                  | (-)                    | (3.46)                                       | (-)                                     | (3.46)          |
| Nutan Jain                                   | -                                    | -                      | 30.39  | -                                       | 30.39           |
|  | (-)                                  | (-)                    | (37.77)                                      | (-)                                     | (37.77)         |
| Pradeep Kumar Jain & Sons (HUF)              | 5.60                                 | -                      | -  | -                                       | 5.60            |
|  | (5.60)                               | (-)                    | (-)  | (-)                                     | (5.60)          |
|  | <b>5.60</b>                          | <b>-</b>               | <b>33.85</b>                                 | <b>-</b>                                | <b>39.45</b>    |
|  | <b>(5.60)</b>                        | <b>(-)</b>             | <b>(41.23)</b>                               | <b>(-)</b>                              | <b>(46.83)</b>  |
| <b>Maintenance charges paid</b>              |                                      |                        |  |   |                 |
| Marksmen Facilities Private Limited          | 35.80                                | -                      | -  | -                                       | 35.80           |
|  | (17.70)                              | (-)                    | (-)  | (-)                                     | (17.70)         |
| <b>Reimbursement of expenses (Paid)</b>      |                                      |                        |  |   |                 |
| Parsvnath Buildwell Private Limited          | -                                    | -                      | -  | -                                       | -               |
|  | (-)                                  | (21.25)                | (-)  | (-)                                     | (21.25)         |
| Parsvnath Realcon Private Limited            | -                                    | -                      | -  | -                                       | -               |
|  | (-)                                  | (0.86)                 | (-)  | (-)                                     | (0.86)          |
| Crimson Infrastructutre Private Limited      | 3.21                                 | -                      | -  | -                                       | 3.21            |
|  | (-)                                  | (-)                    | (-)  | (-)                                     | (-)             |
| Anjaney Developers Private Limited           | 2.93                                 | -                      | -  | -                                       | 2.93            |
|  | (-)                                  | (-)                    | (-)  | (-)                                     | (-)             |
| Dolphin Buildwell Private Limited            | 2.58                                 | -                      | -  | -                                       | 2.58            |
|  | (-)                                  | (-)                    | (-)  | (-)                                     | (-)             |
| Home Life Real Estate Private Limited        | 0.12                                 | -                      | -  | -                                       | 0.12            |
|  | (-)                                  | (-)                    | (-)  | (-)                                     | (-)             |
|  | <b>8.84</b>                          | <b>-</b>               | <b>-</b>                                     | <b>-</b>                                | <b>8.84</b>     |
|  | <b>(-)</b>                           | <b>(22.11)</b>         | <b>(-)</b>                                   | <b>(-)</b>                              | <b>(22.11)</b>  |

## Notes Forming Part of the Consolidated Financial Statements

₹ in lacs

| Transaction / Outstanding Balances                              | Entities under significant influence | Joint Venture Entities | Key Management Personnel and their relatives | Entities Exercise significant influence | Total             |
|---|--------------------------------------|------------------------|--|---|-------------------|
| <b>Reimbursement of expenses (received)</b>                     |                                      |                        |  |   |                   |
| Parsvnath Realcon Private Limited                               | -                                    | -                      | -  | -                                       | -                 |
|   | (-)                                  | (0.78)                 | (-)  | (-)                                     | (0.78)            |
| Marksman Facilities Private Limited                             | -                                    | -                      | -  | -                                       | -                 |
|   | (7.56)                               | (-)                    | (-)  | (-)                                     | (7.56)            |
|   | -                                    | -                      | -  | -                                       | -                 |
|   | <b>(7.56)</b>                        | <b>(0.78)</b>          | <b>(-)</b>                                   | <b>(-)</b>                              | <b>(8.34)</b>     |
| <b>Purchase of development rights</b>                           |                                      |                        |  |   |                   |
| Adela Buildcon Private Limited                                  | -                                    | -                      | -  | -                                       | -                 |
|   | (175.17)                             | (-)                    | (-)  | (-)                                     | (175.17)          |
| Navneet Realtors Private Limited                                | 579.06                               | -                      | -  | -                                       | 579.06            |
|   | (215.23)                             | (-)                    | (-)  | (-)                                     | (215.23)          |
| Lakshay Realtors Private Limited                                | -                                    | -                      | -  | -                                       | -                 |
|   | (147.79)                             | (-)                    | (-)  | (-)                                     | (147.79)          |
| Springdale Realtors Private Limited                             | -                                    | -                      | -  | -                                       | -                 |
|   | (218.73)                             | (-)                    | (-)  | (-)                                     | (218.73)          |
| Baidehi Infrastructure Private Limited                          | -                                    | -                      | -  | -                                       | -                 |
|   | (192.40)                             | (-)                    | (-)  | (-)                                     | (192.40)          |
| Afra Infrastructure Private Limited                             | 734.11                               | -                      | -  | -                                       | 734.11            |
|   | (221.95)                             | (-)                    | (-)  | (-)                                     | (221.95)          |
| Perpetual Infra Private Limited                                 | 766.32                               | -                      | -  | -                                       | 766.32            |
|   | (281.35)                             | (-)                    | (-)  | (-)                                     | (281.35)          |
| Scorpio Realtors Private Limited                                | -                                    | -                      | -  | -                                       | -                 |
|   | (339.45)                             | (-)                    | (-)  | (-)                                     | (339.45)          |
| Mirage Buildwell Private Limited                                | 708.48                               | -                      | -  | -                                       | 708.48            |
|   | (-)                                  | (-)                    | (-)  | (-)                                     | (-)               |
| Associates (each having less than 10% of transactions)          | 326.06                               | -                      | -  | -                                       | 326.06            |
|   | (48.83)                              | (-)                    | (-)  | (-)                                     | (48.83)           |
|   | <b>3,114.03</b>                      | <b>-</b>               | <b>-</b>                                     | <b>-</b>                                | <b>3,114.03</b>   |
|   | <b>(1,840.90)</b>                    | <b>(-)</b>             | <b>(-)</b>                                   | <b>(-)</b>                              | <b>(1,840.90)</b> |
| <b>Investments made in equity shares / capital contribution</b> |                                      |                        |  |   |                   |
| Parsvnath Developers ( SBBT ) Private Limited                   | -                                    | -                      | -  | -                                       | -                 |
|   | (3.00)                               | (-)                    | (-)  | (-)                                     | (3.00)            |
| Parsvnath Developers ( GMBT ) Private Limited                   | -                                    | -                      | -  | -                                       | -                 |
|   | (4.00)                               | (-)                    | (-)  | (-)                                     | (4.00)            |
| Baasima Buildcon Private Limited                                | -                                    | -                      | -  | -                                       | -                 |
|   | (1.00)                               | (-)                    | (-)  | (-)                                     | (1.00)            |
|   | -                                    | -                      | -  | -                                       | -                 |
|   | <b>(8.00)</b>                        | <b>(-)</b>             | <b>(-)</b>                                   | <b>(-)</b>                              | <b>(8.00)</b>     |

## Notes Forming Part of the Consolidated Financial Statements

₹ in lacs

| Transaction / Outstanding Balances                     | Entities under significant influence | Joint Venture Entities | Key Management Personnel and their relatives | Entities Exercise significant influence | Total          |
|--|--------------------------------------|------------------------|--|---|----------------|
| <b>Investments made in debentures</b>                  |                                      |                        |  |   |                |
| Parsvnath Buildwell Private Limited                    | -                                    | -                      | -  | -                                       | -              |
|  | (-)                                  | (125.07)               | (-)  | (-)                                     | (125.07)       |
| <b>Purchase of investments/shares</b>                  |                                      |                        |  |   |                |
| Parasnath And Associates Private Limited               | 0.60                                 | -                      | -  | -                                       | 0.60           |
|  | (1.00)                               | (-)                    | (-)  | (-)                                     | (1.00)         |
| New Hind Enterprises Private Limited                   | -                                    | -                      | -  | -                                       | -              |
|  | (1.00)                               | (-)                    | (-)  | (-)                                     | (1.00)         |
|  | <b>0.60</b>                          | -                      | -  | -                                       | <b>0.60</b>    |
|  | <b>(2.00)</b>                        | <b>(-)</b>             | <b>(-)</b>                                   | <b>(-)</b>                              | <b>(2.00)</b>  |
| <b>Sale of investments/shares</b>                      |                                      |                        |  |   |                |
| Parasnath And Associates Private Limited               | -                                    | -                      | -  | -                                       | -              |
|  | (10.50)                              | (-)                    | (-)  | (-)                                     | (10.50)        |
| New Hind Enterprises Private Limited                   | -                                    | -                      | -  | -                                       | -              |
|  | (10.50)                              | (-)                    | (-)  | (-)                                     | (10.50)        |
|  | -                                    | -                      | -  | -                                       | -              |
|  | <b>(21.00)</b>                       | <b>(-)</b>             | <b>(-)</b>                                   | <b>(-)</b>                              | <b>(21.00)</b> |
| <b>Advance paid for purchase of land</b>               |                                      |                        |  |   |                |
| New Hind Enterprises Private Limited                   | 149.42                               | -                      | -  | -                                       | 149.42         |
|  | (-)                                  | (-)                    | (-)  | (-)                                     | (-)            |
| Dolphin Buildwell Private Limited                      | 59.50                                | -                      | -  | -                                       | 59.50          |
|  | (-)                                  | (-)                    | (-)  | (-)                                     | (-)            |
| Oni Projects Private Limited                           | -                                    | -                      | -  | -                                       | -              |
|  | (23.25)                              | (-)                    | (-)  | (-)                                     | (23.25)        |
| Label Real Estates Private Limited                     | 128.80                               | -                      | -  | -                                       | 128.80         |
|  | (-)                                  | (-)                    | (-)  | (-)                                     | (-)            |
| Izna Realcon Private Limited                           | -                                    | -                      | -  | -                                       | -              |
|  | (8.30)                               | (-)                    | (-)  | (-)                                     | (8.30)         |
| Dae Realtors Private Limited                           | -                                    | -                      | -  | -                                       | -              |
|  | (24.75)                              | (-)                    | (-)  | (-)                                     | (24.75)        |
| Associates (each having less than 10% of transactions) | 32.10                                | -                      | -  | -                                       | 32.10          |
|  | (16.11)                              | (-)                    | (-)  | (-)                                     | (16.11)        |
|  | <b>369.82</b>                        | -                      | -  | -                                       | <b>369.82</b>  |
|  | <b>(72.41)</b>                       | <b>(-)</b>             | <b>(-)</b>                                   | <b>(-)</b>                              | <b>(72.41)</b> |
| <b>Refund of security deposit received</b>             |                                      |                        |  |   |                |
| Nutan Jain   | -                                    | -                      | 17.11  | -                                       | 17.11          |
|  | (-)                                  | (-)                    | (-)  | (-)                                     | (-)            |
| <b>Security deposit received</b>                       |                                      |                        |  |   |                |
| Parsvnath Buildwell Private Limited                    | -                                    | -                      | -  | -                                       | -              |
|  | (-)                                  | (6.87)                 | (-)  | (-)                                     | (6.87)         |

# Notes Forming Part of the Consolidated Financial Statements

₹ in lacs

| Transaction / Outstanding Balances              | Entities under significant influence | Joint Venture Entities | Key Management Personnel and their relatives | Entities Exercise significant influence | Total               |
|---|--------------------------------------|------------------------|--|---|---------------------|
| <b>Share application money paid</b>             |                                      |                        |  |   |                     |
| Parsvnath Buildwell Private Limited             | -<br>(-)                             | -<br>(11.01)           | -<br>(-)                                     | -<br>(-)                                | -<br>(11.01)        |
| <b>Advances given</b>                           |                                      |                        |  |   |                     |
| Marksman Facilities Private Limited             | 232.83<br>(403.25)                   | -<br>(-)               | -<br>(-)                                     | -<br>(-)                                | 232.83<br>(403.25)  |
| <b>Managerial remuneration</b>                  |                                      |                        |  |   |                     |
| Pradeep Kumar Jain                              | -<br>(-)                             | -<br>(-)               | 360.79<br>(360.79)                           | -<br>(-)                                | 360.79<br>(360.79)  |
| Sanjeev Kumar Jain                              | -<br>(-)                             | -<br>(-)               | 132.40<br>(132.40)                           | -<br>(-)                                | 132.40<br>(132.40)  |
| Dr. Rajeev Jain                                 | -<br>(-)                             | -<br>(-)               | 96.40<br>(96.40)                             | -<br>(-)                                | 96.40<br>(96.40)    |
| G. R. Gogia                                     | -<br>(-)                             | -<br>(-)               | 94.27<br>(96.40)                             | -<br>(-)                                | 94.27<br>(96.40)    |
| S. P. Aggarwal                                  | -<br>(-)                             | -<br>(-)               | 49.88<br>(66.49)                             | -<br>(-)                                | 49.88<br>(66.49)    |
|   | -<br>(-)                             | -<br>(-)               | 733.74<br>(752.48)                           | -<br>(-)                                | 733.74<br>(752.48)  |
| <b>Share of profit/(-) loss from Associates</b> |                                      |                        |  |   |                     |
| Amazon India Limited                            | 0.99<br>(0.01)                       | -<br>(-)               | -<br>(-)                                     | -<br>(-)                                | 0.99<br>(0.01)      |
| Vardaan Buildtech Private Limited               | -0.01<br>(-)                         | -<br>(-)               | -<br>(-)                                     | -<br>(-)                                | -0.01<br>(-)        |
| Home Life Real Estate Private Limited           | 2.48<br>(1.03)                       | -<br>(-)               | -<br>(-)                                     | -<br>(-)                                | 2.48<br>(1.03)      |
| Nanocity Haryana Infrastructure Limited         | -22.11<br>(-70.38)                   | -<br>(-)               | -<br>(-)                                     | -<br>(-)                                | -22.11<br>(-70.38)  |
|   | -18.65<br>(-69.34)                   | -<br>(-)               | -<br>(-)                                     | -<br>(-)                                | -18.65<br>(-69.34)  |
| <b>II. Balances at year end</b>                 |                                      |                        |  |   |                     |
| <b>Trade receivables</b>                        |                                      |                        |  |   |                     |
| Parsvnath Buildwell Private Limited             | -<br>(-)                             | -<br>(3.35)            | -<br>(-)                                     | -<br>(-)                                | -<br>(3.35)         |
| Parsvnath Realcon Private Limited               | -<br>(-)                             | -<br>(1,903.96)        | -<br>(-)                                     | -<br>(-)                                | -<br>(1,903.96)     |
| Nanocity Haryana Infrastructure Limited         | 15.11<br>(11.15)                     | -<br>(-)               | -<br>(-)                                     | -<br>(-)                                | 15.11<br>(11.15)    |
| Marksman Facilities Private Limited             | -<br>(38.18)                         | -<br>(-)               | -<br>(-)                                     | -<br>(-)                                | -<br>(38.18)        |
|   | 15.11<br>(49.33)                     | -<br>(1,907.31)        | -<br>(-)                                     | -<br>(-)                                | 15.11<br>(1,956.64) |

# Notes Forming Part of the Consolidated Financial Statements

₹ in lacs

| Transaction / Outstanding Balances                            | Entities under significant influence | Joint Venture Entities | Key Management Personnel and their relatives | Entities Exercise significant influence | Total              |
|---|--------------------------------------|------------------------|--|---|--------------------|
| <b>Interest receivable on debentures</b>                      |                                      |                        |  |   |                    |
| Parsvnath Buildwell Private Limited                           | -                                    | -                      | -  | -                                       | -                  |
|   | (-)                                  | (4.01)                 | (-)  | (-)                                     | (4.01)             |
| <b>Share application money</b>                                |                                      |                        |  |   |                    |
| Parsvnath Buildwell Private Limited                           | -                                    | -                      | -  | -                                       | -                  |
|   | (-)                                  | (11.01)                | (-)  | (-)                                     | (11.01)            |
| <b>Short/ long term loans and advances</b>                    |                                      |                        |  |   |                    |
| Parsvnath Buildwell Private Limited                           | -                                    | -                      | -  | -                                       | -                  |
|   | (-)                                  | (1.39)                 | (-)  | (-)                                     | (1.39)             |
| Associates (each having less than 10% of balance outstanding) | 18,382.61                            | -                      | -  | -                                       | 18,382.61          |
|   | (20,932.60)                          | (-)                    | (-)  | (-)                                     | (20,932.60)        |
|   | <b>18,382.61</b>                     | <b>-</b>               | <b>-</b>                                     | <b>-</b>                                | <b>18,382.61</b>   |
|   | <b>(20,932.60)</b>                   | <b>(1.39)</b>          | <b>(-)</b>                                   | <b>(-)</b>                              | <b>(20,933.99)</b> |
| <b>Security deposits (Assets)</b>                             |                                      |                        |  |   |                    |
| Nutan Jain  | -                                    | -                      | 11.36  | -                                       | 11.36              |
|   | (-)                                  | (-)                    | (27.57)                                      | (-)                                     | (27.57)            |
| <b>Trade / other payables</b>                                 |                                      |                        |  |   |                    |
| Parsvnath Buildwell Private limited                           | -                                    | -                      | -  | -                                       | -                  |
|   | (-)                                  | (21.24)                | (-)  | (-)                                     | (21.24)            |
| Pradeep Kumar Jain ( HUF )                                    | 0.84                                 | -                      | -  | -                                       | 0.84               |
|   | (3.78)                               | (-)                    | (-)  | (-)                                     | (3.78)             |
| Nutan Jain  | -                                    | -                      | 1.45   | -                                       | 1.45               |
|   | (-)                                  | (-)                    | (21.71)                                      | (-)                                     | (-)                |
| Parsvnath Realcon Private Limited                             | -                                    | -                      | -  | -                                       | -                  |
|   | (-)                                  | (21.77)                | (-)  | (-)                                     | (21.77)            |
| Pradeep Kumar Jain  | -                                    | -                      | 0.52   | -                                       | 0.52               |
|   | (-)                                  | (-)                    | (-)  | (-)                                     | (-)                |
| Home Life Real Estate Private Limited                         | -                                    | -                      | -  | -                                       | -                  |
|   | (94.50)                              | (-)                    | (-)  | (-)                                     | (94.50)            |
| Timebound Contracts Private Limited                           | 138.44                               | -                      | -  | -                                       | 138.44             |
|   | (138.44)                             | (-)                    | (-)  | (-)                                     | (138.44)           |
| Landmark Malls & Towers Private Limited                       | 132.40                               | -                      | -  | -                                       | 132.40             |
|   | (-)                                  | (-)                    | (-)  | (-)                                     | (-)                |
| Landmark Township Planners Private Limited                    | 64.86                                | -                      | -  | -                                       | 64.86              |
|   | (-)                                  | (-)                    | (-)  | (-)                                     | (-)                |
| Crimsonstar Venture Limited                                   | -                                    | -                      | -  | 7.15                                    | 7.15               |
|   | (-)                                  | (-)                    | (-)  | (7.15)                                  | (7.15)             |
| Anuradha Venture Limited. Cyprus                              | -                                    | -                      | -  | 744.58                                  | 744.58             |
|   | (-)                                  | (-)                    | (-)  | (620.04)                                | (620.04)           |
| Jarul Promoters & Developers Private Limited                  | -                                    | -                      | -  | -                                       | -                  |
|   | (7.00)                               | (-)                    | (-)  | (-)                                     | (7.00)             |

## Notes Forming Part of the Consolidated Financial Statements

₹ in lacs

| Transaction / Outstanding Balances                            | Entities under significant influence | Joint Venture Entities     | Key Management Personnel and their relatives | Entities Exercise significant influence | Total                              |
|---|--------------------------------------|----------------------------|--|---|------------------------------------|
| Associates (each having less than 10% of balance outstanding) | 149.50<br>(21.34)                    | -<br>(-)                   | -<br>(-)                                     | -<br>(-)                                | 149.50<br>(21.34)                  |
|   | <b>486.04</b><br><b>(265.06)</b>     | <b>-</b><br><b>(43.01)</b> | <b>1.97</b><br><b>(21.71)</b>                | <b>751.73</b><br><b>(627.19)</b>        | <b>1,239.74</b><br><b>(956.97)</b> |
| <b>Advances from customers</b>                                |                                      |                            |  |   |                                    |
| Parasnath And Associates Private Limited                      | -<br>(706.62)                        | -<br>(-)                   | -<br>(-)                                     | -<br>(-)                                | -<br>(706.62)                      |
| Associates (each having less than 10% of balance outstanding) | -<br>(24.87)                         | -<br>(-)                   | -<br>(-)                                     | -<br>(-)                                | -<br>(24.87)                       |
|   | <b>-</b><br><b>(731.49)</b>          | <b>-</b><br><b>(-)</b>     | <b>-</b><br><b>(-)</b>                       | <b>-</b><br><b>(-)</b>                  | <b>-</b><br><b>(731.49)</b>        |
| <b>Unsecured loans</b>  |                                      |                            |  |   |                                    |
| Pradeep Kumar Jain  | -<br>(-)                             | -<br>(-)                   | 72.72<br>(71.51)                             | -<br>(-)                                | 72.72<br>(71.51)                   |
| Nutan Jain  | -<br>(-)                             | -<br>(-)                   | -<br>(60.06)                                 | -<br>(-)                                | -<br>(60.06)                       |
| Pradeep Kumar Jain & Sons (HUF)                               | 44.31<br>(462.44)                    | -<br>(-)                   | -<br>(-)                                     | -<br>(-)                                | 44.31<br>(462.44)                  |
| Parasnath And Associates Private Limited                      | 150.52<br>(282.95)                   | -<br>(-)                   | -<br>(-)                                     | -<br>(-)                                | 150.52<br>(282.95)                 |
| Marksmen Facilities Private Limited                           | -<br>(284.49)                        | -<br>(-)                   | -<br>(-)                                     | -<br>(-)                                | -<br>(284.49)                      |
|   | <b>194.83</b><br><b>(1,029.88)</b>   | <b>-</b><br><b>(-)</b>     | <b>72.72</b><br><b>(131.57)</b>              | <b>-</b><br><b>(-)</b>                  | <b>267.55</b><br><b>(1,161.45)</b> |
| <b>Security deposits (liability)</b>                          |                                      |                            |  |   |                                    |
| Nanocity Haryana Infrastructure Limited                       | 44.46<br>(44.46)                     | -<br>(-)                   | -<br>(-)                                     | -<br>(-)                                | 44.46<br>(44.46)                   |
| Marksmen Facilities Private Limited                           | 6.61<br>(6.61)                       | -<br>(-)                   | -<br>(-)                                     | -<br>(-)                                | 6.61<br>(6.61)                     |
| Parsvnath Buildwell Private Limited                           | -<br>(-)                             | -<br>(6.87)                | -<br>(-)                                     | -<br>(-)                                | -<br>(6.87)                        |
|   | <b>51.07</b><br><b>(51.07)</b>       | <b>-</b><br><b>(6.87)</b>  | <b>-</b><br><b>(-)</b>                       | <b>-</b><br><b>(-)</b>                  | <b>51.07</b><br><b>(57.94)</b>     |
| <b>Investments held</b>                                       |                                      |                            |  |   |                                    |
| Amazon India Limited  | 253.32<br>(252.33)                   | -<br>(-)                   | -<br>(-)                                     | -<br>(-)                                | 253.32<br>(252.33)                 |
| Home Life Real Estate Private Limited                         | 95.92<br>(93.44)                     | -<br>(-)                   | -<br>(-)                                     | -<br>(-)                                | 95.92<br>(93.44)                   |
| Vardaan Buildtech Private Limited                             | 4.74<br>(4.75)                       | -<br>(-)                   | -<br>(-)                                     | -<br>(-)                                | 4.74<br>(4.75)                     |

## Notes Forming Part of the Consolidated Financial Statements

₹ in lacs

| Transaction / Outstanding Balances      | Entities under significant influence | Joint Venture Entities | Key Management Personnel and their relatives | Entities Exercise significant influence | Total                |
|---|--------------------------------------|------------------------|--|---|----------------------|
| Nanocity Haryana Infrastructure Limited | 1,343.47                             | -                      | -  | -                                       | 1,343.47             |
|   | (1,365.58)                           | (-)                    | (-)  | (-)                                     | (1,365.58)           |
| Parsvnath Buildwell Private Limited     | -                                    | -                      | -  | -                                       | -                    |
|   | (-)                                  | (125.07)               | (-)  | (-)                                     | (125.07)             |
|   | <b>1,697.45</b>                      | -                      | -  | -                                       | <b>1,697.45</b>      |
|   | <b>(1,716.10)</b>                    | <b>(125.07)</b>        | <b>(-)</b>                                   | <b>(-)</b>                              | <b>(1,841.17)</b>    |
| <b>Gaurantee for loans</b>              |                                      |                        |  |   |                      |
| Chairman and Whole time Directors       | -                                    | -                      | <b>1,35,797.16</b>                           | -                                       | <b>1,35,797.16</b>   |
|   | (-)                                  | (-)                    | <b>(1,25,638.40)</b>                         | (-)                                     | <b>(1,25,638.40)</b> |
| <b>Borrowings (Debentures)</b>          |                                      |                        |  |   |                      |
| Anuradha Ventures Limited               | -                                    | -                      | -  | 13,251.00                               | 13,251.00            |
|   | (-)                                  | (-)                    | (-)  | (6,375.50)                              | (6,375.50)           |
| Green Destination Holding Limited       | -                                    | -                      | -  | 18,133.39                               | 18,133.39            |
|   | (-)                                  | (-)                    | (-)  | (18,133.39)                             | (18,133.39)          |
| City Centre Monuments                   | -                                    | -                      | -  | 15,417.50                               | 15,417.50            |
|   | (-)                                  | (-)                    | (-)  | (11,177.50)                             | (11,177.50)          |
|   | -                                    | -                      | -  | <b>46,801.89</b>                        | <b>46,801.89</b>     |
|   | (-)                                  | (-)                    | (-)  | <b>(35,686.39)</b>                      | <b>(35,686.39)</b>   |

### Note 55:

Figures relating to subsidiaries and joint ventures have been regrouped / reclassified wherever considered necessary to bring them in line with the Company's financial statements.

### Note 56: Previous year's figures

The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's Figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

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

Sd/-  
**Pradeep Kumar Jain**  
Chairman

Sd/-  
**Sanjeev Kumar Jain**  
Managing Director & CEO

Sd/-  
**R.J. Kamath**  
Director

Sd/-  
**R.N. Maloo**  
Group Chief Financial Officer

Sd/-  
**V. Mohan**  
Company Secretary

New Delhi  
30 May, 2012

# Statement pursuant to Section 212 of the Companies Act, 1956 relating to subsidiary companies as on March 31, 2012

₹ in lacs

| Sr. No. | Name of the Subsidiary Company                            | Financial Year of the Subsidiary ended on | Shares of subsidiary company held by the Company directly or through its nominees on March 31, 2012 |                          |                       | Net aggregate amount of profit/ (loss) of the subsidiary for the financial year of the subsidiary so far as they concern members of the Company. |   | Net aggregate amount of profits / (losses) for previous financial years of the subsidiary since it became a subsidiary so far as they concern members of the Company. |   |
|---------|---|---|---|--------------------------|-----------------------|--|---|---|---|
|         |   |   | Number of Shares  | Face Value of each Share | Extent of holding (%) | Dealt with in the accounts of the Company for the year ended March 31, 2012  | Not dealt with in the accounts of the Company for the year ended March 31, 2012 | Dealt with in the accounts of the Company for the year ended March 31, 2011   | Not Dealt with in the accounts of the Company for the year ended March 31, 2011 |
|         |   |   |   |                          |                       | ₹ 10/-   | ₹ 10/-  | ₹ 10/-  | ₹ 10/-  |
| 1       | Parsvnath Infra Limited                                   | 31.03.2012                                | 26,049,400  | ₹ 10/-                   | 94.87%                | Nil  | (40.68)   | Nil   | (53.13)   |
| 2       | Parsvnath Film City Limited                               | 31.03.2012                                | 1,750,000   | ₹ 10/-                   | 100.00%               | Nil  | (54.51)   | Nil   | (37.25)   |
| 3       | Parsvnath Landmark Developers Private Limited             | 31.03.2012                                | 2,560,000   | ₹ 10/-                   | 78.00%                | Nil  | 989.68  | Nil   | 4,336.00  |
| 4       | Parsvnath Telecom Private Limited                         | 31.03.2012                                | 1,030,000   | ₹ 10/-                   | 100.00%               | Nil  | (0.11)  | Nil   | (0.27)  |
| 5       | Parsvnath Hotels Limited                                  | 31.03.2012                                | 5,400,000   | ₹ 10/-                   | 100.00%               | Nil  | (101.57)  | Nil   | (34.89)   |
| 6       | Parsvnath Developers Pte. Limited (Refer note 1)          | 31.03.2012                                | 456,920   | SGD 1/-                  | 100.00%               | Nil  | (7.81)  | Nil   | (9.00)  |
| 7       | Parsvnath Retail Limited                                  | 31.03.2012                                | 70,000  | ₹ 10/-                   | 100.00%               | Nil  | (0.90)  | Nil   | (1.05)  |
| 8       | PDL Assets Limited  | 31.03.2012                                | 60,000  | ₹ 10/-                   | 100.00%               | Nil  | (0.10)  | Nil   | (0.24)  |
| 9       | Primetrime Realtors Private Limited                       | 31.03.2012                                | 10,000  | ₹ 10/-                   | 100.00%               | Nil  | (0.40)  | Nil   | (0.32)  |
| 10      | Parsvnath Royal Orchid Hotels Limited (Refer note 2)      | 31.03.2012                                | -   | ₹ 10/-                   | -                     | Nil  | (0.22)  | Nil   | (0.21)  |
| 11      | Parsvnath Estate Developers Private Limited               | 31.03.2012                                | 3,775,000   | ₹ 10/-                   | 75.50%                | Nil  | (41.50)   | Nil   | (7.72)  |
| 12      | Parsvnath Promoters And Developers Private Limited        | 31.03.2012                                | 169,326   | ₹ 10/-                   | 51.00%                | Nil  | (39.63)   | Nil   | (12.49)   |
| 13      | Parsvnath Hospitality Holdings Limited (Refer note 1 & 3) | 31.03.2012                                | -   | SGD 0.10/-               | -                     | Nil  | (1.24)  | Nil   | (16.44)   |
| 14      | Parsvnath MIDC Pharma SEZ Private Limited (Refer note 4)  | 31.03.2012                                | -   | ₹ 10/-                   | -                     | Nil  | (0.15)  | Nil   | (4.89)  |
| 15      | Parsvnath Rail Land Project Private Limited               | 31.03.2012                                | 10000   | ₹ 10/-                   | 100%                  | Nil  | (0.40)  | Nil   | -   |

Notes :

- Overseas subsidiary/Step down subsidiary, incorporated in Singapore(Exchange Rate as on 31.03.2012 : 1 SGD = ₹ 41.24)
- Subsidiary in terms of Section 4(1)(c) of the Companies Act, 1956, since 70% of the equity capital is held by Parsvnath Hotels Limited, a subsidiary of Parsvnath Developers Limited.
- Subsidiary in terms of Section 4(1)(c) of the Companies Act, 1956, since 100% of the equity capital is held by Parsvnath Developers Pte. Limited, an overseas subsidiary of Parsvnath Developers Limited.
- Subsidiary in terms of Section 4(1)(c) of the Companies Act, 1956, since 100% of the equity capital is held by Parsvnath Infra Limited, a subsidiary of Parsvnath Developers Limited.

## For and on behalf of the Board of Directors

Sd/-  
**Pradeep Kumar Jain**  
 Chairman

Sd/-  
**R. N. Maloo**  
 Group Chief Financial Officer

Sd/-  
**Sanjeev Kumar Jain**  
 Managing Director & CEO

Sd/-  
**V. Mohan**  
 Company Secretary

Sd/-  
**R. J. Kamath**  
 Director

## Summarised Financial Statement of Subsidiary Companies as on & for the financial year ended on March 31, 2012

₹ in lacs

| Sr. No. | Name of the Subsidiary Company                            | Share Capital | Reserves & Surplus (adjusted for debit balance in Statement of Profit & Loss, wherever applicable) | Total Assets (Fixed Assets + Investments + Current assets) | Total Liabilities (Loans + Current Laibilities) | Investments (other than investment in subsidiaries) | Turnover  | Profit / (Loss) before taxation | Provision for taxation | Profit / (Loss) after taxation | Proposed Dividend |
|---------|---|---------------|--|--|---|---|-----------|---------------------------------|------------------------|--------------------------------|-------------------|
| 1       | Parsvnath Infra Limited                                   | 2,745.77      | 3,744.46   | 8,490.08   | 1,999.85  | -   | 0.04      | (43.28)                         | (0.40)                 | (42.88)                        | -                 |
| 2       | Parsvnath Film City Limited                               | 175.00        | (165.37)   | 4,825.99   | 4,816.36  | -   | -         | (54.51)                         | -                      | (54.51)                        | -                 |
| 3       | Parsvnath Landmark Developers Private Limited             | 328.21        | 13,814.96  | 35,671.09  | 21,527.92                                       | -   | 11,301.86 | 1,930.65                        | 661.83                 | 1,268.83                       | -                 |
| 4       | Parsvnath Telecom Private Limited                         | 103.00        | (102.20)   | 0.86   | 0.06  | -   | -         | (0.11)                          | -                      | (0.11)                         | -                 |
| 5       | Parsvnath Hotels Limited                                  | 540.00        | 651.17   | 1,755.10   | 563.93  | -   | 71.24     | (101.57)                        | -                      | (101.57)                       | -                 |
| 6       | Parsvnath Developers Pte. Limited (Refer Note 2)          | 145.49        | (50.42)  | 117.03   | 21.96   | -   | 4.71      | (7.81)                          | -                      | (7.81)                         | -                 |
| 7       | Parsvnath Retail Limited                                  | 7.00          | (6.90)   | 0.16   | 0.06  | -   | -         | (0.90)                          | -                      | (0.90)                         | -                 |
| 8       | PDL Assets Limited  | 6.00          | (5.73)   | 0.33   | 0.06  | -   | -         | (0.10)                          | -                      | (0.10)                         | -                 |
| 9       | Primetime Realtors Private Limited                        | 1.00          | 2.68   | 8.70   | 5.01  | -   | -         | (0.40)                          | -                      | (0.40)                         | -                 |
| 10      | Parsvnath Royal Orchid Hotels Limited (Refer note 3)      | 5.00          | (1.81)   | 3.47   | 0.28  | -   | -         | (0.32)                          | -                      | (0.32)                         | -                 |
| 11      | Parsvnath Estate Developers Private Limited               | 500.00        | (65.12)  | 24,941.01  | 24,506.13                                       | -   | -         | (54.97)                         | -                      | (54.97)                        | -                 |
| 12      | Parsvnath Promoters And Developers Private Limited        | 33.20         | 3,181.94   | 36,475.49  | 33,260.36                                       | -   | 80.03     | (77.71)                         | -                      | (77.71)                        | -                 |
| 13      | Parsvnath Hospitality Holdings Limited (Refer note 2 & 4) | 0.03          | (21.10)  | 2.79   | 23.86   | -   | -         | (1.24)                          | -                      | (1.24)                         | -                 |
| 14      | Parsvnath MIDC Pharma SEZ Private Limited (Refer note 5)  | 499.00        | (6.97)   | 1,317.64   | 825.61  | -   | -         | (0.16)                          | -                      | (0.16)                         | -                 |
| 15      | Parsvnath Rail Land Project Private Limited               | 1.00          | (0.40)   | 0.99   | 0.39  | -   | -         | (0.40)                          | -                      | (0.40)                         | -                 |

1 The Annual Accounts of the subsidiary companies and the related detailed information shall be made available to the members of the holding and subsidiary companies seeking such information at any point of time. The annual accounts of the subsidiary companies shall also be kept open for inspection by any shareholder at the registered office of the company and that of the respective subsidiary companies between 11 a.m. and 1 p.m. on all working days.

2 Overseas subsidiary/step down subsidiary, incorporated in Singapore (Exchange Rate as on 31.03.2012 : 1 SGD = ₹41.24)

3 Subsidiary in terms of Section 4(1)(c) of the Companies Act, 1956, since 70% of the equity capital is held by Parsvnath Hotels Limited, a subsidiary of Parsvnath Developers Limited.

4 Subsidiary in terms of Section 4(1)(c) of the Companies Act, 1956, since 100% of the equity capital is held by Parsvnath Developers Pte. Limited, an overseas subsidiary of Parsvnath Developers Limited.

5 Subsidiary in terms of Section 4(1)(c) of the Companies Act, 1956, since 100% of the equity capital is held by Parsvnath Infra Limited, a subsidiary of Parsvnath Developers Limited.

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

Sd/-  
Pradeep Kumar Jain  
Chairman

Sd/-  
Sanjeev Kumar Jain  
Managing Director & CEO

Sd/-  
R. J. Kamath  
Director

Sd/-  
R. N. Maloo  
Group Chief Financial Officer

Sd/-  
V. Mohan  
Company Secretary

New Delhi  
30 May, 2012

# AUDITORS' REPORT

## TO THE MEMBERS OF PARSVNATH DEVELOPERS LIMITED

1. We have audited the attached Balance Sheet of Parsvnath Developers Limited ("the Company") as at 31 March, 2012, the Statement of Profit and Loss and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
  - a. we have 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 and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
  - d. in our opinion, the Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in section 211(3C) of the Companies Act, 1956;
  - e. in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
    - i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2012;
    - ii. in the case of the Statement of Profit and Loss, of the profit of the Company for the year ended on that date; and
    - iii. in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of written representations received from directors, as on 31 March, 2012 taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March, 2012 from being appointed as a director in terms of section 274(1)(g) of the Companies Act, 1956.

**For DELOITTE HASKINS & SELLS**  
Chartered Accountants  
(Registration No. 015125N)

Sd/-  
**JITENDRA AGARWAL**  
Partner  
(Membership No. 87104)

New Delhi, 30 May, 2012

# ANNEXURE TO THE AUDITORS' REPORT

(Referred to in paragraph 3 of our report of even date)

- (i) Having regard to the nature of the Company's business/ activities/result clauses (x) and (xiii) of CARO are not applicable
- (ii) In respect of its fixed assets:
- a. The Company has generally maintained proper records showing full particulars, including quantitative details and situation of the fixed assets, except in respect of shuttering and scaffolding wherein, as informed to us, it is not practicable to record quantitative details in the fixed assets register.
- b. According to the information and explanations given to us, the Company has a programme of physically verifying its fixed assets in a phased manner designed to cover all assets over a period of two years, which in our opinion is reasonable having regard to the size of the Company and the nature of its business. In accordance with this programme, the Management has, other than shuttering and scaffolding, carried out a physical verification of fixed assets during the year and no material discrepancies were noticed on such verification. In respect of Shuttering and Scaffolding, the discrepancies, if any, cannot be determined.
- c. The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) In respect of its inventory:
- a. Inventory comprises finished flats and projects under construction/development (work-in-progress). As explained to us, the inventories were physically verified during the year by the management at reasonable intervals.
- b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventories followed by the Management were reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. In our opinion and according to the information and explanations given to us, the Company has maintained proper records of its inventories and no material discrepancies were noticed on physical verification.
- (iv) In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the Register under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:
- a. The Company has granted unsecured loans aggregating ₹4,976.82 lacs to five Companies (its subsidiaries) during the year. At the year-end, the outstanding balances of such loans (to four companies) aggregated ₹9,050.11 lacs and the maximum amount involved during the year was ₹11,238.85 lacs (five Companies).
- b. The above-mentioned loans are non-interest bearing. In our opinion and according to the information and explanations given to us, other terms and conditions of such loans given by the Company are *prima facie*, not prejudicial to the interest of the Company.
- c. The aforesaid loans given by the Company are repayable on demand. As explained to us, repayment of principal amount was as demanded during the year and thus there is no overdue amount.
- In respect of loans, secured or unsecured, taken by the Company from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:
- a. The Company has taken loans aggregating ₹4501.73 lacs from a director and a Company covered in the register maintained under section 301 of the Companies Act, 1956. At the year-end, the outstanding balance of such loans aggregated ₹255.18 lacs and the maximum amount involved during the year was ₹3,998.14 lacs.
- b. The rate of interest and other terms and conditions of such loans are, in our opinion, *prima facie*, not prejudicial to the interests of the Company.
- c. Since the aforesaid loans taken by the Company are repayable on demand and there is no repayment schedule, the question of repayment being regular does not arise.
- (v) In our opinion and according to the information and explanations given to us, having regard to the explanations that land/development rights purchased are of special nature and alternative sources are not available for obtaining comparable quotations, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weaknesses in internal control system.
- (vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
- a. The particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that need to be entered in the Register maintained under the said Section have been so entered.
- b. Where each of such transaction is in excess of ₹5 lacs in respect of any party, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time.
- (vii) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposit) Rules, 1975 with regard to deposits accepted from the public. According to

the information and explanations given to us, no order has been passed by the Company Law Board or the National Company Law Tribunal or the Reserve Bank of India or any Court or any other Tribunal.

- (viii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (ix) We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Accounting Records) Rules, 2011 prescribed by the Central Government under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that *prima facie*, the prescribed cost records have been maintained. We have, however, not made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (x) According to the information and explanations given to us and the records of the Company examined by us:
  - a. The Company is regular in depositing its undisputed statutory dues pertaining to Customs Duty and Wealth Tax. There have been delays in deposit of statutory dues in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax and Cess with the appropriate authorities during the year. Other than for undisputed amount of Income Tax of ₹1,686.07 lacs for the year ended 31 March, 2011 and Advance Income Tax of ₹834.90 lacs for the year ended 31 March, 2012, there are no undisputed amount payable in respect of statutory dues which have remained outstanding as on 31 March, 2012 for more than six months from the date they became payable. The undisputed dues of Income Tax for the year ended 31 March, 2011 have been deposited subsequent to year-end. We are informed that the Company's operations, during the year, did not give rise to any liability for Excise Duty and Investor Education and Protection Fund.
  - b. The dues of Sales Tax which have not been deposited by the Company on account of various disputes are as follows:

| Name of statute        | Nature of dues | Amount demanded (₹ in lacs) | Period to which the amount relates | Forum where the dispute is pending           |
|------------------------|----------------|-----------------------------|------------------------------------|--|
| UP Trade Tax Act, 1948 | Trade Tax      | 37.52                       | 2003-2004                          | Additional Commissioner (Appeals), Moradabad |
| UP Trade Tax Act, 1948 | Trade Tax      | 2,014.50                    | 2006-2007                          | Additional Commissioner (Appeals), Moradabad |

We are informed that there are no dues in respect of Income Tax, Wealth Tax, Service Tax, Excise Duty and Custom Duty which have not been deposited on account of any dispute.

- (xi) Based on the examination of the books of account and related records and according to the information and explanations given to us, 47 instances of delays were noted in repayment of dues to the banks ranging from 1 day to

120 days with amounts varying from ₹35.85 lacs to ₹313.00 lacs and 23 instances of delays were noted ranging from 3 days to 365 days with amounts varying from ₹430.00 lacs to ₹1,250.00 lacs in repayment of dues to financial institutions and 6 instances of delays were noted ranging from 6 to 146 days for amount of ₹250.00 lacs in repayment of dues to debenture holders.

- (xii) According to the information and explanations given to us and based on documents and records examined by us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
- (xiv) In our opinion and according to the information and explanations given to us, the terms and conditions of the guarantees given by the Company for loans taken by its subsidiary companies are not *prima facie* prejudicial to the interests of the Company.
- (xv) Based on the examination of the books of account and related records and according to the information and explanations given to us, the term loans have been applied for purpose for which they were obtained, other than temporary deployment pending application.
- (xvi) According to the information and explanations provided to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have *prima facie*, not been used during the year for long term investment.
- (xvii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xviii) According to the information and explanations given to us, during the year covered by our audit report, the Company has not issued any debentures.
- (xix) The Company has not raised any money by public issues during the year.
- (xx) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

**For DELOITTE HASKINS & SELLS**  
 Chartered Accountants  
 (Registration No. 015125N)

Sd/-  
**JITENDRA AGARWAL**  
 Partner  
 (Membership No. 87104)

New Delhi, 30 May, 2012

# Balance Sheet as at 31 March, 2012

₹ in lacs

|                                   | Note No. | As at<br>31 March, 2012 | As at<br>31 March, 2011 |
|-----------------------------------|----------|-------------------------|-------------------------|
| <b>I. EQUITY AND LIABILITIES</b>  |          |                         |                         |
| <b>1. Shareholders' funds</b>     |          |                         |                         |
| a. Share capital                  | 3        | 21,759.06               | 21,759.06               |
| b. Reserves and surplus           | 4        | 2,36,668.85             | 2,34,115.93             |
|                                   |          | <b>2,58,427.91</b>      | <b>2,55,874.99</b>      |
| <b>2. Non-current liabilities</b> |          |                         |                         |
| a. Long-term borrowings           | 5        | 74,565.44               | 62,347.44               |
| b. Other long-term liabilities    | 6        | 15,005.77               | 14,620.51               |
| c. Long-term provisions           | 7        | 352.16                  | 301.83                  |
|                                   |          | <b>89,923.37</b>        | <b>77,269.78</b>        |
| <b>3. Current liabilities</b>     |          |                         |                         |
| a. Short-term borrowings          | 8        | 46,385.05               | 57,001.54               |
| b. Trade payables                 | 9        | 98,823.38               | 88,414.01               |
| c. Other current liabilities      | 10       | 80,430.69               | 68,961.27               |
| d. Short-term provisions          | 11       | 12,754.36               | 2,713.17                |
|                                   |          | <b>2,38,393.48</b>      | <b>2,17,089.99</b>      |
|                                   |          | <b>5,86,744.76</b>      | <b>5,50,234.76</b>      |
| <b>II. ASSETS</b>                 |          |                         |                         |
| <b>1. Non-current assets</b>      |          |                         |                         |
| a. Fixed assets                   |          |                         |                         |
| - Tangible assets                 | 12       | 13,722.58               | 14,901.66               |
| - Capital work-in-progress        |          | 40,018.23               | 31,698.01               |
|                                   |          | 53,740.81               | 46,599.67               |
| b. Non-current investments        | 13       | 47,630.37               | 42,821.65               |
| c. Deferred tax assets (net)      | 14       | 549.16                  | 692.46                  |
| d. Long-term loans and advances   | 15       | 44,979.97               | 51,615.27               |
|                                   |          | <b>1,46,900.31</b>      | <b>1,41,729.05</b>      |
| <b>2. Current assets</b>          |          |                         |                         |
| a. Inventories                    | 16       | 2,70,565.72             | 2,47,120.38             |
| b. Trade receivables              | 17       | 50,069.67               | 55,152.51               |
| c. Cash and bank balances         | 18       | 15,373.44               | 21,553.95               |
| d. Short-term loans and advances  | 19       | 25,476.00               | 24,660.83               |
| e. Other current assets           | 20       | 78,359.62               | 60,018.04               |
|                                   |          | <b>4,39,844.45</b>      | <b>4,08,505.71</b>      |
|                                   |          | <b>5,86,744.76</b>      | <b>5,50,234.76</b>      |

See accompanying notes forming part of the financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**  
Chartered Accountants

Sd/-  
**Jitendra Agarwal**  
Partner

New Delhi  
30 May, 2012

For and on behalf of the Board of Directors

Sd/-  
**Pradeep Kumar Jain**  
Chairman

Sd/-  
**R.N. Maloo**  
Group Chief Financial officer

Sd/-  
**Sanjeev Kumar Jain**  
Managing Director & CEO

Sd/-  
**V. Mohan**  
Company Secretary

Sd/-  
**R.J. Kamath**  
Director

# Statement of Profit and Loss for the year ended 31 March, 2012

₹ in lacs

|  | Note No. | Year ended<br>31 March, 2012 | Year ended<br>31 March, 2011 |
|--|----------|------------------------------|------------------------------|
| 1. Revenue from operations                                       | 21       | 64,569.69                    | 71,913.29                    |
| 2. Other income  | 22       | 9,288.24                     | 3,240.73                     |
| <b>3. Total revenue (1+2)</b>                                    |          | <b>73,857.93</b>             | <b>75,154.02</b>             |
| <b>4. Expenses</b>   |          |                              |                              |
| a. Cost of land/ development rights                              |          | 25,124.43                    | 9,221.53                     |
| b. Cost of materials consumed                                    | 23       | 10,775.01                    | 17,799.27                    |
| c. Purchases of stock-in-trade                                   | 24       | 343.90                       | 194.01                       |
| d. Contract cost, labour and other charges                       |          | 11,860.25                    | 13,740.36                    |
| e. Changes in inventories of finished goods and work-in-progress | 25       | (24,327.56)                  | (8,447.29)                   |
| f. Employee benefits expense                                     | 26       | 4,641.19                     | 3,975.03                     |
| g. Finance costs   | 27       | 22,196.32                    | 19,889.08                    |
| h. Depreciation and amortisation expense                         | 12       | 1,499.48                     | 1,632.65                     |
| i. Other expenses  | 28       | 7,681.96                     | 6,981.21                     |
| <b>Total expenses</b>  |          | <b>59,794.98</b>             | <b>64,985.85</b>             |
| <b>5. Profit before tax (3 - 4)</b>                              |          | <b>14,062.95</b>             | <b>10,168.17</b>             |
| <b>6. Tax expense:</b>   |          |                              |                              |
| a. Current tax expense   |          | 11,366.72                    | 2,861.00                     |
| b. Deferred tax charge / (credit)                                |          | 143.31                       | (240.54)                     |
|  |          | <b>11,510.03</b>             | <b>2,620.46</b>              |
| <b>7. Profit after tax (5 - 6)</b>                               |          | <b>2,552.92</b>              | <b>7,547.71</b>              |
| <b>8. Earnings per share</b>                                     |          |                              |                              |
| Basic & Diluted<br>(Face value ₹ 5/- per equity share)           | 56       | 0.59                         | 1.82                         |

See accompanying notes forming part of the financial statements

In terms of our report attached

 For **Deloitte Haskins & Sells**  
 Chartered Accountants

 Sd/-  
**Jitendra Agarwal**  
 Partner

 New Delhi  
 30 May, 2012

For and on behalf of the Board of Directors

 Sd/-  
**Pradeep Kumar Jain**  
 Chairman

 Sd/-  
**R.N. Maloo**  
 Group Chief Financial officer

 Sd/-  
**Sanjeev Kumar Jain**  
 Managing Director & CEO

 Sd/-  
**V. Mohan**  
 Company Secretary

 Sd/-  
**R.J. Kamath**  
 Director

# Cash Flow Statement for the year ended 31 March, 2012

₹ in lacs

|  | Year ended<br>31 March, 2012 | Year ended<br>31 March, 2011 |
|--|------------------------------|------------------------------|
| <b>1. Cash flow from operating activities</b>                                      |                              |                              |
| Net profit before tax  | 14,062.95                    | 10,168.17                    |
| Adjustments for:   |                              |                              |
| Depreciation and amortisation expenses   | 1,499.48                     | 1,632.65                     |
| (Profit) / loss on sale of Fixed Assets  | (5,570.99)                   | (1,552.26)                   |
| Finance costs  | 22,196.32                    | 19,889.08                    |
| Interest income  | (3,119.67)                   | (1,156.60)                   |
| Share of (profit) / loss from AOP  | 1.98                         | 18.96                        |
| Provision for retirement benefits  | 28.90                        | 74.02                        |
| Operating profit before working capital changes                                    | 29,098.97                    | 29,074.02                    |
| Changes in working capital:  |                              |                              |
| Adjustments for (increase) / decrease in operating assets:                         |                              |                              |
| Inventories  | (23,445.34)                  | (6,506.12)                   |
| Trade receivables  | 5,082.84                     | (8,518.11)                   |
| Short-term loans and advances  | (815.17)                     | (11,432.71)                  |
| Long-term loans and advances   | 6,635.30                     | 2,613.08                     |
| Other current assets   | (16,709.51)                  | 8,736.36                     |
| Adjustments for increase / (decrease) in operating liabilities:                    |                              |                              |
| Trade payables   | 10,409.37                    | 4,985.98                     |
| Other current liabilities  | 5,296.03                     | 5,930.05                     |
| Other long-term liabilities  | 385.26                       | 13,389.11                    |
| Cash generated from/ (used in) operations  | 15,937.75                    | 38,271.66                    |
| Direct taxes paid  | (1,304.10)                   | (3,555.05)                   |
| <b>Net cash flow from / (used in) operating activities</b>                         | <b>14,633.65</b>             | <b>34,716.61</b>             |
| <b>2. Cash flow from investing activities</b>                                      |                              |                              |
| Purchase of fixed assets (including Capital work-in-progress) and Capital advances | (9,040.81)                   | (12,154.80)                  |
| Proceeds from sale of fixed assets   | 5,971.18                     | 1,741.37                     |
| (Increase) / Decrease in fixed deposits with banks (under lien)                    | 5,706.78                     | (847.86)                     |
| Purchase of long-term investments  |                              |                              |
| - Subsidiaries   | (5,254.12)                   | (20,759.44)                  |
| - Others   | (15.55)                      | -                            |
| Redemption/sale of long-term investments - Subsidiaries                            | 460.95                       | 21.00                        |
| Interest received  | 1,487.60                     | 961.01                       |
| Share of (profit) / loss from AOP  | (1.98)                       | (18.96)                      |
| <b>Net cash flow from / (used in) investing activities</b>                         | <b>(685.95)</b>              | <b>(31,057.68)</b>           |

## Cash Flow Statement for the year ended 31 March, 2012

₹ in lacs

|  | Year ended<br>31 March, 2012 | Year ended<br>31 March, 2011 |
|--|------------------------------|------------------------------|
| <b>3. Cash flow from financing activities</b>  |                              |                              |
| Issue of Share Capital   | -                            | 1,903.81                     |
| Share Premium  | -                            | 25,048.45                    |
| Share issue expenses   | -                            | (371.72)                     |
| Finance costs  | (21,956.07)                  | (19,200.62)                  |
| Increase / (decrease) in working capital borrowings  | 98.88                        | (2,507.88)                   |
| Proceeds from other short-term borrowings  | 12,343.76                    | 33,683.05                    |
| Repayment of other short-term borrowings   | (23,059.13)                  | (39,772.11)                  |
| Proceeds from long-term borrowings   | 37,800.00                    | 49,399.61                    |
| Repayment of long-term borrowings  | (19,648.87)                  | (50,814.43)                  |
| <b>Net cash flow from / (used in) financing activities</b>   | <b>(14,421.43)</b>           | <b>(2,631.84)</b>            |
| 4. Net increase / (decrease) in Cash and cash equivalents  | (473.73)                     | 1,027.09                     |
| 5. Cash and cash equivalents at the beginning of the year  | 1,999.80                     | 972.71                       |
| <b>6. Cash and cash equivalents at the end of the year</b>   | <b>1,526.07</b>              | <b>1,999.80</b>              |
| <b>Notes:</b>  |                              |                              |
| a. Cash and cash equivalents as per Cash Flow Statement  | 1,526.07                     | 1,999.80                     |
| Add: bank deposits under lien not considered as cash and cash equivalent   | 13,847.37                    | 19,554.15                    |
| <b>Cash and bank balances as per Balance sheet (see note 18)</b>   | <b>15,373.44</b>             | <b>21,553.95</b>             |
| b. The Cash Flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard - 3 on Cash Flow Statement. |                              |                              |

See accompanying notes forming part of the financial statements

In terms of our report attached

For **Deloitte Haskins & Sells**  
Chartered Accountants

Sd/-  
**Jitendra Agarwal**  
Partner

New Delhi  
30 May, 2012

For and on behalf of the Board of Directors

Sd/-  
**Pradeep Kumar Jain**  
Chairman

Sd/-  
**R.N. Maloo**  
Group Chief Financial officer

Sd/-  
**Sanjeev Kumar Jain**  
Managing Director & CEO

Sd/-  
**V. Mohan**  
Company Secretary

Sd/-  
**R.J. Kamath**  
Director

# Notes Forming Part of the Financial Statements

## Note 1: Background

**PARSVNATH DEVELOPERS LIMITED** (“the Company”) is a company registered under the Companies Act, 1956. It was incorporated on 24 July, 1990. The Company is primarily engaged in the business of promotion, construction and development of integrated townships, residential & commercial complexes, multistoried buildings, flats, houses, apartments, shopping malls, IT parks, hotels, SEZ, etc.

## Note 2: Significant Accounting Policies

### a. Basis of accounting

The financial statements are prepared in accordance with Generally Accepted Accounting Principles in India (Indian GAAP) to comply with the Accounting Standards notified under the Companies (Accounting Standards) Rules, 2006 (as amended) and the relevant provisions of the Companies Act, 1956. The financial statements have been prepared on accrual basis under the historical cost convention. The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the previous year.

### b. Use of estimates

The preparation of financial statements in conformity with Indian GAAP requires the management to make 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 the 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 recognized in the periods in which the results are known/materialise.

### c. Fixed assets

Fixed assets are carried at cost less accumulated depreciation. Cost includes purchase price and all other attributable costs of bringing the assets to working condition for intended use. Borrowing costs attributable to acquisition or construction of qualifying fixed assets, which takes substantial period of time to get ready for its intended use are also included, up to the date the asset is ready for its intended use. Subsequent expenditure relating to fixed assets is capitalised only if such expenditure results in an increase in the future benefits from such assets beyond its previously assessed standard of performance.

### d. Depreciation

- i. Depreciation on fixed assets is provided on written down value method at the rates specified in Schedule XIV to the Companies Act, 1956 or based on the management’s estimates of the useful life of the assets, whichever is higher. Accordingly, the

depreciation rates used are as follows:

|                            |        |
|----------------------------|--------|
| Building                   | 5.00%  |
| Plant and machinery        | 30.00% |
| Office equipment           | 30.00% |
| Shuttering and scaffolding | 40.00% |
| Furniture and fixtures     | 30.00% |
| Motor vehicles             | 25.89% |
| Computers                  | 60.00% |

- ii. Cost of building on land held on license basis is amortized over the period of license of project facility on straight line basis.
- iii. Assets costing ₹5,000 or less individually are fully depreciated in the year of purchase.

### e. Capital Work In Progress

Projects under which assets are not ready for their intended use and other capital work-in-progress are carried at cost, comprising direct cost, related incidental expenses and attributable borrowing costs.

### f. Pre-operative expenditure pending allocation

Pre-operative expenditure incurred in relation to construction of fixed assets in respect of projects which are yet to commence commercial operations pending allocation includes:

- i. Incidental expenditure during construction period comprising payment to and provision for employees, professional fees and other administrative expenses pending allocation to fixed assets on completion of the Project.
- ii. Borrowing costs net of interest income pending allocation to fixed assets on completion of the Project.

### g. Revenue Recognition

- i. Revenue from real estate projects including integrated townships is recognised on the ‘Percentage of Completion Method’ of accounting. Revenue is recognized, in relation to the sold areas only, on the basis of percentage of actual cost incurred thereon including land as against the total estimated cost of the project under execution subject to such actual costs being 30% or more of the total estimated cost. The estimates of saleable area and costs are revised periodically by the management. The effect of such changes to estimates is recognised in the period such changes are determined.
- ii. Revenue from sale of land without any significant development is recognised when the agreement to sell is executed resulting in transfer of all significant risk and rewards of ownership.
- iii. Revenue from sale of development rights is recognised when agreements are executed.

## Notes Forming Part of the Financial Statements

- iv. Income from construction contracts is recognised by reference to the stage of completion of the contract activity at the reporting date of the financial statements. The related costs there against are charged to the statement of profit and loss of the year. The stage of completion of the contract is measured by reference to the proportion that contract cost incurred for work performed up to the reporting date bear to the estimated total contract cost for each contract.
  - v. Any expected loss on real estate projects or construction contracts is recognised as an expense when it is certain that the total cost will exceed the total revenue.
  - vi. The revenue on account of interest on delayed payment by customers and expenditure on account of compensation/penalty for project delays are accounted for at the time of acceptance/settlement with the customers due to uncertainties with regard to determination of amount receivable/payable.
  - vii. Income from license fee is recognised on accrual basis in accordance with the terms of agreement with the sub-licensees.
  - viii. Interest income is recognised on accrual basis on a time proportion basis.
  - ix. Dividend income is recognised when the Company's right to receive dividend is established.
- h. Cost of Construction/Development**
- Cost of Construction/Development (including cost of land/development rights) incurred is charged to the statement of profit and loss proportionate to project area sold. Adjustments, if required, are made on completion of the respective projects.
- i. Unbilled revenue**
- Unbilled revenue represents revenue recognized on 'Percentage of Completion Method' which is yet to be billed to the customers as per payment plans adopted by them.
- j. Inventories**
- Inventory comprises completed property for sale and property under construction (work-in-progress).
- i. Completed unsold inventory is valued at lower of cost and net realisable value. Cost is determined by including cost of land (including development rights), materials, services, related overheads and borrowing costs.
  - ii. Work-in-progress is valued at lower of cost and net realisable value. Cost comprises cost of land (including development rights), materials, services, overheads related to projects under construction and borrowing costs.
- k. Investments**
- Investments intended to be held for more than a year are classified as long term investments. All other investments are classified as current investments. Long term investments are stated individually at cost less provision for diminution in value, if such diminution is other than temporary. Current investments are stated at lower of cost and fair value on an individual investment basis.
- l. Segment policies**
- The Company's reporting segments are identified based on dominant source, nature of risks and returns and the internal organization and management structure.
- m. Accounting for joint ventures**
- i. Jointly controlled operations – The Company's share of revenue, expenses, assets and liabilities are included in the financial statements as revenue, expenses, assets and liabilities respectively.
  - ii. Jointly controlled entities – The Company's investment in jointly controlled entities is reflected as investment and accounted for in accordance with the Company's accounting policy of Investments (see note 2 k above).
- n. Foreign currency transactions**
- Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transactions. Monetary items denominated in foreign currency and outstanding at the balance sheet date are translated at the exchange rate prevailing on the balance sheet date. Exchange differences arising on translation of monetary assets and liabilities and realised gain and losses on foreign currency transactions are recognised in the statement of profit and loss.
- o. Taxes on income**
- Income tax comprises current tax and deferred tax. Current tax is the amount of tax payable on the taxable income for the year as determined in accordance with the provisions of the Income Tax Act, 1961. Deferred tax is recognised on timing differences, being the differences between the taxable income and the accounting income that originate in one period and are capable of reversal in one or more subsequent periods. Deferred tax is measured using the tax rates and the tax laws enacted or substantively enacted by the balance sheet date. Deferred tax liabilities are recognised for all timing differences. Deferred tax assets in respect of unabsorbed depreciation and carry forward of losses are recognised only if there is virtual certainty that there will be sufficient future taxable income available to realise such assets. Deferred tax assets are recognised for timing differences of other items only to the extent that reasonable certainty exists that future taxable income will be available against which these can be realised. Deferred

## Notes Forming Part of the Financial Statements

tax assets and liabilities are offset. Deferred tax assets are reviewed at each balance sheet date for their realisability.

### p. Earnings per share

Basic earnings per share is computed by dividing net profit after tax by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing net profit after tax as adjusted for dividend, interest and other charges to expense or income relating to the dilutive potential equity shares, by the weighted average number of shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on 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.

### q. Provision for Retirement benefits

Employee benefits include provident fund, gratuity and compensated absences and long service awards.

#### i. Defined contribution plan

The Company's contribution to Provident Fund is considered as defined contribution plan. Provident fund contribution is deposited with the Employees Provident Fund Organisation (EPFO). Company's contribution to provident fund is charged to the statement of profit and loss when the contribution is due.

#### ii. Defined benefit plan

Gratuity is a defined benefit plan covering eligible employees. The plan provides for a lump sum payment to vested employees on retirement, death within employment or termination of employment of an amount equivalent to 15 days salary for each completed year of service. Vesting occurs on completion of five years of service. Liability for Gratuity is provided on the basis of actuarial valuation carried out at the Balance Sheet date by an independent actuary using the Projected Unit Credit method. Actuarial gains and losses are recognised in the statement of profit and loss in the period in which they occur.

#### iii. Short-term employee benefits

The undiscounted amount of short term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the services.

#### iv. Long term employee benefits

Compensated absences are treated as long term employee benefits and liability is recognised on the basis of valuation by an independent actuary at the year end.

### r. Borrowing cost

Borrowing costs include interest and ancillary costs incurred. Borrowing costs allocated to and utilised for qualifying assets, pertaining to the period from commencement of activities relating to construction/development of the qualifying asset up to the date of capitalisation of such asset is added to the cost of the asset. A qualifying asset is an asset that necessarily requires substantial period of time to get ready for its intended use or sale. Other borrowing costs are recognised as an expense in the year in which they are incurred.

### s. Provisions and contingencies

Provision is recognized when the Company has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions (excluding employee benefits) are not discounted to their present value and are determined based on management estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimate. Contingent liabilities are disclosed in the Notes.

### t. Impairment of assets

The carrying value of assets at each balance sheet date is reviewed for impairment. If an indication of impairment exists, the recoverable amount of such assets is estimated and impairment is recognised, if the carrying amount of these assets exceeds their recoverable amount. The recoverable amount is the higher of asset's net selling price and value in use. Value in use is arrived by discounting the estimated future cash flows expected from the continuing use of the asset and from its disposal based on an appropriate discount factor. The impairment loss as determined above is charged to statement of profit and loss. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the statement of profit and loss.

### u. Leases

Lease arrangements where the risk and rewards incident to ownership of an asset substantially vest with the lessor are recognised as operating lease. Lease rentals under operating leases are recognised in the Statement of Profit and Loss on a straight line basis over the lease term.

Assets given under operating leases are included in fixed assets. Lease income is recognised in the Statement of Profit and Loss on a straight line basis over the lease term. Costs, including depreciation are recognised as expense in the Statement of Profit and Loss.

## Notes Forming Part of the Financial Statements

### Note 3: Share Capital

| Particulars                                    | As at 31 March, 2012 |                  | As at 31 March, 2011 |                  |
|--|----------------------|------------------|----------------------|------------------|
|  | Number of shares     | ₹ in lacs        | Number of shares     | ₹ in lacs        |
| <b>a. Authorised</b>                           |                      |                  |                      |                  |
| i. Equity shares of ₹5/- each                  | 60,00,00,000         | 30,000.00        | 60,00,00,000         | 30,000.00        |
| ii. Preference shares of ₹10/- each            | 5,00,00,000          | 5,000.00         | 5,00,00,000          | 5,000.00         |
|  | <b>65,00,00,000</b>  | <b>35,000.00</b> | <b>65,00,00,000</b>  | <b>35,000.00</b> |
| <b>b. Issued, subscribed and fully paid up</b> |                      |                  |                      |                  |
| Equity shares of ₹5/- each                     | 43,51,81,170         | 21,759.06        | 43,51,81,170         | 21,759.06        |
| <b>Total</b>                                   | <b>43,51,81,170</b>  | <b>21,759.06</b> | <b>43,51,81,170</b>  | <b>21,759.06</b> |

Refer notes (i) to (iv) below:

#### i. Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year

| Particulars  | As at 31 March, 2012 |                  | As at 31 March, 2011 |                  |
|--|----------------------|------------------|----------------------|------------------|
|  | Number of shares     | ₹ in lacs        | Number of shares     | ₹ in lacs        |
| <b>Equity shares of ₹ 5/- each, fully paid up:</b> |                      |                  |                      |                  |
| Outstanding at the beginning of the year           | 43,51,81,170         | 21,759.06        | 19,85,52,472         | 19,855.25        |
| Issued during the year                             | -                    | -                | 1,90,38,113          | 1,903.81         |
| Other Changes (see note below)                     | -                    | -                | 21,75,90,585         | -                |
| Outstanding at the end of the year                 | <b>43,51,81,170</b>  | <b>21,759.06</b> | <b>43,51,81,170</b>  | <b>21,759.06</b> |

Note : During the previous year 2010-11, the Company had sub-divided the nominal value of its equity shares from ₹ 10/- each to ₹ 5/- each on 19 October, 2010. Consequently, the number of authorised, issued, subscribed and paid-up equity shares have increased accordingly and the effect of the same has been shown in 'Other changes'.

#### ii. Rights, preferences and restrictions attached to equity shares:

The Company has issued only one class of equity shares having a par value of ₹ 5/- per share. Each holder of equity shares is entitled to one vote per share held. The dividend, if any, proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

#### iii. Details of Equity shares held by each shareholder holding more than 5% shares in the Company :-

| Name of shareholder  | As at 31 March, 2012  |           | As at 31 March, 2011  |           |
|--|-----------------------|-----------|-----------------------|-----------|
|  | Number of shares held | % holding | Number of shares held | % holding |
| <b>Equity shares of ₹ 5/- each, fully paid up:</b>         |                       |           |                       |           |
| i. Pradeep Kumar Jain & Sons (HUF)                         | 11,55,58,893          | 26.554    | 11,33,89,744          | 26.056    |
| ii. Pradeep Kumar Jain                                     | 10,36,76,781          | 23.824    | 9,14,68,656           | 21.019    |
| iii. Parsnath and Associates Private Limited               | 4,72,77,992           | 10.864    | 4,65,87,200           | 10.705    |
| iv. Nutan Jain   | 4,39,09,644           | 10.090    | 4,29,20,000           | 9.863     |
| v. Fidelity Securities Fund Fidelity Blue Chip Growth Fund | 2,17,71,340           | 5.003     | 2,17,71,340           | 5.003     |

## Notes Forming Part of the Financial Statements

### iv. Aggregate number of bonus shares issued for the period of five years immediately preceding the Balance Sheet date:

| Particulars                             | Number of shares        |                         |
|---|-------------------------|-------------------------|
|   | As at<br>31 March, 2012 | As at<br>31 March, 2011 |
| <b>Equity shares</b>                    |                         |                         |
| a. Fully paid up by way of bonus shares | -                       | 9,89,13,600             |

### Note 4: Reserves and surplus

₹ in lacs

| Particulars   | As at              |                    |
|---|--------------------|--------------------|
|   | 31 March, 2012     | 31 March, 2011     |
| <b>a. Securities premium</b>                                      |                    |                    |
| i. As per last balance sheet                                      | 1,40,711.41        | 1,16,034.68        |
| ii. Add : Premium on shares issued during the year                | -                  | 25,048.45          |
| iii. Less: Share issue expenses                                   | -                  | 371.72             |
|   | 1,40,711.41        | 1,40,711.41        |
| <b>b. Debenture redemption reserve</b>                            |                    |                    |
| i. As per last balance sheet                                      | 14,750.00          | 4,750.00           |
| ii. Add: Transferred from surplus in Statement of Profit and Loss | 5,750.00           | 14,750.00          |
| iii. Less: Transferred to surplus in Statement of Profit and Loss | 1,214.00           | 4,750.00           |
|   | 19,286.00          | 14,750.00          |
| <b>c. General reserve</b>   |                    |                    |
| i. As per last balance sheet                                      | 7,960.00           | 7,960.00           |
| <b>d. Surplus in Statement of Profit and Loss</b>                 |                    |                    |
| i. As per last balance sheet                                      | 70,694.52          | 73,146.81          |
| ii. Add: Profit for the year                                      | 2,552.92           | 7,547.71           |
| iii. Add: Transferred from debenture redemption reserve           | 1,214.00           | 4,750.00           |
| iv. Less: Transferred to debenture redemption reserve             | 5,750.00           | 14,750.00          |
|   | 68,711.44          | 70,694.52          |
|   | <b>2,36,668.85</b> | <b>2,34,115.93</b> |

### Note 5: Long-term borrowings

₹ in lacs

| Particulars  | As at<br>31 March, 2012 |                  | As at<br>31 March, 2011 |                  |
|--|-------------------------|------------------|-------------------------|------------------|
|  | Non Current             | Current          | Non Current             | Current          |
| <b>Secured</b>   |                         |                  |                         |                  |
| <b>a. Debentures</b>   |                         |                  |                         |                  |
| i. 14.80% Non-convertible Redeemable debentures (Series XI)              | 12,500.00               | -                | 12,500.00               | -                |
| ii. 14.25% Non-convertible Redeemable debentures (Series VII and IX)     | 10,000.00               | 10,000.00        | 20,000.00               | -                |
| iii. 13.00% Non-convertible Redeemable debentures (Series X)             | -                       | 370.00           | 2,500.00                | -                |
| iv. 16.00% Non-convertible Redeemable debentures (Series VIII)           | 1,500.00                | 4,202.00         | 4,500.00                | 1,500.00         |
|  | 24,000.00               | 14,572.00        | 39,500.00               | 1,500.00         |
| <b>b. Term loans</b>   |                         |                  |                         |                  |
| i. From banks  | 12,549.44               | 3,187.65         | 14,659.44               | 14,273.65        |
| ii. From financial institutions/ others                                  | 38,016.00               | 14,723.23        | 8,188.00                | 10,776.10        |
|  | 50,565.44               | 17,910.88        | 22,847.44               | 25,049.75        |
| <b>Total</b>   | <b>74,565.44</b>        | <b>32,482.88</b> | <b>62,347.44</b>        | <b>26,549.75</b> |
| Less: Amount disclosed under "Other current liabilities" (Refer Note 10) | -                       | 32,482.88        | -                       | 26,549.75        |
|  | <b>74,565.44</b>        | -                | <b>62,347.44</b>        | -                |

## Notes Forming Part of the Financial Statements

₹ in lacs

| Particulars   | As at<br>31 March, 2012 | As at<br>31 March, 2011 |
|---|-------------------------|-------------------------|
| <b>i. Details of terms of repayment and securities provided in respect of debentures are as under:</b>  |                         |                         |
| a. 14.80% NCDs of ₹ 12,500 lacs were issued during the year ended 31 March, 2011. The NCDs are secured by equitable mortgage of project land at Rohtak and Sonapat and charge on receivables of these projects through escrow account and personal guarantee of Chairman. These NCDs are redeemable in 4 quarterly instalments commencing from June, 2013 and ending in March, 2014.  | 12,500.00               | 12,500.00               |
| b. 14.25% NCDs of ₹20,000 lacs were issued during the year ended 31 March, 2011. The NCDs are secured by pledge of equity shares of the company held by the promoters, registered mortgage of project land and charge on receivables of the project 'Parsvnath Mall', Rohini, and personal guarantee of Chairman. These NCDs are redeemable in 4 quarterly instalments commencing from November, 2012 and ending in August, 2013.   | 20,000.00               | 20,000.00               |
| c. 13.00% NCDs of ₹ 2,500 lacs were issued during the year ended 31 March, 2011. The NCDs are secured by pledge of equity shares of the company held by the promoters, registered mortgage of office space at Arunachal Building, Connaught Place, New Delhi and personal guarantee of Chairman. These NCDs are redeemable by bullet payment in July, 2012 with a Put / Call option after 12 months from date of issue.   | 370.00                  | 2,500.00                |
| d. 16.00% NCDs of ₹ 6,000 lacs were issued during the year ended 31 March, 2011. The NCDs are secured by pledge of equity shares of the company held by the promoters, registered mortgage of office space at Arunachal Building, Connaught Place, New Delhi. The NCDs are further secured by cross collateralization clause with NCDs of ₹ 12,500 lacs and personal guarantee of Chairman. These NCDs are redeemable in 24 monthly instalments commencing from October, 2011 and ending in August, 2013.   | 5,702.00                | 6,000.00                |
|   | <b>38,572.00</b>        | <b>41,000.00</b>        |
| <b>ii. Details of terms of repayment and securities provided in respect of secured long term borrowings are as under:</b>   |                         |                         |
| a. Term loan from a bank is secured by mortgage of project land at Greater Noida, hypothecation of present and future receivables of the said project and personal guarantee of Chairman. The term loan is repayable in 8 quarterly instalments commencing from June, 2013 and ending in March, 2015.   | 9,126.60                | 8,326.61                |
| b. Term loan from three banks under consortium arrangement is secured by (a) 2nd Pari Passu charge through escrow account on all receivables of commercial space at the 8 DMRC Stations namely Shahdara, Azadpur, Kashmiri Gate, Seelampur (Station Box), Pratap Nagar, Tis Hazari, Inderlok (Annexe) and Inderlok (Station Box) subject to prior charge of DMRC to the extent of outstanding dues, (b) corporate guarantee of Parsvnath and Associates Pvt. Ltd., (c) personal guarantees of Chairman, Managing Director and a wholtime Director of the company, and (d) pledge of equity shares of the company held by the promoters. The term loan is repayable in 17 quarterly instalments commencing from October, 2009 and ending in October, 2013. | 3,724.75                | 6,194.83                |
| c. Term Loan from two banks and a financial institution under consortium arrangement is secured by pari-passu charge by way of (a) equitable mortgage of land at Saharanpur, (b) 2nd pari-passu charge over receivables of commercial space at Akshardham project, and (c) corporate guarantee of land owning companies. The term loan is repayable in 20 quarterly instalments commencing from December, 2010 and ending in March, 2016.   | 3,296.00                | 4,054.74                |

## Notes Forming Part of the Financial Statements

₹ in lacs

| Particulars   | As at<br>31 March, 2012 | As at<br>31 March, 2011 |
|---|-------------------------|-------------------------|
| d. Term loan from three banks and a financial institution is secured by equitable mortgage of commercial land and land for service apartments at Chandigarh, 1st charge on receivables of the commercial units and residential units of the project and personal guarantee of Chairman, Managing Director and a wholetime Director of the company. The term loan from banks is repayable in 25/27 monthly instalments commencing from January, 2010 and ending in January, 2012 and March, 2012 respectively and 8 quarterly instalments commencing from May, 2010 and ending in February, 2012 in case of the financial institution. | 681.33                  | 5,098.63                |
| e. Term loan from a financial institution is secured by equitable mortgage of project land at Indore and Kurukshetra, charge on receivables of project 'Pragati' Dharuhera and personal guarantee of Chairman. The term loan is repayable in 16 quarterly instalments commencing from October, 2009 and ending in July, 2013.   | 14,647.64               | 14,647.64               |
| f. Term loan from a non-banking finance company is secured by equitable mortgage of property at Hauz Khas, pledge of 150 lacs (fixed) equity shares of the company held by the promoters, cross default clause with another term loan of ₹ 31,000 lacs, personal guarantee of Chairman, Managing Director and a wholetime Director of the company and charge on receivables of project Sonapat Group Housing II through an escrow account. The term loan is repayable in 30 monthly instalments commencing from August, 2013 and ending in January, 2016.   | 6,000.00                | -                       |
| g. Term loan from a non-banking finance company is secured by equitable mortgage of project land at K.G. Marg, New Delhi, personal guarantee of Chairman, Managing Director and a wholetime Director of the company and interim charge on receivables of projects 'Parsvnath City' Dharuhera and 'Parsvnath Royale' Panchkula through escrow account. The term loan is repayable in 48 monthly instalments commencing from August, 2012 and ending in July, 2016.   | 31,000.00               | -                       |
| h. Term loan from a bank is secured by way of equitable mortgage of project land at Panipat and hypothecation of entire existing and future receivables of the said project.  | -                       | 2,500.00                |
| i. Term loan from a bank is secured by first charge of project land at Moradabad and personal guarantee of Chairman, Managing Director and a Whole time director of the company.  | -                       | 2,500.00                |
| j. Term loan from a bank is secured by way of equitable mortgage of project land at Noida and personal guarantee of Chairman.   | -                       | 936.50                  |
| k. Term loan from a bank is secured by equitable mortgage of project land at Indore.  | -                       | 1,630.00                |
| l. Term loan from a bank is secured by equitable mortgage of project land at Derabassi, Punjab.   | -                       | 667.78                  |
| m. Term loan from a financial institution is secured by first pari-passu charge on Sonapat project land and construction thereon and corporate guarantees of land owning companies.   | -                       | 1,340.46                |
|   | <b>68,476.32</b>        | <b>47,897.19</b>        |
| <b>iii. Details of long term borrowings guaranteed by some of the directors:</b>  |                         |                         |
| a. Debentures   | 38,572.00               | 41,000.00               |
| b. Term loans from banks  | 13,172.09               | 25,738.35               |
| c. Term loans from financial institutions/others  | 52,008.23               | 18,104.10               |
|   | <b>1,03,752.32</b>      | <b>84,842.45</b>        |

## Notes Forming Part of the Financial Statements

| Particulars  | Outstanding Amount<br>₹ in lacs | Rate of interest per annum<br>% |
|--|---------------------------------|---------------------------------|
| <b>iv. The rate of interest applicable on long term borrowings are as under:</b> |                                 |                                 |
| a. Debentures (see note below)   | 38,572.00                       | 13.00% to 18.50%                |
| b. Term loans from banks   | 15,737.09                       | 13.25% to 17.25%                |
| c. Term loans from financial institutions/others                                 | 52,739.23                       | 13.00% to 18.97%                |

Note : Interest on 16% NCDs of ₹ 6000 lacs is linked to LTBM and due to upward revision, the interest rate stands increased to 18.50% per annum as on 31 March, 2012.

| Particulars   | As at<br>31 March, 2012 |           | As at<br>31 March, 2011 |           |
|---|-------------------------|-----------|-------------------------|-----------|
|   | Period of default       | ₹ in lacs | Period of default       | ₹ in lacs |
| <b>v. The Company has defaulted in repayment of loans and interest in respect of the following:</b> |                         |           |                         |           |
| a. Debentures   |                         |           |                         |           |
| - Principal   | 25 to 146 days          | 1,202.00  | -                       | -         |
| - Interest  | 1 to 30 days            | 759.17    | -                       | -         |
| b. Term loans from banks  |                         |           |                         |           |
| - Principal   | 30 to 60 days           | 300.92    | 16 to 151 days          | 4,742.29  |
| - Interest  | 1 to 60 days            | 373.08    | 1 to 59 days            | 490.27    |
| c. Term loans from financial institutions/others  |                         |           |                         |           |
| - Principal   | 21 to 365 days          | 7,551.23  | 31 to 181 days          | 3,137.00  |
| - Interest  | 1 to 213 days           | 1,645.68  | 1 to 182 days           | 1,615.11  |

₹ in lacs

| Particulars                                | As at<br>31 March, 2012 | As at<br>31 March, 2011 |
|--|-------------------------|-------------------------|
| <b>Note 6: Other long-term liabilities</b> |                         |                         |
| a. Trade / security deposits received      | 9,243.43                | 9,565.51                |
| b. Advances from customers                 | 5,762.34                | 5,055.00                |
|  | <b>15,005.77</b>        | <b>14,620.51</b>        |
| <b>Note 7: Long-term provisions</b>        |                         |                         |
| <b>a. Provision for employee benefits:</b> |                         |                         |
| i. Provision for gratuity                  | 257.58                  | 211.51                  |
| ii. Provision for compensated absences     | 94.58                   | 90.32                   |
|  | <b>352.16</b>           | <b>301.83</b>           |

## Notes Forming Part of the Financial Statements

₹ in lacs

| Particulars   | As at<br>31 March, 2012 | As at<br>31 March, 2011 |
|---|-------------------------|-------------------------|
| <b>Note 8: Short-term borrowings</b>  |                         |                         |
| <b>Secured</b>  |                         |                         |
| a. Loans repayable on demand  |                         |                         |
| From banks - Cash Credit  | 12,583.83               | 10,537.95               |
| b. Term Loans   |                         |                         |
| From Financial Institutions/ Others   | 17,653.02               | 31,413.91               |
| c. Others   |                         |                         |
| Bank overdraft  | 6,737.18                | 8,684.18                |
|   | <b>36,974.03</b>        | <b>50,636.04</b>        |
| <b>Unsecured</b>  |                         |                         |
| a. Loans repayable on demand  |                         |                         |
| From other parties  | 7,918.41                | 4,902.03                |
| b. Loans and advances from related parties  | 255.18                  | 1,161.45                |
| c. Fixed Deposits   |                         |                         |
| i From Public   | 1,154.74                | 282.15                  |
| ii From Shareholders  | 82.69                   | 19.87                   |
|   | <b>9411.02</b>          | <b>6365.50</b>          |
| <b>Total</b>  | <b>46,385.05</b>        | <b>57,001.54</b>        |
| <b>i. Details of securities provided in respect of short term borrowings from banks - cash credit are as under:</b>   |                         |                         |
| a. Cash Credit is secured by first pari passu charge over current assets of the company excluding those assets specifically charged to other Banks/FIs and equitable mortgage of land & building at Moradabad and Greater Noida, pledge of term deposits of ₹ 244 lacs and personal guarantee of Chairman, Managing Director and a wholetime Director of the company.   | 5,067.63                | 5,028.84                |
| b. Cash Credit is secured by first pari-passu charge over current assets of the company excluding those assets specifically charged to other Banks/FIs, equitable mortgage of project land at Panipat and at Nangal Kalan, Sonapat and personal guarantee of Chairman, Managing Director and a wholetime Director of the company.   | 2,529.72                | 2,519.93                |
| c. Cash Credit is secured by first pari-passu charge over current assets of the company excluding those assets specifically charged to other Banks/FIs, equitable mortgage of commercial land at Dharuhera, personal guarantee of Chairman, Managing Director and a wholetime Director of the company and corporate guarantee of Land owning companies.   | 1,538.04                | 2,022.40                |
| d. Cash Credit is secured by first pari-passu charge over current assets of the company excluding those assets specifically charged to other Banks/FIs, equitable mortgage of project land at Rajpura and commercial space at Saharanpur, pledge of term deposit of ₹ 194 lacs, personal guarantee of Chairman, Managing Director and a wholetime Director of the company and corporate guarantee of a land owning company. | 3,448.44                | 966.78                  |
|   | <b>12,583.83</b>        | <b>10,537.95</b>        |
| <b>ii. Details of securities provided in respect of term loans from financial institutions/ others are as under:</b>  |                         |                         |
| a. Term loan from a financial institution is secured by pledge of equity shares of the company held by the promoters, personal guarantee of Chairman, Managing Director and a wholetime Director of the company and equitable mortgage of project lands at Goa and Jodhpur.   | 9,091.87                | 12,900.00               |
| b. Term Loan from a financial institution is secured by mortgage of project land at Sonapat and charge on receivables of the said project through escrow account, personal guarantee of Chairman, Managing Director and a wholetime Director of the company and corporate guarantee of land owning companies.   | 1,200.00                | -                       |

## Notes Forming Part of the Financial Statements

₹ in lacs

| Particulars   | As at<br>31 March, 2012            | As at<br>31 March, 2011            |
|---|------------------------------------|------------------------------------|
| c. Term loan from a financial institution is secured by equitable mortgage of commercial land at Goa, pledge of equity shares of the company held by the promoters and personal guarantee of Chairman.  | 2,000.00                           | -                                  |
| d. Term loan from a non-banking finance company is secured by registered mortgage of project land at Sonepat, personal guarantee of Chairman and Managing Director and cross collateral clause with another term loan from the same non-banking finance company.                            | 1,339.78                           | -                                  |
| e. Term loan from a non-banking finance company is secured by pledge of equity shares of the company held by the promoters, registered mortgage of project land at Sonepat and personal guarantee of Chairman.  | 2,969.36                           | 2,358.00                           |
| f. Term loan from a non-banking finance company is secured by mortgage of few Shops at Commercial Mall in Noida.  | 610.26                             | 908.69                             |
| g. Term loan from a financial institution is secured against keyman Insurance Policy taken by the company.  | 441.75                             | 233.93                             |
| h. Term loan from a financial institution is secured by way of equitable mortgage of project land at K.G. Marg, New Delhi, charge on receivables of K.G. Marg and IT Park, Gurgaon projects and personal guarantees of Chairman, Managing Director and a wholetime Director of the company. | -                                  | 15,000.00                          |
| i. Loan taken for Vehicle / Equipment is secured by way of hypothecation of specific vehicle / equipment financed.  | -                                  | 13.29                              |
|   | 17,653.02                          | 31,413.91                          |
| <b>iii. Details of securities provided in respect of short term borrowings - Bank Overdraft are as under:</b>   |                                    |                                    |
| The Overdraft from four banks is secured by way of pledge of fixed deposits with them.  | 6,737.18                           | 8,684.18                           |
| <b>iv. Details of short term borrowings guaranteed by some of the directors:</b>  |                                    |                                    |
| a. Loans repayable on demand from banks   | 12,583.83                          | 10,537.95                          |
| b. Term loans from financial institutions/others  | 16,601.01                          | 30,258.00                          |
| c. Loans repayable on demand from others  | 2,500.00                           | -                                  |
|   | 31,684.84                          | 40,795.95                          |
| <b>v. The rate of interest applicable on short term borrowings are as under :-</b>  |                                    |                                    |
| Particulars   | Outstanding<br>Amount<br>₹ in lacs | Rate of interest<br>per annum<br>% |
| a. Cash Credit Limits   | 12,583.83                          | 16.25 % to<br>17.25%               |
| b. Loan from Financial Institutions   | 11,091.87                          | 15.50% to<br>17.00%                |
| c. Loan from a Financial Institution  | 441.75                             | 9.00%                              |
| d. Loan from Non Banking Financial Companies  | 6,119.40                           | 14.50% to<br>20.50%                |
| e. Inter Corporate deposits   | 7,118.41                           | 12.00% to<br>19.00%                |
| f. Inter Corporate deposits   | 800.00                             | Interest free                      |
| g. Overdraft limits against fixed deposits  | 6,737.18                           | 9.75% to<br>11.75%                 |
| h. Fixed deposits   | 1,237.43                           | 10.00% to<br>12.50%                |
| i. Loan from related parties  | 255.18                             | 12.00% to<br>18.00%                |

## Notes Forming Part of the Financial Statements

vi. The Company has defaulted in repayment of loans and interest in respect of the following:

| Particulars                                      | As at<br>31 March, 2012 |           | As at<br>31 March, 2011 |           |
|--|-------------------------|-----------|-------------------------|-----------|
|  | Period of<br>default    | ₹ in lacs | Period of<br>default    | ₹ in lacs |
| a. Term loans from financial institutions/others |                         |           |                         |           |
| - Principal                                      | 16 to 91 days           | 3,091.87  | 1 to 16 days            | 1,150.00  |
| - Interest                                       | -                       | -         | -                       | -         |

| Particulars   | ₹ in lacs               |                         |
|---|-------------------------|-------------------------|
|   | As at<br>31 March, 2012 | As at<br>31 March, 2011 |
| <b>Note 9: Trade payables</b>   |                         |                         |
| a. Other than Acceptances:  |                         |                         |
| i. Trade payables for goods and services  | 53,192.89               | 45,738.14               |
| ii. Trade payables for land   | 45,630.49               | 42,675.87               |
|   | <b>98,823.38</b>        | <b>88,414.01</b>        |
| <b>Note 10: Other current liabilities</b>   |                         |                         |
| a. Current maturities of long-term debt (Refer Note 5)  | 32,482.88               | 26,549.75               |
| b. Interest accrued but not due on borrowings   | 618.52                  | 992.28                  |
| c. Interest accrued and due on borrowings   | 2,777.93                | 2,105.38                |
| d. Unpaid dividends   | 38.21                   | 38.38                   |
| e. Other payables   |                         |                         |
| i. Statutory dues   | 1,771.48                | 1,043.50                |
| ii. Interest accrued but not due - Others   | 441.22                  | 499.75                  |
| iii. Trade / security deposits received   | 8,320.28                | 8,543.79                |
| iv. Advances from customers   | 32,962.90               | 28,511.14               |
| v. Book overdraft - Banks   | 1,017.27                | 677.30                  |
|   | <b>80,430.69</b>        | <b>68,961.27</b>        |
| <b>Note 11: Short-term provisions</b>   |                         |                         |
| a. Provision for employee benefits:   |                         |                         |
| i. Provision for gratuity   | 88.28                   | 107.04                  |
| ii. Provision for compensated absences  | 40.77                   | 43.44                   |
|   | 129.05                  | 150.48                  |
| b. Provision - Others:  |                         |                         |
| i. Provision for tax (net of advance tax ₹ 26,766.03 lacs; as at 31 March, 2011 ₹ 32,061.98 lacs) | 12,625.31               | 2,562.69                |
|   | <b>12,754.36</b>        | <b>2,713.17</b>         |

## Notes Forming Part of the Financial Statements

### Note 12: Fixed assets

₹ in lacs

| Description                | Gross Block         |                 |                          | Accumulated Depreciation |                     |                 | Net Block                |                     |                     |
|----------------------------|---------------------|-----------------|--------------------------|--------------------------|---------------------|-----------------|--------------------------|---------------------|---------------------|
|                            | As at<br>01.04.2011 | Addition        | Deduction/<br>Adjustment | As at<br>31.03.2012      | As at<br>01.04.2011 | For the<br>Year | Deduction/<br>Adjustment | As at<br>31.03.2012 | As at<br>31.03.2011 |
| <b>Tangible Assets:</b>    |                     |                 |                          |                          |                     |                 |                          |                     |                     |
| <b>Own Assets :</b>        |                     |                 |                          |                          |                     |                 |                          |                     |                     |
| Land - Freehold            | 66.10               | 36.27           | 36.27                    | 66.10                    | -                   | -               | -                        | 66.10               | 66.10               |
| Land and building          | 2,299.93            | 565.10          | 361.67                   | 2,503.36                 | 410.02              | 144.07          | 52.86                    | 2,002.13            | 1,889.91            |
| Building on leasehold land | 12,064.84           | 91.86           | 24.62                    | 12,132.08                | 1,528.38            | 586.76          | -                        | 10,016.94           | 10,536.46           |
| Plant and machinery        | 3,562.76            | 3.52            | 3.02                     | 3,563.26                 | 2,615.38            | 284.92          | 2.45                     | 665.41              | 947.38              |
| Shuttering and scaffolding | 4,121.12            | 0.15            | -                        | 4,121.27                 | 3,596.36            | 209.96          | -                        | 314.95              | 524.76              |
| Furniture and fixtures     | 1,342.64            | 3.59            | 1.15                     | 1,345.08                 | 1,004.09            | 102.66          | 1.01                     | 239.34              | 338.55              |
| Motor vehicles             | 1,327.74            | 0.50            | 111.36                   | 1,216.88                 | 898.60              | 110.80          | 87.69                    | 295.17              | 429.14              |
| Office equipment           | 612.25              | 16.67           | 31.61                    | 597.31                   | 463.01              | 46.72           | 25.73                    | 113.31              | 149.24              |
| Computers                  | 433.02              | 2.93            | 4.17                     | 431.78                   | 412.90              | 13.59           | 3.94                     | 9.23                | 20.12               |
| <b>Total</b>               | <b>25,830.40</b>    | <b>720.59</b>   | <b>573.87</b>            | <b>25,977.12</b>         | <b>10,928.74</b>    | <b>1,499.48</b> | <b>173.68</b>            | <b>13,722.58</b>    | <b>14,901.66</b>    |
| <b>Previous year</b>       | <b>20,060.64</b>    | <b>6,029.39</b> | <b>259.63</b>            | <b>25,830.40</b>         | <b>9,366.61</b>     | <b>1,632.65</b> | <b>70.52</b>             | <b>14,901.66</b>    | <b>10,694.03</b>    |

## Notes Forming Part of the Financial Statements

₹ in lacs

| Particulars  | As at<br>31 March, 2012 | As at<br>31 March, 2011 |
|--|-------------------------|-------------------------|
| <b>Note 13: Non-current investments</b>  |                         |                         |
| (At cost)  |                         |                         |
| <b>A. Trade Investments (Unquoted)</b>   |                         |                         |
| <b>a. Investment in equity shares of :</b>   |                         |                         |
| <b>i. Subsidiaries</b>   |                         |                         |
| a. Parsvnath Landmark Developers Private Limited*<br>25,60,000 (Previous Year 25,60,000) Equity Shares of ₹ 10/- each fully paid-up      | 3,590.98                | 3,590.98                |
| b. Parsvnath Infra Limited<br>2,60,49,400 (Previous year 2,60,49,400) Equity Shares of ₹ 10/- each fully paid-up                         | 2,604.94                | 2,604.94                |
| c. Parsvnath Film City Limited<br>17,50,000 (Previous year 15,50,000) Equity Shares of ₹ 10/- each fully paid-up                         | 175.00                  | 155.00                  |
| d. Parsvnath Retail Limited<br>70,000 (Previous year 70,000) Equity Shares of ₹ 10/- each fully paid-up                                  | 7.00                    | 7.00                    |
| e. PDL Assets Limited<br>60,000 (Previous year 60,000) Equity Shares of ₹ 10/- each fully paid-up  | 6.00                    | 6.00                    |
| f. Parsvnath Hotels Limited<br>54,00,000 (Previous year 45,00,000) Equity Shares of ₹ 10/- each fully paid-up                            | 1,350.00                | 450.00                  |
| g. Parsvnath Telecom Private Limited<br>10,30,000 (Previous year 10,30,000) Equity Shares of ₹ 10/- each fully paid-up                   | 103.00                  | 103.00                  |
| h. Parsvnath Developers Pte. Limited<br>4,56,920 (Previous year 4,41,920) Equity Shares of SGD 1 each fully paid-up                      | 145.49                  | 140.27                  |
| i. Primetime Realtors Private Limited<br>10,000 (Previous year 10,000) Equity Shares of ₹ 10/- each fully paid-up                        | 1.00                    | 1.00                    |
| j. Parsvnath Hessa Developers Private Limited* #<br>10,040 (Previous year 10,040) Class A Equity Shares of ₹ 10/- each fully paid-up     | 1.00                    | 1.00                    |
| k. Parsvnath Hessa Developers Private Limited* #<br>9,00,000 (Previous year 9,00,000) Class C Equity Shares of ₹ 10/- each fully paid-up | 9,000.00                | 9,000.00                |
| l. Parsvnath Promoters And Developers Private Limited*<br>1,69,326 (Previous year 1,69,326) Equity Shares of ₹ 10/- each fully paid-up   | 1,657.99                | 1,657.99                |
| m. Parsvnath Estate Developers Private Limited*<br>37,75,000 (Previous year 37,75,000) Equity Shares of ₹ 10/- each fully paid-up        | 377.50                  | 377.50                  |
| n. Parsvnath Buildwell Private Limited* #<br>5,01,000 (Previous year Nil) Class A Equity Shares of ₹ 10/- each fully paid-up             | 50.10                   | -                       |
| o. Parsvnath Buildwell Private Limited* #<br>90,000 (Previous year Nil) Class C Equity Shares of ₹ 10/- each fully paid-up               | 180.00                  | -                       |
| p. Parsvnath Rail Land Project Private Limited<br>10,000 (Previous year Nil) Equity Shares of ₹ 10/- each fully paid-up                  | 1.00                    | -                       |

## Notes Forming Part of the Financial Statements

|  |   | ₹ in lacs               |                         |
|--|---|-------------------------|-------------------------|
| Particulars                                      |   | As at<br>31 March, 2012 | As at<br>31 March, 2011 |
| <b>ii. Associates</b>                            |   |                         |                         |
| a.   | Amazon India Limited<br>25,000 (Previous year 25,000) Equity Shares of ₹ 10/- each fully paid-up  | 212.50                  | 212.50                  |
| b.   | Home Life Real Estate Private Limited<br>7,75,000 (Previous year 7,75,000) Equity Shares of ₹ 10/- each fully paid-up   | 77.50                   | 77.50                   |
| c.   | Vardaan Buildtech Private Limited<br>16,000 (Previous year 16,000) Equity Shares of ₹ 10/- each fully paid-up   | 1.60                    | 1.60                    |
| d.   | Nanocity Haryana Infrastructure Limited<br>38,00,000 (Previous year 38,00,000) Equity Shares of ₹ 10/- each, amount paid-up is ₹ 3.73 per equity share              | 1,550.00                | 1,550.00                |
| <b>iii. Joint Venture Companies</b>              |   |                         |                         |
| a.   | Parsvnath Buildwell Private Limited*<br>Nil (Previous year 5,00,000) Class A Equity Shares of ₹ 10/- each fully paid-up   | -                       | 50.00                   |
| b.   | Parsvnath Buildwell Private Limited*<br>Nil (Previous year 90,000) Class C Equity Shares of ₹ 10/- each fully paid-up   | -                       | 180.00                  |
| <b>iv. Other entities</b>                        |   |                         |                         |
| a.   | Nakshatra Residency Private Limited<br>5,000 (Previous year Nil) Equity Shares of ₹ 10/- each fully paid-up   | 0.50                    | -                       |
| b.   | Aadi Best Consortium Private Limited<br>1,000 (Previous year Nil) Equity Shares of ₹ 10/- each fully paid-up  | 0.10                    | -                       |
|  |   | 21,093.20               | 20,166.28               |
| <b>b. Investment in preference shares of :-</b>  |   |                         |                         |
| <b>i. Subsidiaries</b>                           |   |                         |                         |
| a.   | Parsvnath Buildwell Private Limited #<br>4,84,170 (previous year Nil) 0.000001% Optionally Convertible Preference Shares of ₹ 100/- each fully paid-up              | 9,683.40                | -                       |
| <b>ii. Joint Venture Companies</b>               |   |                         |                         |
| a.   | Parsvnath Buildwell Private Limited<br>Nil (previous year 3,49,892) 0.000001% Optionally Convertible Preference Shares of ₹ 100/- each fully paid-up                | -                       | 6,997.84                |
|  |   | 9,683.40                | 6,997.84                |
| <b>c. Investment in debentures or bonds of :</b> |   |                         |                         |
| <b>i. Subsidiaries</b>                           |   |                         |                         |
| a.   | Parsvnath Promoters And Developers Private Limited<br>9,34,30,096 (previous year 9,34,30,096) 16.00% Optionally convertible Debentures of ₹ 10/- each fully paid-up | 9,343.01                | 9,343.01                |
| b.   | Parsvnath Estate Developers Private Limited<br>1,63,53,500 (previous year 1,74,75,000) 15.50% Optionally convertible Debentures of ₹ 10/- each fully paid-up        | 1,635.35                | 1,747.50                |
| c.   | Parsvnath Buildwell Private Limited #<br>10,83,593 (previous year Nil) 15.50% Fully Convertible Debentures of ₹ 100/- each fully paid-up                            | 1,083.59                | -                       |

## Notes Forming Part of the Financial Statements

₹ in lacs

| Particulars   | As at<br>31 March, 2012 | As at<br>31 March, 2011 |
|---|-------------------------|-------------------------|
| <b>ii. Joint Venture Companies</b>  |                         |                         |
| a. Parsvnath Buildwell Private Limited<br>Nil (previous year 2,50,145) 15.50% Fully Convertible Debentures of<br>₹ 100/- each fully paid-up | -                       | 250.15                  |
|   | 12,061.95               | 11,340.66               |
| <b>d. Investment in Share Warrants of :</b>   |                         |                         |
| <b>i. Subsidiaries</b>  |                         |                         |
| a. Parsvnath Estate Developers Private Limited<br>46,01,500 (previous year 1,500) Share Warrants of ₹ 10/- each fully paid-<br>up           | 460.15                  | 0.15                    |
|   | 460.15                  | 0.15                    |
| <b>e. Investment In Association of Persons (AOP) :-</b>   |                         |                         |
| a. Parsvnath Developers (AOP)   | 2,601.04                | 2,585.70                |
| b. Ratan Parsvnath Developers (AOP)   | 624.67                  | 625.06                  |
|   | 3,225.71                | 3,210.76                |
| <b>Total - Trade Investments (A)</b>  | <b>46,524.41</b>        | <b>41,715.69</b>        |
| <b>B. Other Investments (Unquoted)</b>  |                         |                         |
| <b>a. Investment in equity shares of :</b>  |                         |                         |
| <b>i. Other entities</b>  |                         |                         |
| a. Delhi Stock Exchange Limited<br>14,96,500 (Previous year 14,96,500) Equity Shares of ₹ 1/- each fully<br>paid-up                         | 1,047.55                | 1,047.55                |
| b. Jaipur Stock Exchange Limited<br>3,24,500 (Previous year 3,24,500) Equity Shares of ₹ 1/- each<br>fully paid-up                          | 58.41                   | 58.41                   |
| <b>Total - Other Investments (B)</b>  | <b>1,105.96</b>         | <b>1,105.96</b>         |
| <b>Total Non Current Investment (A+B)</b>   | <b>47,630.37</b>        | <b>42,821.65</b>        |
| Aggregate amount of quoted investments  | -                       | -                       |
| Market value of quoted investments  | -                       | -                       |
| Aggregate amount of unquoted investments  | <b>47,630.37</b>        | <b>42,821.65</b>        |

\* The shares are subject to non disposal undertakings furnished in favour of Investors for investments made in the respective Companies.

# Parsvnath Hessa Developers Private Limited and Parsvnath Buildwell Private Limited are considered as Subsidiaries on the basis of Voting Power in the respective Companies.

## Notes Forming Part of the Financial Statements

₹ in lacs

| Particulars  | As at<br>31 March, 2012 | As at<br>31 March, 2011 |
|--|-------------------------|-------------------------|
| <b>Note 14: Deferred Tax Assets (Net)</b>  |                         |                         |
| a. Deferred tax assets and liabilities are being offset as they relate to taxes on income levied by the same governing taxation laws.          |                         |                         |
| b. Break-up of deferred tax assets is as follows:  |                         |                         |
| Tax impact of provision for employee benefits charged in the financial statements but allowable as deductions in future years under income tax | 260.61                  | 462.93                  |
| Tax impact of difference between carrying amount of fixed assets in the financial statements and the income tax return                         | 288.55                  | 229.53                  |
| <b>Deferred Tax Assets</b>   | <b>549.16</b>           | <b>692.46</b>           |
| <b>Note 15: Long-term loans and advances</b>   |                         |                         |
| Unsecured, considered good:  |                         |                         |
| a. Security deposits   | 3,568.65                | 5,070.12                |
| b. Advances for Investment to related parties  | 1,922.62                | 4,723.66                |
| c. Advances for land purchase to related parties   | 17,782.05               | 20,523.01               |
| d. Advances for Land Purchases   | 5,522.12                | 4,373.84                |
| e. Upfront fee paid for projects (Unamortised)   | 16,184.53               | 16,924.64               |
|  | <b>44,979.97</b>        | <b>51,615.27</b>        |
| Note: Long term loans and advances include amounts due from:   |                         |                         |
| a. Private Companies in which any director is a director or member (See note 44)   | 330.20                  | 188.02                  |
| <b>Note 16: Inventories</b>  |                         |                         |
| (At lower of cost and net realisable value)  |                         |                         |
| a. Work-in-progress (Projects)   | 2,64,684.46             | 2,41,406.56             |
| b. Finished flats  | 5,881.26                | 5,713.82                |
|  | <b>2,70,565.72</b>      | <b>2,47,120.38</b>      |
| <b>Note 17: Trade receivables</b>  |                         |                         |
| Unsecured, considered good:  |                         |                         |
| a. Outstanding for a period exceeding six months from the date they were due for payment   | 37,247.47               | 35,532.61               |
| b. Other Trade receivables   | 12,822.20               | 19,619.90               |
|  | <b>50,069.67</b>        | <b>55,152.51</b>        |
| Note: Trade receivables include amounts due from:  |                         |                         |
| a. Private Companies in which any director is a director or member (See note 45)   | 347.21                  | 524.32                  |

## Notes Forming Part of the Financial Statements

₹ in lacs

| Particulars   | As at<br>31 March, 2012 | As at<br>31 March, 2011 |
|---|-------------------------|-------------------------|
| <b>Note 18: Cash and bank balances</b>  |                         |                         |
| <b>A. Cash and cash equivalents:</b>  |                         |                         |
| a. Cash on hand   | 26.07                   | 100.56                  |
| b. Cheques, drafts on hand  | 26.76                   | -                       |
| c. Balances with scheduled banks  |                         |                         |
| i. In current accounts  | 1,352.96                | 1,810.86                |
| ii. In deposit accounts   | 82.07                   | 50.00                   |
| iii. In earmarked accounts  |                         |                         |
| - Unpaid dividend accounts  | 38.21                   | 38.38                   |
|   | <b>1,526.07</b>         | <b>1,999.80</b>         |
| <b>B. Other bank balances:</b>  |                         |                         |
| a. Deposits with banks held as margin money or security against borrowings or guarantees  | 13,847.37               | 19,554.15               |
|   | 13,847.37               | 19,554.15               |
|   | <b>15,373.44</b>        | <b>21,553.95</b>        |
| Of the above, the balances that meet the definition of Cash and cash equivalents as per Accounting Standard 3 - Cash Flow Statement   | 1,526.07                | 1,999.80                |
| Note:   |                         |                         |
| i. Balances with banks include deposits amounting to ₹ 1442.69 lacs (Previous year ₹ 5612.95 lacs), which have a maturity of more than 12 months from the balance sheet date. |                         |                         |
| <b>Note 19: Short-term loans and advances</b>   |                         |                         |
| (Unsecured, considered good)  |                         |                         |
| a. Loans and advances to related parties  | 9,649.33                | 6,165.01                |
| b. Security deposits  | 1,612.52                | 1,458.18                |
| c. Loans and advances to employees  | 3.24                    | 12.71                   |
| d. Prepaid expenses   | 2,276.53                | 3,975.84                |
| e. Balances with government authorities   | 583.05                  | 655.12                  |
| f. Others   |                         |                         |
| i. Advance for Land Purchases   | 7,486.45                | 7,904.22                |
| ii. Advance to Suppliers  | 3,793.96                | 4,034.81                |
| iii. Others   | 70.92                   | 454.94                  |
|   | <b>25,476.00</b>        | <b>24,660.83</b>        |
| Note: Short term loans and advances include amounts due from:   |                         |                         |
| a. Private Companies in which any director is a director or member (See note 46)  | 4,178.25                | 885.05                  |
| <b>Note 20: Other current assets</b>  |                         |                         |
| a. Unbilled revenue   | 72,968.61               | 59,012.23               |
| b. Accruals   |                         |                         |
| i. Interest accrued on deposits   | 431.00                  | 515.05                  |
| ii. Interest accrued on investments   | 1,836.03                | 119.91                  |
| c. Others   |                         |                         |
| i. Receivables on sale of fixed assets  | 3,123.98                | 370.85                  |
|   | <b>78,359.62</b>        | <b>60,018.04</b>        |

## Notes Forming Part of the Financial Statements

₹ in lacs

| Particulars                                     | Year ended<br>31 March, 2012 | Year ended<br>31 March, 2011 |
|---|------------------------------|------------------------------|
| <b>Note 21: Revenue from operations</b>         |                              |                              |
| a. Revenue from sale of properties              | 50,186.36                    | 54,332.44                    |
| b. Sale of services                             |                              |                              |
| i. Income from construction contracts           | 10,845.50                    | 14,732.42                    |
| ii. Management fee                              | 1,197.65                     | 923.61                       |
| iii. Licence income                             | 1,268.48                     | 879.85                       |
| iv. Rent received                               | 133.00                       | 163.37                       |
| v. Maintenance charges income                   | 197.35                       | 129.02                       |
|   | 13,641.98                    | 16,828.27                    |
| <b>Sub-total (a+b)</b>                          | <b>63,828.34</b>             | <b>71,160.71</b>             |
| c. Other operating revenues                     |                              |                              |
| i. Sale of scrap                                | 112.80                       | 230.83                       |
| ii. Others                                      | 628.55                       | 521.75                       |
| <b>Sub-total (c)</b>                            | <b>741.35</b>                | <b>752.58</b>                |
| <b>Total (a+b+c)</b>                            | <b>64,569.69</b>             | <b>71,913.29</b>             |
| <b>Note 22: Other income</b>                    |                              |                              |
| a. Interest income                              |                              |                              |
| i. Interest on deposits with banks              | 1,212.88                     | 1,023.37                     |
| ii. Interest Income from customers/others       | 548.68                       | 408.73                       |
| iii. Interest income from long term investments |                              |                              |
| - in Subsidiaries                               | 1,906.79                     | 124.32                       |
| - in Joint Ventures                             | -                            | 8.92                         |
| b. Profit on sale of fixed assets               | 5,570.99                     | 1,552.26                     |
| c. Other Non-Operating Income:                  |                              |                              |
| i. Miscellaneous income                         | 48.90                        | 123.13                       |
|   | <b>9,288.24</b>              | <b>3,240.73</b>              |
| <b>Note 23: Cost of material consumed</b>       |                              |                              |
| a. Construction Material                        | 10,775.01                    | 17,799.27                    |
|   | <b>10,775.01</b>             | <b>17,799.27</b>             |
| <b>Note 24: Purchases of Stock-in-trade</b>     |                              |                              |
| a. Finished flats                               | 343.90                       | 194.01                       |
|   | <b>343.90</b>                | <b>194.01</b>                |

## Notes Forming Part of the Financial Statements

₹ in lacs

| Particulars  | Year ended<br>31 March, 2012 | Year ended<br>31 March, 2011 |
|--|------------------------------|------------------------------|
| <b>Note 25: Changes in inventories of finished goods and work-in-progress</b>  |                              |                              |
| a. Inventories at the beginning of the year:   |                              |                              |
| i. Work-in-progress  | 2,41,406.56                  | 2,35,035.56                  |
| Less : Transferred to Capital Work in Progress   | 882.22                       | 1,941.17                     |
|  | 2,40,524.34                  | 2,33,094.39                  |
| ii. Finished flats   | 5,713.82                     | 5,578.70                     |
|  | <b>2,46,238.16</b>           | <b>2,38,673.09</b>           |
| b. Inventories at the end of the year:   |                              |                              |
| i. Work-in-progress  | 2,64,684.46                  | 2,41,406.56                  |
| ii. Finished flats   | 5,881.26                     | 5,713.82                     |
|  | <b>2,70,565.72</b>           | <b>2,47,120.38</b>           |
| <b>Net (increase) /decrease</b>  | <b>(24,327.56)</b>           | <b>(8,447.29)</b>            |
| <b>Note 26: Employee benefits expense</b>  |                              |                              |
| a. Salaries and wages  | 4,478.07                     | 3,802.27                     |
| b. Contributions to provident and other funds  | 42.55                        | 39.35                        |
| c. Staff welfare expenses  | 120.57                       | 133.41                       |
|  | <b>4,641.19</b>              | <b>3,975.03</b>              |
| <b>Note 27: Finance costs</b>  |                              |                              |
| a. Interest expense on:  |                              |                              |
| i. Borrowings  | 17,097.29                    | 15,028.87                    |
| ii. Others   |                              |                              |
| - To Customer  | 2,334.24                     | 2,073.30                     |
| - Interest on delayed / deferred payment of income tax   | 250.00                       | 539.00                       |
| b. Other borrowing costs   | 2,514.79                     | 2,247.91                     |
|  | <b>22,196.32</b>             | <b>19,889.08</b>             |
| Note: Finance costs includes ₹ 15,958.55 lacs (Previous year ₹ 13,845.64 lacs) incurred on the development/construction of projects. |                              |                              |

## Notes Forming Part of the Financial Statements

₹ in lacs

| Particulars   | Year ended<br>31 March, 2012 | Year ended<br>31 March, 2011 |
|---|------------------------------|------------------------------|
| <b>Note 28: Other expenses</b>  |                              |                              |
| a. Power and fuel charges   | 755.53                       | 880.95                       |
| b. Rent including lease rentals   | 1,176.66                     | 899.44                       |
| c. Repairs and maintenance  |                              |                              |
| - Building  | 391.09                       | 61.00                        |
| - Machinery   | 112.52                       | 67.69                        |
| - Others  | 785.30                       | 513.24                       |
| d. Insurance  | 168.38                       | 211.35                       |
| e. Rates and taxes  | 293.13                       | 833.89                       |
| f. Postage and telephone expenses   | 133.66                       | 196.21                       |
| g. Travelling and conveyance  | 208.91                       | 170.69                       |
| h. Printing and stationery  | 136.24                       | 145.77                       |
| i. Advertisement and publicity  | 110.63                       | 338.96                       |
| j. Commission   | 775.51                       | 834.38                       |
| k. Vehicle running and maintenance  | 171.77                       | 150.10                       |
| l. Rebate and discount  | 1,298.77                     | 577.81                       |
| m. Legal and professional charges (see note i. below)   | 895.45                       | 912.18                       |
| n. Share of loss from AOP   | 1.98                         | 18.96                        |
| o. Miscellaneous expenses   | 266.43                       | 168.59                       |
|   | <b>7,681.96</b>              | <b>6,981.21</b>              |
| <b>Notes:</b>   |                              |                              |
| <b>i. Auditors' remuneration</b>  |                              |                              |
| Legal and professional charges include auditors' remuneration (net of service tax input credit) as follows: |                              |                              |
| - Statutory audit fee   | 33.00                        | 33.00                        |
| - Tax audit fee   | 3.00                         | 3.00                         |
| - Limited reviews fee   | 24.00                        | 24.00                        |
| - Certification and other services  | 7.17                         | 50.00                        |
| - Reimbursement of out-of-pocket expenses   | 1.79                         | 0.11                         |
|   | <b>68.96</b>                 | <b>110.11</b>                |

## Notes Forming Part of the Financial Statements

### Note 29: Contingent liabilities (to the extent not provided for)

| Particulars  | ₹ in lacs            |                      |
|--|----------------------|----------------------|
|  | As at 31 March, 2012 | As at 31 March, 2011 |
| a. Claims against the Company not acknowledged as debt*:   |                      |                      |
| i. Demand for payment of stamp duty  | 479.10               | 479.10               |
| ii. Customer complaints pending in consumer courts   | 5,187.79             | 4,483.18             |
| iii. Civil Cases against the Company   | 171.35               | 505.88               |
| iv. Trade Tax demand   | 2,052.02             | 5,693.94             |
| v. Entry Tax demand  | 146.62               | 367.25               |
| vi. Others   | 16.71                | 16.71                |
| b. Security/Performance Guarantees issued by the banks to various Government authorities, for which the Company has provided counter guarantee | 19,785.28            | 26,589.33            |
| c. Corporate guarantees issued on behalf of subsidiary companies in respect of loans taken by them:  |                      |                      |
| i. Sanctioned amount   | 24,268.00            | 14,000.00            |
| ii. Outstanding amount   | 15,355.89            | 14,000.00            |

\* Based on consultation with Company's solicitors, the Company does not expect any outflow of economic resources in respect of above claims and therefore no provision is made in respect thereof.

### Note 30: Commitments

| Particulars  | ₹ in lacs            |                      |
|--|----------------------|----------------------|
|  | As at 31 March, 2012 | As at 31 March, 2011 |
| a Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 14,572.32            | 8,769.55             |
| b Investment commitment towards investment in subsidiary, Parsvnath Buildwell Private Limited                      | Nil                  | 3,519.01             |
| c Investment commitment towards investment in subsidiary, Parsvnath Estate Developers Private Limited              | Nil                  | 1,211.05             |
| d Uncalled liability on shares partly paid   | 2,600.00             | 2,600.00             |

### Note 31:

Pursuant to Investment Agreement dated 21 December, 2010 entered into between the Company, Parsvnath Buildwell Private Limited (PBPL), Parasnath and Associates Private Limited (Co-Promoter) and two overseas Investment entities (Investors) and 'Assignment of Development Rights Agreement' dated 28 December, 2010 entered into with PBPL and Collaborators, the Company had assigned Development Rights in respect of one of its ongoing project, namely, 'Parsvnath Exotica, Ghaziabad' (on land admeasuring 31 acres) situated at Village Arthala, Ghaziabad (the Project) to PBPL on terms and conditions contained therein. Further the Company has given the following undertakings to PBPL:

- The project shall be completed within the agreed completion schedule. Construction cost for completion of project shall not exceed the amount set out in the agreement and the project revenue from sold area shall be at least the amount set out in the agreement.
- In case of delays in completion of the project, any penalties or compensation payable to customers shall be borne by the Company.
- The Company shall not, directly or indirectly, create any encumbrance over or transfer any equity securities held by it in PBPL during the lock in period (till completion of project) except for securing construction loan.

### Note 32:

Pursuant to Investment Agreement dated 9 December, 2009 entered into with Parsvnath Hessa Developers Private Limited (PHDPL) and two Overseas Investors, the Company had transferred and assigned Development Rights in relation to a part of its ongoing project, namely, 'Exotica, Gurgaon' (on land admeasuring 11.092 acres) situated at Sector 53, Golf Course Road, Gurgaon (the Project) to PHDPL on terms and conditions contained therein. Further, the Company has given the following undertakings to PHDPL:

- The project will be completed within the completion schedule and construction cost shall not exceed the amount as set out in the agreement.
- Project Revenue shall be at least the amounts set out in the agreement. In case actual revenue is less than the amount specified in the agreement, the Company shall deposit the amount of shortfall with PHDPL.
- The Company shall not create any encumbrance over or transfer any equity securities held by it in PHDPL during the lock in period as defined in the Investment Agreement.

## Notes Forming Part of the Financial Statements

### Note 33:

The Company had entered into a Memorandum of Understanding (MOU) dated 22 December, 2010 with Parsvnath Realcon Private Limited (PRPL) which is a wholly owned subsidiary of its subsidiary Parsvnath Buildwell Private Limited (PBPL). Pursuant to the MOU, the Company has assigned development rights of the project, namely, 'Parsvnath Paramount' on land admeasuring 6,445 square metres situated at Subhash Nagar, New Delhi. The Company has also entered into 'Project Management Agreement' with PRPL and PBPL for overall management and coordination of project development. Further, the Company has given following Undertakings to PRPL:

- It shall complete the project within the completion schedule and Construction Cost in the Agreement.
- The project revenues from sold area shall be at least the amount set out in the Agreement and such revenues shall be realized within 36 months from the effective date.
- In the event of construction cost overrun or revenue shortfall, the Company shall contribute such excess/shortfall amount against allotment of equity shares or other instruments at such premium as may be mutually determined by the parties.

### Note 34:

The Company entered into a Development Agreement with Chandigarh Housing Board for development of residential, commercial and other related infrastructure facilities as an integrated Project on land admeasuring 123.79 acres situated at Rajiv Gandhi Technology Park, Chandigarh.

Owing to various factors such as delay in handing over unencumbered land and consequential determination of start of development period, delay in approval of drawings, etc. and various other issues, disputes have arisen between the Company and Chandigarh Housing Board (CHB). The Company has invoked the arbitration clause in the development agreement. Pending any decision arising out of the arbitration proceedings, the amount spent on construction/development of the project has been included under work-in-progress (inventory).

### Note 35:

The Company has advanced ₹ 4,810.80 lacs to one of its Subsidiaries, Parsvnath Film City Limited (PFCL) for execution of Film City Project at Chandigarh. PFCL has deposited ₹ 4,775.00 lacs with Chandigarh Administration (CA) for acquiring development rights in respect of a plot of land admeasuring 30 acres from CA, under Development Agreement

dated 2 March 2007 for development of a Multimedia-cum-Film City Complex.

The possession of the said land has not yet been handed over to PFCL, accordingly it invoked the arbitration clause seeking refund of allotment money paid along with compensation and interest.

Arbitrators vide their order dated 10 March, 2012 have decided the matter in favour of the Company and awarded refund of ₹ 4,919.00 lacs towards the bid amount and other expenses incurred by the Company along with interest @ 12% per annum. Accordingly, the management considers the above advance are good and fully recoverable.

### Note 36:

The Company had executed 'Amended and Restated Investment and Security Holder's Agreement' with one of its Subsidiaries, Parsvnath Estate Developers Private Limited (PEDPL), two Overseas Investment Entities (Investors) and others for development of office complex on plot of land admeasuring 15,583.83 sq. mtrs. Situated at Bhai Veer Singh Marg, New Delhi, on the terms and conditions as contained in the Agreement and as amended time to time. The Rights in the said plot have been allotted on 'Build Operate Transfer' (BOT) basis to the Company by Delhi Metro Rail Corporation Ltd. (DMRC). These Rights have been assigned by the Company in favour of PEDPL for implementation of the Project on DMRC approval.

### Note 37:

The Company has executed 'PDL Support Agreement' in favour of Parsvnath Landmark Developers Private Limited (PLDPL) and J.P. Morgan Advisors India Private Limited being the Security Trustees for the Term Loan of ₹ 14,000.00 lacs given to PLDPL. In terms of the said Agreement, the Company has given Undertaking for completion of construction of 'La Tropicana' Project, New Delhi, within the amount set out in the Agreement and within the Completion Schedule, as stated therein. Any escalation in the construction cost is to be funded by the Company. Further, the Company has also undertaken that it shall maintain at all times 78% of the Ownership and Voting rights in PLDPL.

### Note 38:

The Company was selected as the preferred bidder for grant of lease for development of project on plot of land at Sarai Rohilla, Kishanganj, Delhi by 'Rail Land Development Authority' (RLDA) vide its 'Letter of Acceptance' (LOA) dated 26 November, 2010. In terms of LOA, the project is being implemented through a Special Purpose Vehicle (SPV), Parsvnath Promoters And Developers Private Limited (PPDPL). Subsequently RLDA

## Notes Forming Part of the Financial Statements

informed that the permission for using PPDPL as SPV was not in accordance with the provisions of the RFP and directed to incorporate a new SPV for implementation of the project. PPDPL is pursuing with RLDA to continue its approval with respect to acceptance of the said company as SPV and has also filed writ petition before the Delhi High Court and the matter is sub-judice.

### Note 39:

The Company has entered into concession agreement with Delhi Metro Rail Corporation Limited (DMRC) for various projects on Build-Operate-Transfer (BOT) basis. In two of such projects, the Company was unable to commercially utilise the properties due to (a) lack of clarity between DMRC and MCD with respect to authority for sanction of building plans for Tis Hazari Project; and (b) non submission of certain documents by DMRC as required by the sanctioning authority for Netaji Subhash Place project. In view of these delays, the Company has sought concessions from DMRC and has invoked Arbitration clause of the concession agreement.

### Note 40:

Sundry debtors include ₹ 37,247.47 lacs (previous year ₹ 35,532.61 lacs) outstanding for a period exceeding six months. Due to recession in the industry, there have been delays in customer's collections. In view of industry practice and terms of agreement with customers, all these debts are considered good for recovery and hence no provision is considered necessary.

### Note 41:

- The company had claimed deduction under Sub-section 10 of Section 80-IB of the Income Tax Act, 1961 in respect of profit from eligible housing projects on the basis of percentage of completion method in the respective years during the financial years 2006-07 to 2010-11, which is admissible subject to condition that construction is completed within 5 years of approval from local authority. In respect of five housing projects, construction could not be completed within the period specified under the provisions of the said section. Consequently, Income Tax deductions claimed in respect of these 5 housing projects in earlier years have been considered as taxable during the current year based on legal opinion obtained by the Company. Accordingly the Company has made a provision for tax liability of ₹ 8,917.00 lacs for the year ended 31 March, 2012.
- The company had claimed deduction of ₹ 3,849.35 lacs under Sub-section 10 of Section 80-IB of the Income Tax Act, 1961 in respect of profit from two of its eligible housing projects on the basis of percentage of completion method

in the respective years during the financial years 2006-07 to 2010-11. The construction of these projects has been completed within the period specified under the provisions of the said section for which the Company has obtained Certificate of completion from approved Architect and has also filed the applications for seeking completion certificate from the respective sanctioning authorities.

- The company has taken benefits in respect of one housing project qualifying under section 80-IB of the Income Tax Act, 1961. In terms of current tax laws, to avail tax benefits, this project has to be completed within the specified due date. The company is hopeful of completing this project on or before the said specified date.

### Note 42:

The Company has sold agriculture land during the year. Profit from sale of fixed assets includes capital gain on sale of agriculture land. Based on legal opinion obtained by the Company, capital gain arising from sale of such agriculture land has been considered as tax free and accordingly no tax provision has been made.

### Note 43:

Disclosure of loans and advances in the nature of loans to subsidiaries, associates and other companies as required by clause 32 of listing agreement with stock exchanges is as under:

₹ in lacs

| Name of the Company                                | Amount outstanding as on 31 March, 2012 | Maximum amount outstanding during the year |
|--|---|--|
| Parsvnath Film City Limited                        | 4,810.80<br>(4,779.30)                  | 4,830.80<br>(4,863.96)                     |
| Parsvnath Hotels Limited                           | 61.06<br>(29.97)                        | 379.57<br>(1,100.63)                       |
| Parsvnath Promoters And Developers Private Limited | 4,173.51<br>(882.27)                    | 4,266.54<br>(882.27)                       |
| Parsvnath Infra Limited                            | -<br>(61.10)                            | 240.94<br>(77.19)                          |
| Primetime Realtors Private Limited                 | 4.74<br>(-)                             | 1,521.00<br>(-)                            |

Figures in bracket indicate balances of the previous year

Note: All the above loans and advances are non-interest bearing and are repayable on demand

## Notes Forming Part of the Financial Statements

### Note 44:

Long term loans and advances includes amount due from private companies in which any director is a director or member:

₹ in lacs

| Name of the Company                  | As at<br>31 March,<br>2012 | As at<br>31 March,<br>2011 |
|--------------------------------------|----------------------------|----------------------------|
| Honey Builders Private limited       | 38.71                      | 45.95                      |
| New Hind Enterprises Private Limited | 291.49                     | 142.07                     |
|                                      | <b>330.20</b>              | <b>188.02</b>              |

### Note 45:

Trade receivables include amount due from private companies in which any director is a director or member:

₹ in lacs

| Name of the Company                           | Relation   | As at<br>31<br>March,<br>2012 | As at<br>31<br>March,<br>2011 |
|---|------------|-------------------------------|-------------------------------|
| Parsvnath Landmark Developers Private Limited | Subsidiary | 299.52                        | 524.32                        |
| Parsvnath Estate Developers Private Limited   | Subsidiary | 47.69                         | -                             |
|   |            | <b>347.21</b>                 | <b>524.32</b>                 |

### Note 46:

Short term loans and advances includes amount due from private companies in which any director is a director or member:

₹ in lacs

| Name of the Company                                | As at<br>31 March,<br>2012 | As at<br>31 March,<br>2011 |
|--|----------------------------|----------------------------|
| Parsvnath Promoters And Developers Private Limited | 4,173.51                   | 882.27                     |
| Primetime Realtors Private Limited                 | 4.74                       | -                          |
| Parsvnath Buildwell Private Limited                | -                          | 2.78                       |
|  | <b>4,178.25</b>            | <b>885.05</b>              |

### Note 47:

The Company is setting up various projects on Build Operate Transfer (BOT) basis. Costs incurred on these Projects till completion of the project are reflected as Capital Work in Progress. Details of Net Incidental Expenditure during

construction pending allocation in respect of these capital projects are as under:

₹ in lacs

| Particulars                                   | Year<br>ended<br>31 March,<br>2012 | Year<br>ended<br>31 March,<br>2011 |
|---|------------------------------------|------------------------------------|
| <b>a. Balance brought forward</b>             | 19,753.89                          | 14,459.94                          |
| <b>b. Incurred during the year</b>            |                                    |                                    |
| i. Salaries, wages and bonus                  | 23.58                              | 21.26                              |
| ii. Contribution to provident and other funds | 0.50                               | 0.56                               |
| iii. Miscellaneous expenses                   | 52.35                              | 56.03                              |
| iv. Legal and professional charges            | 37.52                              | 54.34                              |
| v. Interest expense                           | 6,342.19                           | 5,284.79                           |
| Sub-total ( b )                               | 6,456.13                           | 5,416.98                           |
| <b>c. Total (a+b)</b>                         | 26,210.02                          | 19,876.92                          |
| <b>d. Less : capitalised during the year</b>  | -                                  | 123.03                             |
| <b>e. Balance carried forward (c-d)</b>       | <b>26,210.02</b>                   | <b>19,753.89</b>                   |

### Note 48: Disclosure under section 22 of the Micro, Small and Medium Enterprises Development Act, 2006

The Micro and Small Enterprises have been identified by the Company from the available information, according to such identification, the disclosure in respect of Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 is as under:

₹ in lacs

| Particulars   | As at<br>31 March,<br>2012 | As at<br>31 March,<br>2011 |
|---|----------------------------|----------------------------|
| a. Principal amount remaining unpaid to any such supplier as at the end of the year   | 180.83                     | 173.51                     |
| b. Interest due thereon remaining unpaid to such suppliers as at the end of the year  | -                          | -                          |
| c. The amount of interest paid in terms of Section 16 of the MSMED Act along with the amount of the payment made to the suppliers beyond the appointed date | -                          | -                          |
| d. The amount of interest due and payable for the year for delay in making payment  | -                          | -                          |

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| Particulars  | ₹ in lacs            |                      |
|--|----------------------|----------------------|
|  | As at 31 March, 2012 | As at 31 March, 2011 |
| e. The amount of interest accrued and remaining unpaid at the end of the year  | -                    | -                    |
| f. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid. | -                    | -                    |

### Note 49:

The Company has no outstanding derivative or foreign exposure as at the end of the year.

### Note 50:

| Particulars   | ₹ in lacs                 |                           |
|---|---------------------------|---------------------------|
|   | Year ended 31 March, 2012 | Year ended 31 March, 2011 |
| <b>a. Earnings in foreign currency</b>              |                           |                           |
| Sale of flats                                       | 43.93                     | 38.66                     |
| <b>b. Expenditure in foreign currency</b>           |                           |                           |
| Travelling  | 22.26                     | 34.04                     |
| Legal and professional charges                      | 139.05                    | 51.01                     |
| Fees and subscription                               | 4.72                      | 4.63                      |
|   | <b>166.03</b>             | <b>89.68</b>              |
| <b>c. CIF value of imports</b>                      |                           |                           |
| Construction material                               | 121.25                    | 613.63                    |
| <b>d. Imported and indigenous material consumed</b> |                           |                           |

| Particulars  | Year ended 31 March, 2012 |               | Year ended 31 March, 2011 |               |
|--------------|---------------------------|---------------|---------------------------|---------------|
|              | ₹ in lacs                 | %             | ₹ in lacs                 | %             |
| Imported     | 121.25                    | 1.13%         | 613.63                    | 3.45%         |
| Indigenous   | 10,653.76                 | 98.87%        | 17,185.64                 | 96.55%        |
| <b>Total</b> | <b>10,775.01</b>          | <b>100.00</b> | <b>17,799.27</b>          | <b>100.00</b> |

### Note 51: Details of contract revenue and costs

In accordance with the Accounting Standard 7 on 'Construction Contracts', details of contracts revenue and cost is as under:

| Particulars                                    | ₹ in lacs      |                |
|--|----------------|----------------|
|  | 31 March, 2012 | 31 March, 2011 |
| a. Contract revenue recognised during the year | 10,845.50      | 14,732.42      |

| Particulars  | ₹ in lacs      |                |
|--|----------------|----------------|
|  | 31 March, 2012 | 31 March, 2011 |
| b. Aggregate of contract costs incurred and recognised profits upto the year-end | 30,430.54      | 27,036.27      |
| c. Advances received for contracts in progress                                   | 618.24         | 611.48         |
| d. Retention money for contracts in progress                                     | 487.56         | 388.42         |
| e. Amount due from customers for contract work                                   | 1,676.15       | 7,850.60       |

### Note 52: Employee Benefits

In accordance with the revised Accounting Standard 15, the requisite disclosures are as follows:

#### Defined contribution plans

The Company makes Provident Fund contributions to Regional Provident Fund Commissioner (RPFC) for qualifying employees. The Company contributed a specified percentage of salary to Fund the benefits. The Company recognised ₹ 42.55 lacs (previous year ₹ 39.35 lacs) for Provident Fund contributions in the Statement of Profit and Loss.

#### Defined benefit plan

Gratuity is a defined benefit plan covering eligible employees. The plan provides for a lump sum payment to vested employees on retirement, death with in employment or termination of employment of an amount equivalent to 15 days salary for each completed year of service. Vesting occurs on completion of five years of service.

Disclosure as required under Accounting Standard – 15 (Revised) on "Employee Benefits" in respect of defined benefit plan is as under:

#### i. Change in Defined Benefit Obligation

| Particulars  | ₹ in lacs      |                |
|--|----------------|----------------|
|  | 31 March, 2012 | 31 March, 2011 |
| Present value of obligations as at the beginning of the year | 318.55         | 224.44         |
| Interest cost  | 25.48          | 17.15          |
| Past Service Cost  | -              | 70.93          |
| Current Service Cost   | 57.38          | 59.26          |
| Benefits paid  | (28.43)        | (27.71)        |
| Actuarial (gain) / loss on obligations                       | (27.13)        | (25.52)        |
| Present value of obligations as at the end of the year       | <b>345.85</b>  | <b>318.55</b>  |

ii. The fair value of plan assets is Nil since retirement benefit plans are wholly unfunded as on 31 March, 2012.

## Notes Forming Part of the Financial Statements

### iii. Amounts recognized in the Balance Sheet

| Particulars  | ₹ in lacs      |                |
|--|----------------|----------------|
|  | 31 March, 2012 | 31 March, 2011 |
| Present value of obligations as at the end of the year | 345.85         | 318.55         |
| Amount recognized in the Balance Sheet                 | <b>345.85</b>  | <b>318.55</b>  |

### iv. Expenses recognized in the statement of Profit and Loss

| Particulars                                     | ₹ in lacs      |                |
|---|----------------|----------------|
|   | 31 March, 2012 | 31 March, 2011 |
| Current service cost                            | 57.38          | 59.26          |
| Past Service Cost                               | -              | 70.93          |
| Interest cost                                   | 25.48          | 17.15          |
| Actuarial (gain) / loss                         | (27.13)        | (25.52)        |
| Expenses charged to the Profit and Loss Account | <b>55.73</b>   | <b>121.82</b>  |

### v. Balance Sheet Reconciliation

| Particulars                                | ₹ in lacs      |                |
|--|----------------|----------------|
|  | 31 March, 2012 | 31 March, 2011 |
| Net Liability at the beginning of the year | 318.55         | 224.44         |
| Expense as above                           | 55.73          | 121.82         |
| Benefits paid                              | (28.43)        | (27.71)        |
| Amount Recognized in the Balance Sheet     | <b>345.85</b>  | <b>318.55</b>  |

### vi. Principal Actuarial Assumptions

| Particulars                       | 31 March, 2012             | 31 March, 2011             |
|-----------------------------------|----------------------------|----------------------------|
|                                   | (%)                        | (%)                        |
| <b>a. Economic Assumptions</b>    |                            |                            |
| Discount rate                     | 8.00                       | 7.50                       |
| Salary escalation                 | 3.50                       | 4.00                       |
| <b>b. Demographic Assumptions</b> |                            |                            |
| Retirement Age                    | 60                         | 60                         |
| Mortality Table                   | LIC (1994-1996)            | LIC (1994-1996)            |
| <b>Ages</b>                       | <b>Withdrawal Rate (%)</b> | <b>Withdrawal Rate (%)</b> |
| Upto 30 years                     | 3.00                       | 3.00                       |
| From 31 to 44 years               | 2.00                       | 2.00                       |
| Above 44 years                    | 1.00                       | 1.00                       |

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

The estimates of future salary increases considered in the actuarial valuation takes into account inflation, seniority, promotion and other relevant factors on long term basis.

### vii. Experience adjustment

| Particulars   | ₹ in lacs |          |          |          |          |
|---|-----------|----------|----------|----------|----------|
|   | 31.03.12  | 31.03.11 | 31.03.10 | 31.03.09 | 31.03.08 |
| Defined benefit Obligation                            | 345.85    | 318.55   | 224.44   | 195.81   | 302.58   |
| Plan assets   | -         | -        | -        | -        | -        |
| Surplus/(deficit)                                     | (345.85)  | (318.55) | (224.44) | (195.81) | (302.58) |
| Experience adjustment on plan liabilities gain/(loss) | 27.13     | 25.52    | 13.61    | 99.20    | -        |

### Actuarial assumptions for long-term compensated absences

| Particulars                       | 31 March, 2012             | 31 March, 2011             |
|-----------------------------------|----------------------------|----------------------------|
|                                   | (%)                        | (%)                        |
| <b>a. Economic Assumptions</b>    |                            |                            |
| Discount rate                     | 8.00                       | 7.50                       |
| Salary escalation                 | 3.50                       | 4.00                       |
| <b>b. Demographic Assumptions</b> |                            |                            |
| Retirement Age                    | 60                         | 60                         |
| Mortality Table                   | LIC (1994-1996)            |                            |
| <b>Ages</b>                       | <b>Withdrawal Rate (%)</b> | <b>Withdrawal Rate (%)</b> |
| Upto 30 years                     | 3.00                       | 3.00                       |
| From 31 to 44 years               | 2.00                       | 2.00                       |
| Above 44 years                    | 1.00                       | 1.00                       |

The discount rate is based on the prevailing market yields of Government of India securities as at the balance sheet date for the estimated term of the obligations.

The estimates of future salary increases considered in the actuarial valuation takes into account inflation, seniority, promotion and other relevant factors on long term basis.

### Note 53: Details of borrowing costs capitalised during the year

| Particulars                             | ₹ in lacs                 |                           |
|---|---------------------------|---------------------------|
|   | Year ended 31 March, 2012 | Year ended 31 March, 2011 |
| Fixed assets / capital work-in-progress | 6,342.19                  | 5,284.79                  |

## Notes Forming Part of the Financial Statements

### Note 54: Segment information

The Company is predominantly engaged in Real Estate. Operations of the Company do not qualify for reporting as business segments as per the criteria set out under Accounting Standard 17 (AS-17) on "Segment Reporting". The Company is operating in India hence there is no reportable geographic segment. Accordingly no disclosure is required under AS-17.

### Note 55: Leasing arrangements

The Company has entered into Concession Agreements with Delhi Metro Rail Corporation (DMRC) and has acquired the License Rights to develop properties and sub license it to the customers for a defined period of time. Of the license fees of ₹ 2,094.02 lacs (Previous Year ₹ 1,555.25 lacs) paid/payable by the Company during the year, ₹ 701.58 lacs (Previous year ₹ 564.04 lacs) has been charged to revenue and ₹ 1,392.44 lacs (Previous Year ₹ 991.21 lacs) has been deferred till the completion of construction. The total of future minimum license payments / charge is as follows:

₹ in lacs

| Particulars  | As at 31 March, 2012 | As at 31 March, 2011 |
|--|----------------------|----------------------|
| a. Not later than one year                           | 3,403.44             | 3,207.60             |
| b. Later than one year but not later than five years | 15,712.13            | 14,161.08            |
| c. Later than five years                             | 1,55,659.16          | 1,57,217.83          |
| <b>Total</b>   | <b>1,74,775.74</b>   | <b>1,74,586.51</b>   |

Upfront fee paid by the Company has not been considered as lease charges.

### Note 56: Earnings per share

The earnings considered in ascertaining the Company's EPS comprises the profit available for shareholders (i.e. profit after tax and statutory / regulatory appropriations). The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the year.

| Particulars   | Unit        | Year ended 31 March, 2012 | Year ended 31 March, 2011 |
|---|-------------|---------------------------|---------------------------|
| a. Net Profit attributable to shareholders                              | ₹ in lacs   | 2,552.92                  | 7,547.71                  |
| b. Weighted average number of equity shares outstanding during the year | No. in lacs | 4,351.81                  | 4,149.43*                 |
| c. Basic and diluted earnings per share                                 | ₹           | 0.59                      | 1.82                      |
| d. Nominal Value of equity shares                                       | ₹           | 5.00                      | 5.00                      |

\* The company had sub-divided the face value of equity shares from ₹ 10/- each to ₹ 5/- each w.e.f. 19 October, 2010. Consequently, the weighted average number of equity shares for the previous year have been adjusted for split of equity shares in terms of paragraph 25 of Accounting Standard 20 (AS 20) on 'Earnings per Share'.

### Note 57: Joint Venture

The Company's interest and share in joint ventures in the nature of jointly controlled entities are as follows:

#### a. Particulars of joint ventures

|      | Name of Joint Venture   | Nature of project | Ownership Interest | Country of incorporation / residence |
|------|---|-------------------|--------------------|--------------------------------------|
| i.   | Parsvnath Developers AOP (PDAOP)                              | Real Estate       | 50.00% (50.00%)    | India                                |
| ii.  | Ratan Parsvnath Developers AOP (RPDAOP)                       | Real Estate       | 50.00% (50.00%)    | India                                |
| iii. | Parsvnath Buildwell Private Limited (PBPL) (See note 1 below) | Real Estate       | - (50.00%)         | India                                |
| iv.  | Parsvnath Realcon Private Limited (PRPL) (See note 2 below)   | Real Estate       | - (50.00%)         | India                                |

Notes :

- The Company has acquired additional capital in Parsvnath Buildwell Private Limited (PBPL) on 01.07.2011, resulting in voting power in excess of 50% in PBPL. Accordingly, in accordance with Accounting Standard 21 (AS 21) on 'Consolidated Financial Statements', PBPL has become a subsidiary of the Company and has ceased to be a jointly controlled entity.
- Parsvnath Realcon Private Limited (PRPL) is a wholly owned subsidiary of PBPL, a subsidiary of the Company. Consequently, PRPL has also ceased to be a jointly controlled entity.

#### b. Financial interest of the Company in jointly controlled entities is as under:

₹ in lacs

| Company's share of: | PDAOP                  | RPDAOP             | PBPL*           |
|---------------------|------------------------|--------------------|-----------------|
| Assets              | 5,221.92<br>(4,933.46) | 327.46<br>(325.07) | -<br>(9,131.67) |
| Liabilities         | 2,151.18<br>(1,869.60) | 0.84<br>(0.56)     | -<br>(5,390.47) |
| Income              | 22.01<br>(2.18)        | -<br>(-)           | -<br>(387.21)   |
| Expenditure         | 23.59<br>(20.77)       | 0.39<br>(0.37)     | -<br>(385.15)   |

## Notes Forming Part of the Financial Statements

| Company's share of:    | PDAOP | RPDAOP | PBPL*  |
|------------------------|-------|--------|--------|
| Tax                    | -     | -      | -      |
|                        | (-)   | (-)    | (0.76) |
| Capital commitment     | -     | -      | -      |
|                        | (-)   | (-)    | (-)    |
| Contingent liabilities | -     | -      | -      |
|                        | (-)   | (-)    | (-)    |

\* In respect of previous year, the financial interest of the company in PBPL includes 50% share of its wholly owned subsidiary, PRPL.

Figures in bracket indicate figures of the previous year

Note: The Company's share of assets, liabilities, income and expenditure has been included on the basis of audited financial information of its joint ventures.

### Note 58: Related Party Transactions

#### a. List of related parties

##### i. Subsidiary Companies

- Parsvnath Infra Limited
  - Parsvnath Film City Limited
  - Parsvnath Landmark Developers Private Limited
  - Parsvnath Telecom Private Limited
  - Parsvnath Hotels Limited
  - Parsvnath Retail Limited
  - PDL Assets Limited
  - Parsvnath Developers Pte. Limited (Overseas subsidiary -Singapore)
  - Primetime Realtors Private Limited
  - Parsvnath Estate Developers Private Limited
  - Parsvnath Promoters And Developers Private Limited
  - Parsvnath Hessa Developers Private Limited #
  - Parsvnath Royal Orchid Hotels Limited (Subsidiary of Parsvnath Hotels Limited)
  - Parsvnath Hospitality Holding Ltd., Singapore (Subsidiary of Parsvnath Developers Pte. Limited, Singapore)
  - Parsvnath MIDC Pharma SEZ Private Limited (Subsidiary of Parsvnath Infra Limited)
  - Parsvnath Buildwell Private Limited #
  - Parsvnath Realcon Private Limited # (Subsidiary of Parsvnath Buildwell Private Limited)
  - Parsvnath Rail Land Project Private Limited
- # Subsidiaries by virtue of Accounting Standard (AS-21) on Consolidated Financial Statements'

##### ii. Entities over which Company, Subsidiary Companies or key management personnel or their relatives, exercise significant influence

- Aahna Realtors Private Limited
- Aaron Real Estates Private Limited
- Adela Buildcon Private Limited
- Afra Infrastructure Private Limited
- Ajit Board Private Limited
- Amazon India Limited
- Anjaney Developers Private Limited
- Arunachal Infrastructure Private Limited
- Ashirwad Realtors Private Limited
- Bae Buildwell Private Limited
- Baidehi Infrastructure Private Limited
- Balbina Real Estates Private Limited
- Balwaan Buildwell Private Limited
- Banita Buildcon Private Limited
- Bliss Infrastructure Private Limited
- Brinly Properties Private Limited
- Charushila Buildwell Private Limited
- Congenial Real Estates Private Limited
- Coral Buildwell Private Limited
- Crimson Infrastructure Private Limited
- Cyanea Real Estate Private Limited
- Dae Realtors Private Limited
- Dai Real Estates Private Limited
- Deborah Real Estate Private Limited
- Deleena Developers Private Limited
- Dhiren Real Estates Private Limited
- Digant Realtors Private Limited \*
- Dolphin Buildwell Private Limited
- Elixir Infrastructure Private Limited
- Enormity Buildcon Private Limited
- Farhad Realtors Private Limited
- Gauranga Realtors Private Limited
- Gauresh Buildwell Private Limited
- Gazala Promoters & Developers Private Limited
- Gem Buildwell Private Limited
- Generous Buildwell Private Limited
- Himsagar Infrastructure Private Limited
- Homelife Real Estate Private Limited
- Honey Builders Private Limited
- Izna Realcon Private Limited
- Jaguar Buildwell Private Limited
- Janak Finance & Leasing Private Limited
- Jodhpur Infrastructure Private Limited

## Notes Forming Part of the Financial Statements

- K.B. Realtors Private Limited
  - Kalyani Pulp Private Limited
  - Laban Real Estates Private Limited
  - Label Real Estates Private Limited
  - Lakshya Realtors Private Limited.
  - Landmark Malls & Towers Private Limited
  - Landmark Township Planners Private Limited
  - LSD Realcon Private Limited
  - Madhukanta Real Estate Private Limited
  - Madhulekha Developers Private Limited
  - Magic Promoters Private Limited
  - Mahanidhi Buildcon Private Limited
  - Marksmen Facilities Private Limited  
(Formerly, Basundhra Properties Private Limited)
  - Mirage Buildwell Private Limited
  - Nanocity Haryana Infrastructure Limited
  - Navneet Realtors Private Limited
  - Neha Infracon (India) Private Limited
  - New Hind Enterprises Private Limited
  - Nilanchal Realtors Private Limited
  - Noida Marketing Private Limited
  - Oni Projects Private Limited
  - P. S. Realtors Private Limited
  - Paavan Buildcon Private Limited
  - Panchvati Buildwell Private Limited
  - Parasnath And Associates Private Limited
  - Parsvnath Dehradun Info Park Private Limited
  - Parsvnath Indore Info Park Private Limited
  - Parsvnath Gurgaon Info Park Private Limited
  - Parasnath Travels & Tours Private Limited
  - Parsvnath Biotech Private Limited
  - Parsvnath Knowledge Park Private Limited
  - Parsvnath Cyber City Private Limited
  - Palakkad Infrastructure Private Limited
  - Parikrama Infrastructure Private Limited
  - Pearl Propmart Private Limited
  - Perpetual Infrastructure Private Limited
  - Pradeep Kumar Jain & Sons (HUF)
  - Prasadhi Developers Private Limited
  - Prastut Real Estate Private Limited
  - Prosperity Infrastructures Private Limited
  - Rangoli Buildcon Private Limited
  - Rangoli Infrastructure Private Limited
  - Sadgati Buildcon Private Limited
  - Samiksha Realtors Private Limited
  - Sapphire Buildtech Private Limited
  - Scorpio Realtors Private Limited
  - Sharmistha Realtors Private Limited \*
  - Silversteet Infrastructure Private Limited
  - Snigdha Buildwell Private Limited
  - Springdale Realtors Private Limited
  - Stupendous Buildtech Private Limited
  - Suksma Buildtech Private Limited
  - Sumeru Developers Private Limited
  - Sureshwar Properties Private Limited
  - Timebound Contracts Private Limited
  - Vardaan Buildtech Private Limited
  - Vinu Promoters Private Limited
  - Parsvnath Developers (GMBT) Private Limited
  - Parsvnath Developers (SBBT) Private Limited
  - Jarul Promoters & Developers Private Limited
  - Baasima Buildcon Private Limited
  - Vital Buildwell Private Limited
- \* ceased to be a related party during the year
- iii. *Joint Ventures*
- Ratan Parsvnath Developers AOP
  - Parsvnath Developers AOP
  - Parsvnath Buildwell Private Limited #
  - Parsvnath Realcon Private Limited #  
(Subsidiary of Parsvnath Buildwell Private Limited)
- # Ceased to be Joint Venture during the year and became subsidiaries by virtue of Accounting Standard 21 ( AS-21) on 'Consolidated Financial Statements'
- iv. *Key Management Personnel*
- Mr. Pradeep Kumar Jain, Chairman
  - Mr. Sanjeev Kumar Jain, Managing Director & CEO
  - Dr. Rajeev Jain, Whole-time Director
  - Mr. G.R. Gogia, Whole-time Director\*
- \* Ceased to be Key Management Personnel during the year
- v. *Relatives of Key Management Personnel (with whom the Company had transactions)*
- Mrs. Nutan Jain (Wife of Mr. Pradeep Kumar Jain, Chairman)

## Notes Forming Part of the Financial Statements

### b Transactions/Balances outstanding with related parties:

₹ in lacs

| Transaction / Outstanding Balances                 | Subsidiary Companies               | Entities under significant influence | Joint Venture Entities          | Key Management Personnel and their relatives | Total                              |
|--|------------------------------------|--------------------------------------|---------------------------------|--|------------------------------------|
| <b>(i) Transactions during the year</b>            |                                    |                                      |                                 |  |                                    |
| <b>Management fee income</b>                       |                                    |                                      |                                 |  |                                    |
| Parsvnath Landmark Developers Private Limited      | 739.86<br>(786.15)                 | -<br>(-)                             | -<br>(-)                        | -<br>(-)                                     | 739.86<br>(786.15)                 |
| Parsvnath Hessa Developers Private Limited         | 67.07<br>(122.76)                  | -<br>(-)                             | -<br>(-)                        | -<br>(-)                                     | 67.07<br>(122.76)                  |
| Parsvnath Buildwell Private Limited                | 58.05<br>(-)                       | -<br>(-)                             | -<br>(6.73)                     | -<br>(-)                                     | 58.05<br>(6.73)                    |
| Parsvnath Realcon Private Limited                  | 29.68<br>(-)                       | -<br>(-)                             | -<br>(7.97)                     | -<br>(-)                                     | 29.68<br>(7.97)                    |
|  | <b>894.66</b><br><b>(908.91)</b>   | <b>-</b><br><b>(-)</b>               | <b>-</b><br><b>(14.70)</b>      | <b>-</b><br><b>(-)</b>                       | <b>894.66</b><br><b>(923.61)</b>   |
| <b>Service charges income</b>                      |                                    |                                      |                                 |  |                                    |
| Parsvnath Estate Developers Private Limited        | <b>52.99</b><br>(-)                | -<br>(-)                             | -<br>(-)                        | -<br>(-)                                     | <b>52.99</b><br>(-)                |
| <b>Rent received</b>                               |                                    |                                      |                                 |  |                                    |
| Nanocity Haryana Infrastructure Limited            | -<br>(-)                           | 18.77<br>(44.46)                     | -<br>(-)                        | -<br>(-)                                     | 18.77<br>(44.46)                   |
| Marksmen Facilities Private Limited                | -<br>(-)                           | 18.90<br>(30.22)                     | -<br>(-)                        | -<br>(-)                                     | 18.90<br>(30.22)                   |
|  | <b>-</b><br><b>(-)</b>             | <b>37.67</b><br><b>(74.68)</b>       | <b>-</b><br><b>(-)</b>          | <b>-</b><br><b>(-)</b>                       | <b>37.67</b><br><b>(74.68)</b>     |
| <b>Interest income on debentures</b>               |                                    |                                      |                                 |  |                                    |
| Parsvnath Estate Developers Private Limited        | 278.41<br>(120.22)                 | -<br>(-)                             | -<br>(-)                        | -<br>(-)                                     | 278.41<br>(120.22)                 |
| Parsvnath Promoters And Developers Private Limited | 1,494.87<br>(4.10)                 | -<br>(-)                             | -<br>(-)                        | -<br>(-)                                     | 1,494.87<br>(4.10)                 |
| Parsvnath Buildwell Private Limited                | 133.51<br>(-)                      | -<br>(-)                             | -<br>(8.92)                     | -<br>(-)                                     | 133.51<br>(8.92)                   |
|  | <b>1,906.79</b><br><b>(124.32)</b> | <b>-</b><br><b>(-)</b>               | <b>-</b><br><b>(8.92)</b>       | <b>-</b><br><b>(-)</b>                       | <b>1,906.79</b><br><b>(133.24)</b> |
| <b>Share of profit/(-)loss from AOP</b>            |                                    |                                      |                                 |  |                                    |
| Parsvnath Developers AOP                           | -<br>(-)                           | -<br>(-)                             | -1.59<br>(-18.59)               | -<br>(-)                                     | -1.59<br>18.59                     |
| Ratan Parsvnath Developers AOP                     | -<br>(-)                           | -<br>(-)                             | -0.39<br>(-0.37)                | -<br>(-)                                     | -0.39<br>(-0.37)                   |
|  | <b>-</b><br><b>(-)</b>             | <b>-</b><br><b>(-)</b>               | <b>-1.98</b><br><b>(-18.96)</b> | <b>-</b><br><b>(-)</b>                       | <b>-1.98</b><br><b>(-18.96)</b>    |
| <b>Sale of development rights</b>                  |                                    |                                      |                                 |  |                                    |
| Parsvnath Hotels Limited                           | -<br>(44.12)                       | -<br>(-)                             | -<br>(-)                        | -<br>(-)                                     | -<br>(44.12)                       |
| Parsvnath Buildwell Private Limited                | -<br>(-)                           | -<br>(-)                             | -<br>(7,500.00)                 | -<br>(-)                                     | -<br>(7,500.00)                    |

## Notes Forming Part of the Financial Statements

₹ in lacs

| Transaction / Outstanding Balances            | Subsidiary Companies | Entities under significant influence | Joint Venture Entities | Key Management Personnel and their relatives | Total       |
|---|----------------------|--------------------------------------|------------------------|--|-------------|
| Parsvnath Realcon Private Limited             | -                    | -                                    | -                      | -  | -           |
|   | (-)                  | (-)                                  | (6,000.00)             | (-)  | (6,000.00)  |
|   | (44.12)              | (-)                                  | (13,500.00)            | (-)  | (13,544.12) |
| <b>Unsecured loan received</b>                |                      |                                      |                        |  |             |
| Pradeep Kumar Jain                            | -                    | -                                    | -                      | 1,939.00                                     | 1,939.00    |
|   | (-)                  | (-)                                  | (-)                    | (6,606.80)                                   | (6,606.80)  |
| Nutan Jain                                    | -                    | -                                    | -                      | -  | -           |
|   | (-)                  | (-)                                  | (-)                    | (916.85)                                     | (916.85)    |
| Pradeep Kumar Jain & Sons (HUF)               | -                    | 88.39                                | -                      | -  | 88.39       |
|   | (-)                  | (5,819.13)                           | (-)                    | (-)  | (5,819.13)  |
| Parasnath And Associates Private Limited      | -                    | 2,474.34                             | -                      | -  | 2,474.34    |
|   | (-)                  | (2,953.90)                           | (-)                    | (-)  | (2,953.90)  |
| Marksmen Facilities Private Limited           | -                    | -                                    | -                      | -  | -           |
|   | (-)                  | (94.64)                              | (-)                    | (-)  | (94.64)     |
| Parsvnath Estate Developers Private Limited   | -                    | -                                    | -                      | -  | -           |
|   | (500.00)             | (-)                                  | (-)                    | (-)  | (500.00)    |
|   | (500.00)             | 2,562.73                             | (-)                    | 1,939.00                                     | 4,501.73    |
|   | (500.00)             | (8,867.67)                           | (-)                    | (7,523.65)                                   | (16,891.32) |
| <b>Unsecured loan repaid</b>                  |                      |                                      |                        |  |             |
| Pradeep Kumar Jain                            | -                    | -                                    | -                      | 1,950.16                                     | 1,950.16    |
|   | (-)                  | (-)                                  | (-)                    | (6,621.55)                                   | (6,621.55)  |
| Nutan Jain                                    | -                    | -                                    | -                      | 60.06  | 60.06       |
|   | (-)                  | (-)                                  | (-)                    | (1,644.96)                                   | (1,644.96)  |
| Pradeep Kumar Jain & Sons (HUF)               | -                    | 506.52                               | -                      | -  | 506.52      |
|   | (-)                  | (5,641.91)                           | (-)                    | (-)  | (5,641.91)  |
| Marksmen Facilities Private Limited           | -                    | 284.49                               | -                      | -  | 284.49      |
|   | (-)                  | (53.86)                              | (-)                    | (-)  | (53.86)     |
| Parasnath And Associates Private Limited      | -                    | 2,606.77                             | -                      | -  | 2,606.77    |
|   | (-)                  | (4,717.01)                           | (-)                    | (-)  | (4,717.01)  |
| Parsvnath Estate Developers Private Limited   | -                    | -                                    | -                      | -  | -           |
|   | (500.00)             | (-)                                  | (-)                    | (-)  | (500.00)    |
|   | (500.00)             | 3,397.78                             | (-)                    | 2,010.22                                     | 5,408.00    |
|   | (500.00)             | (10,412.78)                          | (-)                    | (8,266.51)                                   | (19,179.29) |
| <b>Advance received back during the year</b>  |                      |                                      |                        |  |             |
| Parsvnath Landmark Developers Private Limited | -                    | -                                    | -                      | -  | -           |
|   | (2,579.10)           | (-)                                  | (-)                    | (-)  | (2,579.10)  |
| Parsvnath Telecom Private Limited             | -                    | -                                    | -                      | -  | -           |
|   | (0.88)               | (-)                                  | (-)                    | (-)  | (0.88)      |
| Parsvnath Film City Limited                   | -                    | -                                    | -                      | -  | -           |
|   | (64.26)              | (-)                                  | (-)                    | (-)  | (64.26)     |
| Parsvnath Hotels Limited                      | -                    | -                                    | -                      | -  | -           |
|   | (533.75)             | (-)                                  | (-)                    | (-)  | (533.75)    |

## Notes Forming Part of the Financial Statements

₹ in lacs

| Transaction / Outstanding Balances                     | Subsidiary Companies | Entities under significant influence | Joint Venture Entities | Key Management Personnel and their relatives | Total             |
|--|----------------------|--------------------------------------|------------------------|--|-------------------|
| PDL Assets Limited                                     | -                    | -                                    | -                      | -  | -                 |
|  | (0.40)               | (-)                                  | (-)                    | (-)  | (0.40)            |
| Parsvnath Realcon Private Limited                      | -                    | -                                    | -                      | -  | -                 |
|  | (-)                  | (-)                                  | (43.39)                | (-)  | (43.39)           |
| New Hind Enterprises Private Limited                   | -                    | -                                    | -                      | -  | -                 |
|  | (-)                  | (1,264.41)                           | (-)                    | (-)  | (1,264.41)        |
| Associates (each having less than 10% of transactions) | -                    | 20.73                                | -                      | -  | 20.73             |
|  | (-)                  | (5.38)                               | (-)                    | (-)  | (5.38)            |
|  | -                    | <b>20.73</b>                         | -                      | -  | <b>20.73</b>      |
|  | <b>(3,178.39)</b>    | <b>(1,269.79)</b>                    | <b>(43.39)</b>         | <b>(-)</b>                                   | <b>(4,491.57)</b> |
| <b>Advance received</b>                                |                      |                                      |                        |  |                   |
| Parsvnath Hessa Developers Private Limited             | -                    | -                                    | -                      | -  | -                 |
|  | (133.11)             | (-)                                  | (-)                    | (-)  | (133.11)          |
| Parsvnath Buildwell Private Limited                    | 610.29               | -                                    | -                      | -  | 610.29            |
|  | (-)                  | (-)                                  | (-)                    | (-)  | (-)               |
| Nilanchal Realtors Private limited                     | -                    | 16.32                                | -                      | -  | 16.32             |
|  | (-)                  | (-)                                  | (-)                    | (-)  | (-)               |
| K B Realtors Private limited                           | -                    | 21.00                                | -                      | -  | 21.00             |
|  | (-)                  | (-)                                  | (-)                    | (-)  | (-)               |
| Landmark Malls & Towers Private Limited                | -                    | 132.40                               | -                      | -  | 132.40            |
|  | (-)                  | (-)                                  | (-)                    | (-)  | (-)               |
| Landmark Township Planners Private Limited             | -                    | 64.86                                | -                      | -  | 64.86             |
|  | (-)                  | (-)                                  | (-)                    | (-)  | (-)               |
| Laban Real Estates Private Limited                     | -                    | 46.74                                | -                      | -  | 46.74             |
|  | (-)                  | (-)                                  | (-)                    | (-)  | (-)               |
| P S Realtors Private limited                           | -                    | 18.68                                | -                      | -  | 18.68             |
|  | (-)                  | (-)                                  | (-)                    | (-)  | (-)               |
|  | <b>1,110.29</b>      | <b>300.00</b>                        | -                      | -  | <b>1,410.29</b>   |
|  | <b>(133.11)</b>      | <b>(-)</b>                           | <b>(-)</b>             | <b>(-)</b>                                   | <b>(133.11)</b>   |
| <b>Advance received against sale of land</b>           |                      |                                      |                        |  |                   |
| Parsvnath Hotels Limited                               | -                    | -                                    | -                      | -  | -                 |
|  | (1,535.22)           | (-)                                  | (-)                    | (-)  | (1,535.22)        |
| Parsvnath Landmark Developers Private Limited          | -                    | -                                    | -                      | -  | -                 |
|  | (5,055.00)           | (-)                                  | (-)                    | (-)  | (5,055.00)        |
|  | -                    | -                                    | -                      | -  | -                 |
|  | <b>(6,590.22)</b>    | <b>(-)</b>                           | <b>(-)</b>             | <b>(-)</b>                                   | <b>(6,590.22)</b> |
| <b>Advances repaid</b>                                 |                      |                                      |                        |  |                   |
| Parsvnath Infra Limited                                | -                    | -                                    | -                      | -  | -                 |
|  | (41.24)              | (-)                                  | (-)                    | (-)  | (41.24)           |
| Jarul Promoters & Developers Private Limited           | -                    | 7.00                                 | -                      | -  | 7.00              |
|  | (-)                  | (200.00)                             | (-)                    | (-)  | (200.00)          |
| Parsvnath Realcon Private Limited                      | 37.64                | -                                    | -                      | -  | 37.64             |
|  | (-)                  | (-)                                  | (-)                    | (-)  | (-)               |

## Notes Forming Part of the Financial Statements

₹ in lacs

| Transaction / Outstanding Balances                 | Subsidiary Companies | Entities under significant influence | Joint Venture Entities | Key Management Personnel and their relatives | Total           |
|--|----------------------|--------------------------------------|------------------------|--|-----------------|
| Parsvnath Hotels Limited                           | 2095.11              | -                                    | -                      | -  | 2,095.11        |
|  | (-)                  | (-)                                  | (-)                    | (-)  | (-)             |
|  | <b>2,132.75</b>      | <b>7.00</b>                          | -                      | -  | <b>2,139.75</b> |
|  | <b>(41.24)</b>       | <b>(200.00)</b>                      | (-)                    | (-)  | <b>(241.24)</b> |
| <b>Transfer of credit balances</b>                 |                      |                                      |                        |  |                 |
| Parsvnath Infra Limited                            | <b>77.47</b>         | -                                    | -                      | -  | <b>77.47</b>    |
|  | (-)                  | (-)                                  | (-)                    | (-)  | (-)             |
| <b>Interest paid</b>                               |                      |                                      |                        |  |                 |
| Marksmen Facilities Private Limited                | -                    | -                                    | -                      | -  | -               |
|  | (-)                  | (24.75)                              | (-)                    | (-)  | (24.75)         |
| Parasnath And Associates Private Limited           | -                    | 20.86                                | -                      | -  | 20.86           |
|  | (-)                  | (194.29)                             | (-)                    | (-)  | (194.29)        |
| Pradeep Kumar Jain                                 | -                    | -                                    | -                      | 32.75  | 32.75           |
|  | (-)                  | (-)                                  | (-)                    | (86.27)                                      | (86.27)         |
| Pradeep Kumar Jain & Sons (HUF)                    | -                    | 25.09                                | -                      | -  | 25.09           |
|  | (-)                  | (274.04)                             | (-)                    | (-)  | (274.04)        |
| Nutan Jain   | -                    | -                                    | -                      | -  | -               |
|  | (-)                  | (-)                                  | (-)                    | (118.92)                                     | (118.92)        |
| Parsvnath Estate Developers Private Limited        | 62.87                | -                                    | -                      | -  | 62.87           |
|  | (20.64)              | (-)                                  | (-)                    | (-)  | (20.64)         |
| Parsvnath Promoters And Developers Private Limited | 80.03                | -                                    | -                      | -  | 80.03           |
|  | (0.18)               | (-)                                  | (-)                    | (-)  | (0.18)          |
| Parsvnath Buildwell Private Limited                | 1.22                 | -                                    | -                      | -  | 1.22            |
|  | (-)                  | (-)                                  | (0.40)                 | (-)  | (0.40)          |
|  | <b>144.12</b>        | <b>45.95</b>                         | -                      | <b>32.75</b>                                 | <b>222.82</b>   |
|  | <b>(20.82)</b>       | <b>(493.08)</b>                      | <b>(0.40)</b>          | <b>(205.19)</b>                              | <b>(719.49)</b> |
| <b>Rent paid</b>                                   |                      |                                      |                        |  |                 |
| Pradeep Kumar Jain                                 | -                    | -                                    | -                      | 3.46   | 3.46            |
|  | (-)                  | (-)                                  | (-)                    | (3.46)                                       | (3.46)          |
| Nutan Jain   | -                    | -                                    | -                      | 30.39  | 30.39           |
|  | (-)                  | (-)                                  | (-)                    | (37.77)                                      | (37.77)         |
| Pradeep Kumar Jain & Sons (HUF)                    | -                    | 5.60                                 | -                      | -  | 5.60            |
|  | (-)                  | (5.60)                               | (-)                    | (-)  | (5.60)          |
|  | -                    | <b>5.60</b>                          | -                      | <b>33.85</b>                                 | <b>39.45</b>    |
|  | (-)                  | <b>(5.60)</b>                        | (-)                    | <b>(41.23)</b>                               | <b>(46.83)</b>  |
| <b>Maintenance charges paid</b>                    |                      |                                      |                        |  |                 |
| Marksmen Facilities Private Limited                | -                    | <b>35.80</b>                         | -                      | -  | <b>35.80</b>    |
|  | (-)                  | <b>(17.70)</b>                       | (-)                    | (-)  | <b>(17.70)</b>  |
| <b>Reimbursement of expenses (Paid)</b>            |                      |                                      |                        |  |                 |
| Parsvnath Buildwell Private Limited                | 10.49                | -                                    | -                      | -  | 10.49           |
|  | (-)                  | (-)                                  | (42.49)                | (-)  | (42.49)         |
| Parsvnath Realcon Private Limited                  | -                    | -                                    | -                      | -  | -               |
|  | (-)                  | (-)                                  | (1.72)                 | (-)  | (1.72)          |

## Notes Forming Part of the Financial Statements

₹ in lacs

| Transaction / Outstanding Balances                 | Subsidiary Companies | Entities under significant influence | Joint Venture Entities | Key Management Personnel and their relatives | Total          |
|--|----------------------|--------------------------------------|------------------------|--|----------------|
| Crimson Infrastructure Private Limited             | -                    | 3.21                                 | -                      | -  | 3.21           |
|  | (-)                  | (-)                                  | (-)                    | (-)  | (-)            |
| Anjaney Developers Private Limited                 | -                    | 2.93                                 | -                      | -  | 2.93           |
|  | (-)                  | (-)                                  | (-)                    | (-)  | (-)            |
| Dolphin Buildwell Private Limited                  | -                    | 2.58                                 | -                      | -  | 2.58           |
|  | (-)                  | (-)                                  | (-)                    | (-)  | (-)            |
| Home Life Real Estate Private Limited              | -                    | 0.12                                 | -                      | -  | 0.12           |
|  | (-)                  | (-)                                  | (-)                    | (-)  | (-)            |
| Parsvnath Hessa Developers Private Limited         | 445.95               | -                                    | -                      | -  | 445.95         |
|  | (-)                  | (-)                                  | (-)                    | (-)  | (-)            |
|  | <b>456.44</b>        | <b>8.84</b>                          | -                      | -  | <b>465.28</b>  |
|  | (-)                  | (-)                                  | <b>(44.21)</b>         | (-)  | <b>(44.21)</b> |
| <b>Reimbursement of expenses (received)</b>        |                      |                                      |                        |  |                |
| Parsvnath Infra Limited                            | 87.04                | -                                    | -                      | -  | 87.04          |
|  | (-)                  | (-)                                  | (-)                    | (-)  | (-)            |
| Parsvnath Promoters And Developers Private Limited | -                    | -                                    | -                      | -  | -              |
|  | (27.58)              | (-)                                  | (-)                    | (-)  | (27.58)        |
| Parsvnath Realcon Private Limited                  | -                    | -                                    | -                      | -  | -              |
|  | (-)                  | (-)                                  | (1.56)                 | (-)  | (1.56)         |
| Marksmen Facilities Private Limited                | -                    | -                                    | -                      | -  | -              |
|  | (-)                  | (7.56)                               | (-)                    | (-)  | (7.56)         |
|  | <b>87.04</b>         | -                                    | -                      | -  | <b>87.04</b>   |
|  | <b>(27.58)</b>       | <b>(7.56)</b>                        | <b>(1.56)</b>          | (-)  | <b>(36.70)</b> |
| <b>Interest received</b>                           |                      |                                      |                        |  |                |
| Parsvnath Infra Limited                            | <b>10.83</b>         | -                                    | -                      | -  | <b>10.83</b>   |
|  | (-)                  | (-)                                  | (-)                    | (-)  | (-)            |
| <b>Purchase of development rights</b>              |                      |                                      |                        |  |                |
| Navneet Realtors Private Limited                   | -                    | 579.06                               | -                      | -  | 579.06         |
|  | (-)                  | (215.23)                             | (-)                    | (-)  | (215.23)       |
| Adela Buildcon Private Limited                     | -                    | -                                    | -                      | -  | -              |
|  | (-)                  | (175.17)                             | (-)                    | (-)  | (175.17)       |
| Lakshay Realtors Private Limited                   | -                    | -                                    | -                      | -  | -              |
|  | (-)                  | (147.79)                             | (-)                    | (-)  | (147.79)       |
| Springdale Realtors Private Limited                | -                    | -                                    | -                      | -  | -              |
|  | (-)                  | (218.73)                             | (-)                    | (-)  | (218.73)       |
| Baidehi Infrastructure Private Limited             | -                    | -                                    | -                      | -  | -              |
|  | (-)                  | (192.40)                             | (-)                    | (-)  | (192.40)       |
| Afra Infrastructure Private Limited                | -                    | 734.11                               | -                      | -  | 734.11         |
|  | (-)                  | (221.95)                             | (-)                    | (-)  | (221.95)       |
| Scorpio Realtors Private Limited                   | -                    | -                                    | -                      | -  | -              |
|  | (-)                  | (339.45)                             | (-)                    | (-)  | (339.45)       |
| Perpetual Infra Private Limited                    | -                    | 766.32                               | -                      | -  | 766.32         |
|  | (-)                  | (281.35)                             | (-)                    | (-)  | (281.35)       |

## Notes Forming Part of the Financial Statements

₹ in lacs

| Transaction / Outstanding Balances                              | Subsidiary Companies | Entities under significant influence | Joint Venture Entities | Key Management Personnel and their relatives | Total           |
|---|----------------------|--------------------------------------|------------------------|--|-----------------|
| Mirage Buildwell Private Limited                                | -                    | 708.48                               | -                      | -  | 708.48          |
|   | (-)                  | (-)                                  | (-)                    | (-)  | (-)             |
| Parsvnath Infra Limited   | 875.96               | -                                    | -                      | -  | 875.96          |
|   | (-)                  | (-)                                  | (-)                    | (-)  | (-)             |
| Associates (each having less than 10% of transactions)          | -                    | 326.06                               | -                      | -  | 326.06          |
|   | (-)                  | (48.83)                              | (-)                    | (-)  | (48.83)         |
|   | <b>875.96</b>        | <b>3,114.03</b>                      | -                      | -  | <b>3,989.99</b> |
|   | (-)                  | (1,840.90)                           | (-)                    | (-)  | (1,840.90)      |
| <b>Cancellation of sale of development rights</b>               |                      |                                      |                        |  |                 |
| Parsvnath Infra Limited   | <b>1,811.27</b>      | -                                    | -                      | -  | <b>1,811.27</b> |
|   | (-)                  | (-)                                  | (-)                    | (-)  | (-)             |
| <b>Redemption of debenture</b>                                  |                      |                                      |                        |  |                 |
| Parsvnath Estate Developers Private Limited                     | <b>460.95</b>        | -                                    | -                      | -  | <b>460.95</b>   |
|   | (-)                  | (-)                                  | (-)                    | (-)  | (-)             |
| <b>Investments made in equity shares / capital contribution</b> |                      |                                      |                        |  |                 |
| Parsvnath Telecom Private Limited                               | -                    | -                                    | -                      | -  | -               |
|   | (2.00)               | (-)                                  | (-)                    | (-)  | (2.00)          |
| Parsvnath Hotels Limited  | 900.00               | -                                    | -                      | -  | 900.00          |
|   | (-)                  | (-)                                  | (-)                    | (-)  | (-)             |
| Parsvnath Film City Limited                                     | 20.00                | -                                    | -                      | -  | 20.00           |
|   | (150.00)             | (-)                                  | (-)                    | (-)  | (150.00)        |
| Parsvnath Developers Pte. Limited                               | 5.22                 | -                                    | -                      | -  | 5.22            |
|   | (-)                  | (-)                                  | (-)                    | (-)  | (-)             |
| Parsvnath Developers (AOP)                                      | -                    | -                                    | 16.93                  | -  | 16.93           |
|   | (-)                  | (-)                                  | (12.31)                | (-)  | (12.31)         |
| PDL Assets Limited  | -                    | -                                    | -                      | -  | -               |
|   | (1.00)               | (-)                                  | (-)                    | (-)  | (1.00)          |
| Parsvnath Retail Limited  | -                    | -                                    | -                      | -  | -               |
|   | (2.00)               | (-)                                  | (-)                    | (-)  | (2.00)          |
| Parsvnath Developers ( SBBT ) Private Limited                   | -                    | -                                    | -                      | -  | -               |
|   | (-)                  | (3.00)                               | (-)                    | (-)  | (3.00)          |
| Parsvnath Developers ( GMBT ) Private Limited                   | -                    | -                                    | -                      | -  | -               |
|   | (-)                  | (4.00)                               | (-)                    | (-)  | (4.00)          |
| Parsvnath Estate Developers Private Limited                     | -                    | -                                    | -                      | -  | -               |
|   | (376.50)             | (-)                                  | (-)                    | (-)  | (376.50)        |
| Parsvnath Estate Developers Private Limited (Warrants)          | 460.00               | -                                    | -                      | -  | 460.00          |
|   | (0.15)               | (-)                                  | (-)                    | (-)  | (0.15)          |
| Parsvnath Promoters And Developers Private Limited              | -                    | -                                    | -                      | -  | -               |
|   | (1,656.99)           | (-)                                  | (-)                    | (-)  | (1,656.99)      |
| Parsvnath Buildwell Private Limited                             | -                    | -                                    | -                      | -  | -               |
|   | (-)                  | (-)                                  | (230.00)               | (-)  | (230.00)        |

## Notes Forming Part of the Financial Statements

₹ in lacs

| Transaction / Outstanding Balances                 | Subsidiary Companies | Entities under significant influence | Joint Venture Entities | Key Management Personnel and their relatives | Total              |
|--|----------------------|--------------------------------------|------------------------|--|--------------------|
| Baasima Buildcon Private Limited                   | -                    | -                                    | -                      | -  | -                  |
|  | (-)                  | (1.00)                               | (-)                    | (-)  | (1.00)             |
| Parsvnath Rail Land Project Private Limited        | 0.50                 | -                                    | -                      | -  | 0.50               |
|  | (-)                  | (-)                                  | (-)                    | (-)  | (-)                |
|  | <b>1,385.72</b>      | <b>-</b>                             | <b>16.93</b>           | <b>-</b>                                     | <b>1,402.65</b>    |
|  | <b>(2,188.64)</b>    | <b>(8.00)</b>                        | <b>(242.31)</b>        | <b>(-)</b>                                   | <b>(2,438.95)</b>  |
| <b>Investments made in preference shares</b>       |                      |                                      |                        |  |                    |
| Parsvnath Buildwell Private Limited                | <b>2,685.56</b>      | -                                    | -                      | -  | <b>2,685.56</b>    |
|  | (-)                  | (-)                                  | <b>(6,997.84)</b>      | (-)  | <b>(6,997.84)</b>  |
| <b>Investments made in debentures</b>              |                      |                                      |                        |  |                    |
| Parsvnath Buildwell Private Limited                | 833.44               | -                                    | -                      | -  | 833.44             |
|  | (-)                  | (-)                                  | (250.15)               | (-)  | (250.15)           |
| Parsvnath Estate Developers Private Limited        | 348.80               | -                                    | -                      | -  | 348.80             |
|  | (1,747.50)           | (-)                                  | (-)                    | (-)  | (1,747.50)         |
| Parsvnath Promoters And Developers Private Limited | -                    | -                                    | -                      | -  | -                  |
|  | (9,343.01)           | (-)                                  | (-)                    | (-)  | (9,343.01)         |
|  | <b>1,182.24</b>      | <b>-</b>                             | <b>-</b>               | <b>-</b>                                     | <b>1,182.24</b>    |
|  | <b>(11,090.51)</b>   | <b>(-)</b>                           | <b>(250.15)</b>        | <b>(-)</b>                                   | <b>(11,340.66)</b> |
| <b>Purchase of investments/shares</b>              |                      |                                      |                        |  |                    |
| Parasnath And Associates Private Limited           | -                    | 0.60                                 | -                      | -  | 0.60               |
|  | (-)                  | (1.00)                               | (-)                    | (-)  | (1.00)             |
| New Hind Enterprises Private Limited               | -                    | -                                    | -                      | -  | -                  |
|  | (-)                  | (1.00)                               | (-)                    | (-)  | (1.00)             |
|  | -                    | <b>0.60</b>                          | -                      | -  | <b>0.60</b>        |
|  | (-)                  | <b>(2.00)</b>                        | (-)                    | (-)  | <b>(2.00)</b>      |
| <b>Sale of investments/shares</b>                  |                      |                                      |                        |  |                    |
| Parasnath And Associates Private Limited           | -                    | -                                    | -                      | -  | -                  |
|  | (-)                  | (10.50)                              | (-)                    | (-)  | (10.50)            |
| New Hind Enterprises Private Limited               | -                    | -                                    | -                      | -  | -                  |
|  | (-)                  | (10.50)                              | (-)                    | (-)  | (10.50)            |
|  | -                    | -                                    | -                      | -  | -                  |
|  | (-)                  | <b>(21.00)</b>                       | (-)                    | (-)  | <b>(21.00)</b>     |
| <b>Advance paid for purchase of land</b>           |                      |                                      |                        |  |                    |
| New Hind Enterprises Private Limited               | -                    | 149.42                               | -                      | -  | 149.42             |
|  | (-)                  | (-)                                  | (-)                    | (-)  | (-)                |
| Oni Projects Private Limited                       | -                    | -                                    | -                      | -  | -                  |
|  | (-)                  | (23.25)                              | (-)                    | (-)  | (23.25)            |
| Izna Realcon Private Limited                       | -                    | -                                    | -                      | -  | -                  |
|  | (-)                  | (8.30)                               | (-)                    | (-)  | (8.30)             |
| Dae Realtors Private Limited                       | -                    | -                                    | -                      | -  | -                  |
|  | (-)                  | (24.75)                              | (-)                    | (-)  | (24.75)            |
| Label Real Estates Private limited                 | -                    | 128.80                               | -                      | -  | 128.80             |
|  | (-)                  | (-)                                  | (-)                    | (-)  | (-)                |

## Notes Forming Part of the Financial Statements

₹ in lacs

| Transaction / Outstanding Balances                     | Subsidiary Companies | Entities under significant influence | Joint Venture Entities | Key Management Personnel and their relatives | Total             |
|--|----------------------|--------------------------------------|------------------------|--|-------------------|
| Dolphin Buildwell Private Limited                      | -                    | 59.50                                | -                      | -  | 59.50             |
|  | (-)                  | (-)                                  | (-)                    | (-)  | (-)               |
| Associates (each having less than 10% of transactions) | -                    | 32.10                                | -                      | -  | 32.10             |
|  | (-)                  | (16.11)                              | (-)                    | (-)  | (16.11)           |
|  | -                    | <b>369.82</b>                        | -                      | -  | <b>369.82</b>     |
|  | (-)                  | <b>(72.41)</b>                       | (-)                    | (-)  | <b>(72.41)</b>    |
| <b>Refund of security deposits</b>                     |                      |                                      |                        |  |                   |
| Parsvnath Hessa Developers Private Limited             | <b>950.00</b>        | -                                    | -                      | -  | <b>950.00</b>     |
|  | (-)                  | (-)                                  | (-)                    | (-)  | (-)               |
| <b>Refund back of security deposits</b>                |                      |                                      |                        |  |                   |
| Nutan Jain   | -                    | -                                    | -                      | <b>17.11</b>                                 | <b>17.11</b>      |
|  | (-)                  | (-)                                  | (-)                    | (-)  | (-)               |
| <b>Security deposit paid</b>                           |                      |                                      |                        |  |                   |
| Nutan Jain   | -                    | -                                    | -                      | <b>0.90</b>                                  | <b>0.90</b>       |
|  | (-)                  | (-)                                  | (-)                    | (-)  | (-)               |
| <b>Security deposit received</b>                       |                      |                                      |                        |  |                   |
| Parsvnath Hessa Developers Private Limited             | -                    | -                                    | -                      | -  | -                 |
|  | (3,800.00)           | (-)                                  | (-)                    | (-)  | (3,800.00)        |
| Parsvnath Estate Developers Private Limited            | 500.00               | -                                    | -                      | -  | 500.00            |
|  | (3,160.00)           | (-)                                  | (-)                    | (-)  | (3,160.00)        |
| Parsvnath Promoters And Developers Private Limited     | -                    | -                                    | -                      | -  | -                 |
|  | (1,000.00)           | (-)                                  | (-)                    | (-)  | (1,000.00)        |
| Parsvnath Buildwell Private Limited                    | -                    | -                                    | -                      | -  | -                 |
|  | (-)                  | (-)                                  | (13.74)                | (-)  | (13.74)           |
| Parsvnath Landmark Developers Private Limited          | -                    | -                                    | -                      | -  | -                 |
|  | (460.00)             | (-)                                  | (-)                    | (-)  | (460.00)          |
|  | <b>500.00</b>        | -                                    | -                      | -  | <b>500.00</b>     |
|  | <b>(8,420.00)</b>    | (-)                                  | <b>(13.74)</b>         | (-)  | <b>(8,433.74)</b> |
| <b>Refund of share application money</b>               |                      |                                      |                        |  |                   |
| Parsvnath Hotels Limited                               | 1,750.00             | -                                    | -                      | -  | 1,750.00          |
|  | (-)                  | (-)                                  | (-)                    | (-)  | (-)               |
| Parsvnath Infra Limited                                | -                    | -                                    | -                      | -  | -                 |
|  | (356.64)             | (-)                                  | (-)                    | (-)  | (356.64)          |
|  | <b>1,750.00</b>      | -                                    | -                      | -  | <b>1,750.00</b>   |
|  | <b>(356.64)</b>      | (-)                                  | (-)                    | (-)  | <b>(356.64)</b>   |
| <b>Share application money paid</b>                    |                      |                                      |                        |  |                   |
| Parsvnath Hotels Limited                               | -                    | -                                    | -                      | -  | -                 |
|  | (2,650.00)           | (-)                                  | (-)                    | (-)  | (2,650.00)        |
| Parsvnath Buildwell Private Limited                    | -                    | -                                    | -                      | -  | -                 |
|  | (-)                  | (-)                                  | (22.02)                | (-)  | (22.02)           |
| Parsvnath Developers Pte. Limited                      | -                    | -                                    | -                      | -  | -                 |
|  | (5.22)               | (-)                                  | (-)                    | (-)  | (5.22)            |
|  | -                    | -                                    | -                      | -  | -                 |
|  | <b>(2,655.22)</b>    | (-)                                  | <b>(22.02)</b>         | (-)  | <b>(2,677.24)</b> |

## Notes Forming Part of the Financial Statements

₹ in lacs

| Transaction / Outstanding Balances                 | Subsidiary Companies               | Entities under significant influence | Joint Venture Entities | Key Management Personnel and their relatives | Total                                |
|--|------------------------------------|--------------------------------------|------------------------|--|--------------------------------------|
| <b>Debenture application money paid</b>            |                                    |                                      |                        |  |                                      |
| Parsvnath Estate Developers Private Limited        | -<br>(123.80)                      | -<br>(-)                             | -<br>(-)               | -<br>(-)                                     | -<br>(123.80)                        |
| <b>Advances given</b>                              |                                    |                                      |                        |  |                                      |
| Parsvnath Film City Limited                        | 31.50<br>(-)                       | -<br>(-)                             | -<br>(-)               | -<br>(-)                                     | 31.50<br>(-)                         |
| Primetime Realtors Private Limited                 | 4.74<br>(-)                        | -<br>(-)                             | -<br>(-)               | -<br>(-)                                     | 4.74<br>(-)                          |
| Parsvnath Infra Limited                            | 101.99<br>(61.10)                  | -<br>(-)                             | -<br>(-)               | -<br>(-)                                     | 101.99<br>(61.10)                    |
| Parsvnath Promoters And Developers Private Limited | 3,291.24<br>(854.88)               | -<br>(-)                             | -<br>(-)               | -<br>(-)                                     | 3,291.24<br>(854.88)                 |
| Marksmen Facilities Private Limited                | -<br>(-)                           | 232.83<br>(403.25)                   | -<br>(-)               | -<br>(-)                                     | 232.83<br>(403.25)                   |
| Parsvnath Realcon Private Limited                  | 0.46<br>(-)                        | -<br>(-)                             | -<br>(-)               | -<br>(-)                                     | 0.46<br>(-)                          |
| Parsvnath Hotels Limited                           | 31.09<br>(-)                       | -<br>(-)                             | -<br>(-)               | -<br>(-)                                     | 31.09<br>(-)                         |
|  | <b>3,461.02</b><br><b>(915.98)</b> | <b>232.83</b><br><b>(403.25)</b>     | <b>-</b><br><b>(-)</b> | <b>-</b><br><b>(-)</b>                       | <b>3,693.85</b><br><b>(1,319.23)</b> |
| <b>Managerial remuneration</b>                     |                                    |                                      |                        |  |                                      |
| Pradeep Kumar Jain                                 | -<br>(-)                           | -<br>(-)                             | -<br>(-)               | 360.79<br>(360.79)                           | 360.79<br>(360.79)                   |
| Sanjeev Kumar Jain                                 | -<br>(-)                           | -<br>(-)                             | -<br>(-)               | 132.40<br>(132.40)                           | 132.40<br>(132.40)                   |
| Dr. Rajeev Jain                                    | -<br>(-)                           | -<br>(-)                             | -<br>(-)               | 96.40<br>(96.40)                             | 96.40<br>(96.40)                     |
| G. R. Gogia  | -<br>(-)                           | -<br>(-)                             | -<br>(-)               | 94.27<br>(96.40)                             | 94.27<br>(96.40)                     |
|  | <b>-</b><br><b>(-)</b>             | <b>-</b><br><b>(-)</b>               | <b>-</b><br><b>(-)</b> | <b>683.86</b><br><b>(685.99)</b>             | <b>683.86</b><br><b>(685.99)</b>     |
| <b>Corporate guarantee given for</b>               |                                    |                                      |                        |  |                                      |
| Parsvnath Hotels Limited                           | 360.00<br>(-)                      | -<br>(-)                             | -<br>(-)               | -<br>(-)                                     | 360.00<br>(-)                        |
| Parsvnath Estate Developers Private Limited        | 3,329.22<br>(-)                    | -<br>(-)                             | -<br>(-)               | -<br>(-)                                     | 3,329.22<br>(-)                      |
|  | <b>3,689.22</b><br><b>(-)</b>      | <b>-</b><br><b>(-)</b>               | <b>-</b><br><b>(-)</b> | <b>-</b><br><b>(-)</b>                       | <b>3,689.22</b><br><b>(-)</b>        |
| <b>(ii) Balances at the year end</b>               |                                    |                                      |                        |  |                                      |
| <b>Trade receivables</b>                           |                                    |                                      |                        |  |                                      |
| Parsvnath Landmark Developers Private Limited      | 299.52<br>(524.32)                 | -<br>(-)                             | -<br>(-)               | -<br>(-)                                     | 299.52<br>(524.32)                   |
| Parsvnath Buildwell Private Limited                | -<br>(-)                           | -<br>(-)                             | -<br>(14.71)           | -<br>(-)                                     | -<br>(14.71)                         |

## Notes Forming Part of the Financial Statements

₹ in lacs

| Transaction / Outstanding Balances                 | Subsidiary Companies | Entities under significant influence | Joint Venture Entities | Key Management Personnel and their relatives | Total             |
|--|----------------------|--------------------------------------|------------------------|--|-------------------|
| Parsvnath Realcon Private Limited                  | 305.59               | -                                    | -                      | -  | 305.59            |
|  | (-)                  | (-)                                  | (3,807.91)             | (-)  | (3,807.91)        |
| Nanocity Haryana Infrastructure Limited            | -                    | 15.11                                | -                      | -  | 15.11             |
|  | (-)                  | (11.15)                              | (-)                    | (-)  | (11.15)           |
| Marksmen Facilities Private Limited                | -                    | -                                    | -                      | -  | -                 |
|  | (-)                  | (38.18)                              | (-)                    | (-)  | (38.18)           |
| Parsvnath Hessa Developers Private Limited         | 22.44                | -                                    | -                      | -  | 22.44             |
|  | (24.40)              | (-)                                  | (-)                    | (-)  | (24.40)           |
| Parsvnath Estate Developers Private Limited        | 47.69                | -                                    | -                      | -  | 47.69             |
|  | (-)                  | (-)                                  | (-)                    | (-)  | (-)               |
|  | <b>2,152.51</b>      | <b>15.11</b>                         | <b>-</b>               | <b>-</b>                                     | <b>2,167.62</b>   |
|  | <b>(548.72)</b>      | <b>(49.33)</b>                       | <b>(3,822.62)</b>      | <b>-</b>                                     | <b>(4,420.67)</b> |
| <b>Interest receivable on debentures</b>           |                      |                                      |                        |  |                   |
| Parsvnath Buildwell Private Limited                | 128.19               | -                                    | -                      | -  | 128.19            |
|  | (-)                  | (-)                                  | (8.02)                 | (-)  | (8.02)            |
| Parsvnath Estate Developers Private Limited        | 358.76               | -                                    | -                      | -  | 358.76            |
|  | (108.20)             | (-)                                  | (-)                    | (-)  | (108.20)          |
| Parsvnath Promoters And Developers Private Limited | 1,349.08             | -                                    | -                      | -  | 1,349.08          |
|  | (3.69)               | (-)                                  | (-)                    | (-)  | (3.69)            |
|  | <b>1,836.03</b>      | <b>-</b>                             | <b>-</b>               | <b>-</b>                                     | <b>1836.03</b>    |
|  | <b>(111.89)</b>      | <b>(-)</b>                           | <b>(8.02)</b>          | <b>(-)</b>                                   | <b>(119.91)</b>   |
| <b>Share application money</b>                     |                      |                                      |                        |  |                   |
| Parsvnath Infra Limited                            | 1,922.62             | -                                    | -                      | -  | 1,922.62          |
|  | (1,922.62)           | (-)                                  | (-)                    | (-)  | (1,922.62)        |
| Parsvnath Buildwell Private Limited                | -                    | -                                    | -                      | -  | -                 |
|  | (-)                  | (-)                                  | (22.02)                | (-)  | (22.02)           |
| Parsvnath Developers Pte Limited                   | -                    | -                                    | -                      | -  | -                 |
|  | (5.22)               | (-)                                  | (-)                    | (-)  | (5.22)            |
| Parsvnath Hotels Limited                           | -                    | -                                    | -                      | -  | -                 |
|  | (2,650.00)           | (-)                                  | (-)                    | (-)  | (2,650.00)        |
|  | <b>1,922.62</b>      | <b>-</b>                             | <b>-</b>               | <b>-</b>                                     | <b>1,922.62</b>   |
|  | <b>(4,577.84)</b>    | <b>(-)</b>                           | <b>(22.02)</b>         | <b>(-)</b>                                   | <b>(4,599.86)</b> |
| <b>Debenture application money</b>                 |                      |                                      |                        |  |                   |
| Parsvnath Estate Developers Private Limited        | -                    | -                                    | -                      | -  | -                 |
|  | <b>(123.80)</b>      | <b>(-)</b>                           | <b>(-)</b>             | <b>(-)</b>                                   | <b>(123.80)</b>   |
| <b>Short/ long term loans and advances</b>         |                      |                                      |                        |  |                   |
| Parsvnath Film City Limited                        | 4,810.80             | -                                    | -                      | -  | 4,810.80          |
|  | (4,779.30)           | (-)                                  | (-)                    | (-)  | (4,779.30)        |
| Parsvnath Hotels Limited                           | 61.06                | -                                    | -                      | -  | 61.06             |
|  | (29.97)              | (-)                                  | (-)                    | (-)  | (29.97)           |
| Primetime Realtors Private Limited                 | 4.74                 | -                                    | -                      | -  | 4.74              |
|  | (-)                  | (-)                                  | (-)                    | (-)  | (-)               |

## Notes Forming Part of the Financial Statements

₹ in lacs

| Transaction / Outstanding Balances                            | Subsidiary Companies | Entities under significant influence | Joint Venture Entities | Key Management Personnel and their relatives | Total              |
|---|----------------------|--------------------------------------|------------------------|--|--------------------|
| Parsvnath Infra Limited                                       | -                    | -                                    | -                      | -  | -                  |
|   | (61.10)              | (-)                                  | (-)                    | (-)  | (61.10)            |
| Parsvnath Promoters And Developers Private Limited            | 4,173.51             | -                                    | -                      | -  | 4,173.51           |
|   | (882.27)             | (-)                                  | (-)                    | (-)  | (882.27)           |
| Parsvnath Buildwell Private Limited                           | -                    | -                                    | -                      | -  | -                  |
|   | (-)                  | (-)                                  | (2.78)                 | (-)  | (2.78)             |
| Associates (each having less than 10% of balance outstanding) | -                    | 18,381.27                            | -                      | -  | 18,381.27          |
|   | (-)                  | (20,932.60)                          | (-)                    | (-)  | (20,932.60)        |
|   | <b>9,050.11</b>      | <b>18,381.27</b>                     | -                      | -  | <b>27,431.38</b>   |
|   | <b>(5,752.64)</b>    | <b>(20,932.60)</b>                   | <b>(2.78)</b>          | <b>(-)</b>                                   | <b>(26,688.02)</b> |
| <b>Security deposits (assets)</b>                             |                      |                                      |                        |  |                    |
| Nutan Jain  | -                    | -                                    | -                      | <b>11.36</b>                                 | <b>11.36</b>       |
|   | (-)                  | (-)                                  | (-)                    | <b>(27.57)</b>                               | <b>(27.57)</b>     |
| <b>Trade / other payables</b>                                 |                      |                                      |                        |  |                    |
| Parsvnath Infra Limited                                       | 2,394.70             | -                                    | -                      | -  | 2,394.70           |
|   | (-)                  | (-)                                  | (-)                    | (-)  | (-)                |
| Parsvnath Landmark Developers Private Limited                 | 1,600.86             | -                                    | -                      | -  | 1,600.86           |
|   | (1,601.88)           | (-)                                  | (-)                    | (-)  | (1,601.88)         |
| Primetime Realtors Private Limited                            | 8.00                 | -                                    | -                      | -  | 8.00               |
|   | (1,804.00)           | (-)                                  | (-)                    | (-)  | (1,804.00)         |
| Jarul Promoters & Developers Private Limited                  | -                    | -                                    | -                      | -  | -                  |
|   | (-)                  | (7.00)                               | (-)                    | (-)  | (7.00)             |
| Parsvnath Buildwell Private Limited                           | 11.97                | -                                    | -                      | -  | 11.97              |
|   | (-)                  | (-)                                  | (42.49)                | (-)  | (42.49)            |
| Pradeep Kumar Jain ( HUF )                                    | -                    | 0.84                                 | -                      | -  | 0.84               |
|   | (-)                  | (3.78)                               | (-)                    | (-)  | (3.78)             |
| Nutan Jain  | -                    | -                                    | -                      | 1.45   | 1.45               |
|   | (-)                  | (-)                                  | (-)                    | (21.71)                                      | (21.71)            |
| Pradeep Kumar Jain  | -                    | -                                    | -                      | 0.52   | 0.52               |
|   | (-)                  | (-)                                  | (-)                    | (-)  | (-)                |
| Parsvnath Hessa Developers Private Limited                    | 586.33               | -                                    | -                      | -  | 586.33             |
|   | (133.11)             | (-)                                  | (-)                    | (-)  | (133.11)           |
| Parsvnath Realcon Private Limited                             | 6.36                 | -                                    | -                      | -  | 6.36               |
|   | (-)                  | (-)                                  | (43.55)                | (-)  | (43.55)            |
| Timebound Contracts Private Limited                           | -                    | 138.44                               | -                      | -  | 138.44             |
|   | (-)                  | (138.44)                             | (-)                    | (-)  | (138.44)           |
| Home Life Real Estate Private Limited                         | -                    | -                                    | -                      | -  | -                  |
|   | (-)                  | (94.50)                              | (-)                    | (-)  | (94.50)            |
| Associates (each having less than 10% of balance outstanding) | -                    | 346.76                               | -                      | -  | 346.76             |
|   | (-)                  | (21.34)                              | (-)                    | (-)  | (21.34)            |
|   | <b>4,608.22</b>      | <b>486.04</b>                        | -                      | <b>1.97</b>                                  | <b>5,096.23</b>    |
|   | <b>(3,538.99)</b>    | <b>(265.06)</b>                      | <b>(86.04)</b>         | <b>(21.71)</b>                               | <b>(3,911.80)</b>  |
| <b>Advances from customers</b>                                |                      |                                      |                        |  |                    |
| Parsvnath Landmark Developers Private Limited                 | 5,055.00             | -                                    | -                      | -  | 5,055.00           |
|   | (5,055.00)           | (-)                                  | (-)                    | (-)  | (5,055.00)         |

## Notes Forming Part of the Financial Statements

₹ in lacs

| Transaction / Outstanding Balances                            | Subsidiary Companies | Entities under significant influence | Joint Venture Entities | Key Management Personnel and their relatives | Total              |
|---|----------------------|--------------------------------------|------------------------|--|--------------------|
| Parsvnath Hotels Limited                                      | 490.11               | -                                    | -                      | -  | 490.11             |
|   | (2,585.22)           | -                                    | (-)                    | (-)  | (2,585.22)         |
| Parasnath And Associates Private Limited                      | -                    | -                                    | -                      | -  | -                  |
|   | (-)                  | (706.62)                             | (-)                    | (-)  | (706.62)           |
| Parsvnath Buildwell Private Limited                           | 650.00               | -                                    | -                      | -  | 650.00             |
|   | (-)                  | (-)                                  | (-)                    | (-)  | (-)                |
| Associates (each having less than 10% of balance outstanding) | -                    | -                                    | -                      | -  | -                  |
|   | (-)                  | (24.87)                              | (-)                    | (-)  | (24.87)            |
|   | <b>6,195.11</b>      | -                                    | -                      | -  | <b>6,195.11</b>    |
|   | <b>(7,640.22)</b>    | <b>(731.49)</b>                      | <b>(-)</b>             | <b>(-)</b>                                   | <b>(8,371.71)</b>  |
| <b>Unsecured loans</b>  |                      |                                      |                        |  |                    |
| Pradeep Kumar Jain  | -                    | -                                    | -                      | 60.35  | 60.35              |
|   | (-)                  | (-)                                  | (-)                    | (71.51)                                      | (71.51)            |
| Nutan Jain  | -                    | -                                    | -                      | -  | -                  |
|   | (-)                  | (-)                                  | (-)                    | (60.06)                                      | (60.06)            |
| Pradeep Kumar Jain & Sons (HUF)                               | -                    | 44.31                                | -                      | -  | 44.31              |
|   | (-)                  | (462.44)                             | (-)                    | (-)  | (462.44)           |
| Parasnath And Associates Private Limited                      | -                    | 150.52                               | -                      | -  | 150.52             |
|   | (-)                  | (282.95)                             | (-)                    | (-)  | (282.95)           |
| Marksmen Facilities Private Limited                           | -                    | -                                    | -                      | -  | -                  |
|   | (-)                  | (284.49)                             | (-)                    | (-)  | (284.49)           |
|   | -                    | <b>194.83</b>                        | -                      | <b>60.35</b>                                 | <b>255.18</b>      |
|   | <b>(-)</b>           | <b>(1,029.88)</b>                    | <b>(-)</b>             | <b>(131.57)</b>                              | <b>(1,161.45)</b>  |
| <b>Security deposits (liability)</b>                          |                      |                                      |                        |  |                    |
| Nanocity Haryana Infrastructure Limited                       | -                    | 44.46                                | -                      | -  | 44.46              |
|   | (-)                  | (44.46)                              | (-)                    | (-)  | (44.46)            |
| Parsvnath Estate Developers Private Limited                   | 3,660.00             | -                                    | -                      | -  | 3,660.00           |
|   | (3,160.00)           | (-)                                  | (-)                    | (-)  | (3,160.00)         |
| Parsvnath Promoters And Developers Private Limited            | 1,000.00             | -                                    | -                      | -  | 1,000.00           |
|   | (1,000.00)           | (-)                                  | (-)                    | (-)  | (1,000.00)         |
| Parsvnath Buildwell Private Limited                           | 13.74                | -                                    | -                      | -  | 13.74              |
|   | (-)                  | (-)                                  | (13.74)                | (-)  | (13.74)            |
| Parsvnath Landmark Developers Private Limited                 | 460.00               | -                                    | -                      | -  | 460.00             |
|   | (460.00)             | (-)                                  | (-)                    | (-)  | (460.00)           |
| Marksmen Facilities Private Limited                           | -                    | 6.61                                 | -                      | -  | 6.61               |
|   | (-)                  | (6.61)                               | (-)                    | (-)  | (6.61)             |
| Parsvnath Hessa Developers Private Limited                    | 4,850.00             | -                                    | -                      | -  | 4,850.00           |
|   | (5,800.00)           | (-)                                  | (-)                    | (-)  | (5,800.00)         |
|   | <b>9,983.74</b>      | <b>51.07</b>                         | -                      | -  | <b>10,034.81</b>   |
|   | <b>(10,420.00)</b>   | <b>(51.07)</b>                       | <b>(13.74)</b>         | <b>(-)</b>                                   | <b>(10,484.81)</b> |
| <b>Interest accrued on margin money deposits</b>              |                      |                                      |                        |  |                    |
| Parsvnath Estate Developers Private Limited                   | 74.50                | -                                    | -                      | -  | 74.50              |
|   | (18.57)              | (-)                                  | (-)                    | (-)  | (18.57)            |

## Notes Forming Part of the Financial Statements

₹ in lacs

| Transaction / Outstanding Balances                 | Subsidiary Companies | Entities under significant influence | Joint Venture Entities | Key Management Personnel and their relatives | Total                |
|--|----------------------|--------------------------------------|------------------------|--|----------------------|
| Parsvnath Buildwell Private Limited                | 0.29                 | -                                    | -                      | -  | 0.29                 |
|  | (-)                  | (-)                                  | (-)                    | (-)  | (-)                  |
| Parsvnath Hessa Private Limited                    | 0.22                 | -                                    | -                      | -  | 0.22                 |
|  | (-)                  | (-)                                  | (-)                    | (-)  | (-)                  |
|  | <b>75.01</b>         | -                                    | -                      | -  | <b>75.01</b>         |
|  | <b>(18.57)</b>       | (-)                                  | (-)                    | (-)  | <b>(18.57)</b>       |
| <b>Corporate guarantee given for</b>               |                      |                                      |                        |  |                      |
| Parsvnath Hotels Limited                           | 360.00               | -                                    | -                      | -  | 360.00               |
|  | (-)                  | (-)                                  | (-)                    | (-)  | (-)                  |
| Parsvnath Landmark Developers Private Limited      | 11,666.67            | -                                    | -                      | -  | 11,666.67            |
|  | (14,000.00)          | (-)                                  | (-)                    | (-)  | (14,000.00)          |
| Parsvnath Estate Developers Private Limited        | 3,329.22             | -                                    | -                      | -  | 3,329.22             |
|  | (-)                  | (-)                                  | (-)                    | (-)  | (-)                  |
|  | <b>15,355.89</b>     | -                                    | -                      | -  | <b>15,355.89</b>     |
|  | <b>(14,000.00)</b>   | (-)                                  | (-)                    | (-)  | <b>(14,000.00)</b>   |
| <b>Corporate guarantee given by</b>                |                      |                                      |                        |  |                      |
| Parsvnath Infra Limited                            | <b>22,500.00</b>     | -                                    | -                      | -  | <b>22,500.00</b>     |
|  | (-)                  | (-)                                  | (-)                    | (-)  | (-)                  |
| <b>Gaurantee for loans</b>                         |                      |                                      |                        |  |                      |
| Chairman and Whole time Directors                  | -                    | -                                    | -                      | <b>1,35,437.16</b>                           | <b>1,35,437.16</b>   |
|  | (-)                  | (-)                                  | (-)                    | <b>(1,25,638.40)</b>                         | <b>(1,25,638.40)</b> |
| <b>Investments held</b>                            |                      |                                      |                        |  |                      |
| Parsvnath Landmark Developers Private Limited      | 3,590.98             | -                                    | -                      | -  | 3,590.98             |
|  | (3,590.98)           | (-)                                  | (-)                    | (-)  | (3,590.98)           |
| Parsvnath Infra Limited                            | 2,604.94             | -                                    | -                      | -  | 2,604.94             |
|  | (2,604.94)           | (-)                                  | (-)                    | (-)  | (2,604.94)           |
| Parsvnath Film City Limited                        | 175.00               | -                                    | -                      | -  | 175.00               |
|  | (155.00)             | (-)                                  | (-)                    | (-)  | (155.00)             |
| Parsvnath Telecom Private Limited                  | 103.00               | -                                    | -                      | -  | 103.00               |
|  | (103.00)             | (-)                                  | (-)                    | (-)  | (103.00)             |
| Parsvnath Hotels Limited                           | 1,350.00             | -                                    | -                      | -  | 1,350.00             |
|  | (450.00)             | (-)                                  | (-)                    | (-)  | (450.00)             |
| Parsvnath Retail Limited                           | 7.00                 | -                                    | -                      | -  | 7.00                 |
|  | (7.00)               | (-)                                  | (-)                    | (-)  | (7.00)               |
| PDL Assets Limited                                 | 6.00                 | -                                    | -                      | -  | 6.00                 |
|  | (6.00)               | (-)                                  | (-)                    | (-)  | (6.00)               |
| Parsvnath Developers Pte. Limited                  | 145.49               | -                                    | -                      | -  | 145.49               |
|  | (140.27)             | (-)                                  | (-)                    | (-)  | (140.27)             |
| Primetime Realtors Private Limited                 | 1.00                 | -                                    | -                      | -  | 1.00                 |
|  | (1.00)               | (-)                                  | (-)                    | (-)  | (1.00)               |
| Parsvnath Promoters And Developers Private Limited | 1,657.99             | -                                    | -                      | -  | 1,657.99             |
|  | (1,657.99)           | (-)                                  | (-)                    | (-)  | (1,657.99)           |
| Parsvnath Estate Developers Private Limited        | 377.50               | -                                    | -                      | -  | 377.50               |
|  | (377.50)             | (-)                                  | (-)                    | (-)  | (377.50)             |

## Notes Forming Part of the Financial Statements

₹ in lacs

| Transaction / Outstanding Balances                              | Subsidiary Companies                   | Entities under significant influence | Joint Venture Entities                | Key Management Personnel and their relatives | Total                                  |
|---|--|--------------------------------------|---------------------------------------|--|--|
| Parsvnath Hessa Developers Private Limited                      | 9,001.00<br>(9,001.00)                 | -<br>(-)                             | -<br>(-)                              | -<br>(-)                                     | 9,001.00<br>(9,001.00)                 |
| Amazon India Limited  | -<br>(-)                               | 212.50<br>(212.50)                   | -<br>(-)                              | -<br>(-)                                     | 212.50<br>(212.50)                     |
| Home Life Real Estate Private Limited                           | -<br>(-)                               | 77.50<br>(77.50)                     | -<br>(-)                              | -<br>(-)                                     | 77.50<br>(77.50)                       |
| Vardaan Buildtech Private Limited                               | -<br>(-)                               | 1.60<br>(1.60)                       | -<br>(-)                              | -<br>(-)                                     | 1.60<br>(1.60)                         |
| Nanocity Haryana Infrastructure Limited                         | -<br>(-)                               | 1,550.00<br>(1,550.00)               | -<br>(-)                              | -<br>(-)                                     | 1,550.00<br>(1,550.00)                 |
| Parsvnath Developers (AOP)                                      | -<br>(-)                               | -<br>(-)                             | 2,601.04<br>(2,585.70)                | -<br>(-)                                     | 2,601.04<br>(2,585.70)                 |
| Ratan Parsvnath Developers (AOP)                                | -<br>(-)                               | -<br>(-)                             | 624.67<br>(625.06)                    | -<br>(-)                                     | 624.67<br>(625.06)                     |
| Parsvnath Buildwell Private Limited                             | 9,913.50<br>(-)                        | -<br>(-)                             | -<br>(7,227.84)                       | -<br>(-)                                     | 9,913.50<br>(7,227.84)                 |
| Parsvnath Buildwell Private Limited (Debentures)                | 1,083.59<br>(-)                        | -<br>(-)                             | -<br>(250.15)                         | -<br>(-)                                     | 1,083.59<br>(250.15)                   |
| Parsvnath Promoters and Developers Private Limited (Debentures) | 9,343.01<br>(9,343.01)                 | -<br>(-)                             | -<br>(-)                              | -<br>(-)                                     | 9,343.01<br>(9,343.01)                 |
| Parsvnath Estate Developers Private Limited (Debentures)        | 1,635.35<br>(1,747.50)                 | -<br>(-)                             | -<br>(-)                              | -<br>(-)                                     | 1,635.35<br>(1,747.50)                 |
| Parsvnath Estate Developers Private Limited (Share warrants)    | 460.15<br>(0.15)                       | -<br>(-)                             | -<br>(-)                              | -<br>(-)                                     | 460.15<br>(0.15)                       |
| Parsvnath Rail Land Project Private Limited                     | 1.00<br>(-)                            | -<br>(-)                             | -<br>(-)                              | -<br>(-)                                     | 1.00<br>(-)                            |
|   | <b>41,456.50</b><br><b>(29,185.34)</b> | <b>1,841.60</b><br><b>(1,841.60)</b> | <b>3,225.71</b><br><b>(10,688.75)</b> | <b>-</b><br><b>(-)</b>                       | <b>46,523.81</b><br><b>(41,715.69)</b> |

### Note 59: Previous year's figures

The Revised Schedule VI has become effective from 1 April, 2011 for the preparation of financial statements. This has significantly impacted the disclosure and presentation made in the financial statements. Previous year's Figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification/disclosure.

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

Sd/-  
**Pradeep Kumar Jain**  
Chairman

Sd/-  
**Sanjeev Kumar Jain**  
Managing Director & CEO

Sd/-  
**R.J. Kamath**  
Director

Sd/-  
**R.N. Maloo**  
Group Chief Financial Officer

Sd/-  
**V. Mohan**  
Company Secretary

New Delhi  
30 May, 2012



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