

Independent Auditor's Report**To the Board of Directors of
PARSVNATH RAIL LAND PROJECTS PRIVATE LIMITED****Report on the Audit of Financial Results****Opinion**

We have audited the Financial Results of **Parsvnath Rail Land Projects Private Limited** ("the Company") for the year ended 31 March, 2021 included in the accompanying Statement of 'Financial Results for the half-year and year ended 31 March, 2021' ("the Statement"), being submitted by the Company pursuant to the requirement of Regulation 52 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as modified by Circular No. CIR/ IMD/ DFI/ 69/2016 dated 10 August, 2016.

In our opinion and to the best of our information and according to the explanations given to us, the Statement:

- i. is presented in accordance with the requirements of Regulation 52 of the Listing Regulations in this regard; and
- ii. gives a true and fair view in conformity with the applicable Indian Accounting Standards prescribed under Section 133 of the Companies Act 2013 ("the Act") read with relevant rules issued thereunder and other accounting principles generally accepted in India, of the net loss and total comprehensive loss and other financial information of the Company for the year ended 31 March, 2021.

Basis for Opinion

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

Emphasis of Matters

- a. We draw attention to note 5 to the Statement of financial results wherein it is stated that these financial results have been prepared on the basis that the Company does not continue to be a going concern, for the reason stated in said note. Accordingly, all assets and liabilities have been measured and stated at the values they expect to be realised or settled at, to the extent ascertained by management at the time of preparation of these accounts and disclosed based on the expected realisation.



- b. We draw attention to note No. 7 to the Statement of financial results, regarding claim of Rs. 6,442.62 lakhs recoverable from Rail Land Development Authority relating to matter under arbitration. In the opinion of the management, amount is considered good and recoverable.

Our opinion is not modified in respect of these matters.

Management's Responsibilities for the Statement

This Statement has been prepared on the basis of the annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of these Financial Results that give a true and fair view of the net loss and total comprehensive loss and other financial information of the Company in accordance with the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 52 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Results, the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Statement

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

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

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



- Obtain an understanding of internal controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Statement or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Results, including the disclosures, and whether the Financial Results represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

Other Matters

The Financial Results include the results for the half year ended 31 March, 2021 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited figures for the first half of the financial year, which were subject to limited review by us.

For **S.N. Dhawan & Co LLP**

Chartered Accountants

Firm Registration No.: 000050N/N500045

Vinesh Jain

Vinesh Jain

Partner

Membership No.: 087701

UDIN No.: 21087701AAAAEJ1277



Place: Delhi

Date: 29 June 2021

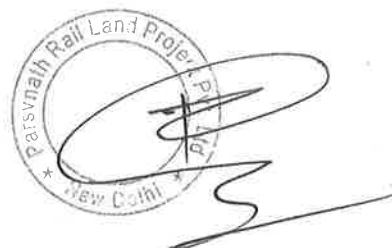
Statement of financial results for the half year and year ended 31 March, 2021

		(Rs. in lakhs, except per share data)			
Serial No.	Particulars	6 Months Ended		Year ended	Year ended
		31/03/2021	31/03/2020	31/03/2021	31/03/2020
		Unaudited	Unaudited	Audited	Audited
1	Income				
	a. Revenue from operations	-	-	-	-
	b. Other income	-	1,822.79	1.67	2,215.01
	Total income	-	1,822.79	1.67	2,215.01
2	Expenses				
	a. Employee benefit expense	-	-	-	2.25
	b. Finance costs	0.11	3.61	0.11	1,285.20
	c. Other expenses	3.37	389.89	12.32	1,217.32
	Total expenses	3.48	393.50	12.43	2,504.77
3	Profit / (Loss) before exceptional Items and Tax (1-2)	(3.48)	1,429.29	(10.76)	(289.76)
4	Exceptional Items - Provision for impairment of Investments	-	5,225.86	-	5,225.86
5	Profit / (Loss) before tax	(3.48)	(3,796.57)	(10.76)	(5,515.62)
6	Tax expenses	-	-	-	-
7	Profit / (Loss) for the period/ year	(3.48)	(3,796.57)	(10.76)	(5,515.62)
8	Other Comprehensive Income	-	-	-	-
9	Total Comprehensive Income/(loss) for the period / year	(3.48)	(3,796.57)	(10.76)	(5,515.62)
10	Earnings per Equity Share (Face value of Rs. 10 each)				
	a. Basic (in Rs.)	(2.47)	(2,692.39)	(7.63)	(3,911.48)
	b. Diluted (in Rs.)	(2.47)	(2,692.39)	(7.63)	(3,911.48)
11	Paid up equity share capital, Equity share of Rs. 10 each	14.10	14.10	14.10	14.10
12	Other equity	(5,054.24)	(5,043.48)	(5,054.24)	(5,043.48)
13	Debenture Redemption Reserve	-	-	-	-
14	Net Worth	(5,011.84)	(5,001.08)	(5,011.84)	(5,001.08)
15	Debt Equity Ratio (See note 14)	(2.32)	(2.32)	(2.32)	(2.32)
16	Asset Coverage Ratio (See note 14)	0.57	(0.57)	0.57	0.57
17	Debt Service Covergae Ratio (See note 14)	N.A.	N.A.	N.A.	N.A.
18	Interest Service Coverage Ratio (See note 14)	N.A.	N.A.	N.A.	N.A.



BALANCE SHEET AS AT 31 MARCH, 2021

Particulars	(Rs. in lakhs)	
	As at 31-March-21 Audited	As at 31-March-20 Audited
Assets		
Non current assets		
a. Financial assets		
i. Investments	549.40	549.40
ii. Other financial assets	6,442.62	6,442.62
b. Tax assets (net)	33.51	59.18
Total non-current assets	7,025.53	7,051.20
Current assets		
a. Financial assets		
i. Cash and cash equivalents	12.04	0.76
ii. Other financial assets	5.16	-
b. Other current assets	-	0.58
Total current assets	17.20	1.34
Total assets	7,042.73	7,052.54
Equity and liabilities		
Equity		
a. Equity share capital	14.10	14.10
b. Convertible preference shares	28.30	28.30
c. Other equity	(5,054.24)	(5,043.48)
Total equity	(5,011.84)	(5,001.08)
Liabilities		
Non-current liabilities		
a. Financial liabilities		
a. Borrowings	11,617.49	11,617.49
Total non current liabilities	11,617.49	11,617.49
Current liabilities		
a. Financial liabilities		
i. Trade payable		
- Outstanding dues of micro enterprises and small enterprises	-	-
- Outstanding dues of creditors other than micro enterprises and small enterprises	79.09	78.00
ii. Other financial liabilities	357.83	357.83
b. Other current liabilities	0.16	0.30
Total current liabilities	437.08	436.13
Total liabilities	12,054.57	12,053.62
Total equity and liabilities	7,042.73	7,052.54



Notes :

- 1 The above financial results have been reviewed and approved by the Board of Directors in the meeting held on 29 June, 2021.
- 2 The figures of the half year ended 31 March, 2021 and 31 March, 2020 are the balancing figures between audited figures in respect of full financial year and unaudited figures in respect of first half of financial year.
- 3 The financial results of the Company have been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standards ('Ind AS') specified under section 133 of the Companies Act, 2013, read with relevant rules issued thereunder and other accounting principles generally accepted in India.
- 4 As the Company has only one operating segment hence disclosure under Ind AS 108 on "Operating Segments" is not applicable.
- 5 The financial results have been prepared on the basis that the Company does not continue to be a going concern, since the Company has surrendered its project. Accordingly, all assets and liabilities have been measured and stated at the values they expect to be realized or settled at, to the extent ascertained by management at the time of preparation of these accounts.
- 6 Brickwork Rating has reaffirmed the rating of Company's NCDs Series A of Rs. 360 Lakhs and NCDs Series B of Rs. 11,257.49 Lakhs at BWR B+(Pronounced at BWR Single B Plus) with change in outlook from "Stable" to "Credit watch with developing implications" vide its letter dated 13 August, 2020.
- 7 The Company was awarded a project for development of residential project at Sarai Rohilla, Delhi ('the project') by Rail Land Development Authority ('RLDA'). Due to disputes regarding the development agreement, inability to achieve financial closure, the Company had surrendered the project and invoked the arbitration clause in the development agreement for recovery of amount paid to RLDA together with interest thereon. Pursuant to the Arbitration Award dated 25 November, 2017 and subsequent dismissal of RLDA's appeals by Hon'ble High court of Delhi and by Hon'ble Supreme Court of India on 8 July, 2019, The Company has received the award amount.

In another case of Arbitration (Arbitration I -with respect to RLDA's liability for payment of Interest to the Company on instalment's received in excess of and prior to RLDA's entitlement), the Arbitral Tribunal by award dated 1 June, 2018 rejected the Company's claims. The Company has appealed against the decision before the Hon'ble Delhi High Court and the matter is being heard by the Hon'ble High Court.

The Company has also initiated other Arbitration Proceedings, wherein the Company and PDL inter-alia sought refund of the amounts retained as alleged losses, losses incurred on account of RLDA's breach of its representations and warranties in respect of the land sought to be leased and other matters. Arbitration proceedings are in process.

Pending settlement of Arbitrations, and based on legal advice, claim of Rs. 6,442.62 lakhs from RLDA is considered good and recoverable and reflected under 'Other Non-Current financial assets.'

- 8 The Company has not received any complaint from the investor during the year ended 31 March, 2021 and there was no complaint pending at the beginning of the year.
- 9 The holders of non-convertible debentures and the Company by way of Board Resolution have decided to waive the interest of debentures and the Company has accordingly not accrued any liability for interest on these debentures for the year ended 31 March, 2021.
- 10 Debt Service coverage ratio and interest service coverage ratio are not applicable, since the Company has no income from operations till date.
- 11 Details of previous and next due date of payment of interest and principal of non-convertible debentures are as follows:

Particulars	Previous due date		Next due date	
	1 Oct '20 to 31 Mar '21		01 Apr '21 to 30 Sept '21	
	Principal	Interest	Principal	Interest
Non-convertible debentures - Series A	Nil	Nil	Nil	Nil See note (ii) below
Non-convertible debentures - Series B	Nil	Nil	Nil	Nil See note (ii) below

Notes:

- i. Redemption of Non-convertible debentures - Series A amounting to Rs. 360.00 Lakhs is due on 18 December, 2022 and Non-convertible debentures - Series B amounting to Rs. 11,257.49 Lakhs is due on 20 August, 2023.
- ii. As per the letter from Redeemable non convertible debentures holders the interest waiver provided by the debenture holders till 30 June, 2021, presently the management in the discussion with the debenture holders for extension of the period of waiver accordingly the information of next due date have not been disclosed.

- 12 In the absence of available profits, the company has not created Debenture Redemption reserve during the year.

- 13 Figures for the previous half year have been regrouped for the purpose of comparison.



14 Formula Used:

Earnings per share = Net Profit / No of shares

Net worth = Share capital + Reserves and surplus

Debt service coverage ratio = 'Earnings before interest and tax / (interest expense + Principal repayments made during the period for long term Loans)

Interest Service Coverage Ratio = Earnings before Interest and tax / Interest Expenses

Debt equity ratio = Total debt / Equity (excluding debenture redemption reserve)

Asset Cover = (Assets)-(Current Liability-Short term debt- Current maturities of long term borrowings) / Total borrowings

For and on behalf of the Board of Directors of
Parsvnath Rail Land Project Private Limited


Rahul Kumar Srivastav
Director
DIN: 08250331

Place: Delhi
Dated: 29 June, 2021

