



**INDEPENDENT AUDITOR'S REPORT**

**To the Members of PARSVNATH HOTELS LIMITED**

**Report on the Audit of the Financial Statements**

**Opinion**

We have audited the accompanying financial Statements of **PARSVNATH HOTELS LIMITED** ('the Company'), which comprise the Balance Sheet as at March 31, 2023, the statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standard prescribed under section 133 in the Act read with the Companies (Indian Accounting Standard) Rules, 2015, as amended ("Ind AS"), and other accounting principles generally accepted in India, of the state of affairs of the company as at March 31, 2023 and loss, total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

**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 on auditing are further described in the 'Auditor's Responsibilities for the Audit of the Financial 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 Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Directors report, but does not include the Standalone Financial Statements and our auditor's report thereon. These Reports are expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the Standalone financial statements, our responsibility is to read the other information identified above when it becomes available and, in doing so, consider



whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

When we read the Directors report, Management Discussion and Analysis Report and Corporate Governance Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required and take appropriate action as applicable under the relevant laws and regulations.

### **Responsibilities of Management and Those Charged with Governance for the Financial Statements**

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

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

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

### **Auditor's Responsibilities for the Audit of the Financial Statements**

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain





audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

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

#### **Report on Other Legal and Regulatory Requirements**

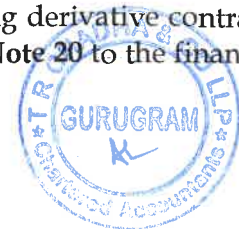
1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies





Act, 2013, we give in the "Annexure A", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss (including Other Comprehensive income), the statement of changes in equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account
  - (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Companies (India Accounting Standard) Rules, 2015 as amended.
  - (e) The matters described in the 'Emphasis of Matter' paragraph above, in our opinion, may have an adverse effect on the functioning of the company.
  - (f) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.
  - (g) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
  - (h) With respect to the other matters to be included in Auditor's Report in accordance with the requirements of section 197 (16) of the Act, as amended, to the best of our information and according to the explanations given to us, the company has not paid any remuneration to its directors during the year.
  - (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - a. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - **Refer Note 19** to the financial statements
    - b. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses - **Refer Note 20** to the financial statements;





- c. There were no amounts which were required to be transferred to the investor's education and protection fund by the company - Refer Note 32 (xiii) to the financial statements;
- d. (i) Management has represented as disclosed in note no. 32 (v) to the financial statements, that to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (ii) The Management has represented to us and as disclosed in note no. 32 (vi) to the financial statements, that, to the best of its knowledge and belief,, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (iii) Based on such audit procedures performed and information and explanation given, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.
- e. The company has not paid or declared any dividend during the year.
- f. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the Company with effect from April 1, 2023, and accordingly, reporting under Rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

Place: Delhi  
Date : 25-08-2023

For T R Chadha & Co LLP  
Chartered Accountants  
Firm Regn. No: 006711N / N500028



Aashish Gupta  
Partner  
Membership No. 097343

UDIN : 23097343BGQJQX5332



**ANNEXURE A**  
**PARSVNATH HOTELS LIMITED**  
**Annexure to Independent Auditors' Report for the period ended March 2023**  
**(Referred to in Paragraph 1 under the Heading of "Report on Other Legal and Regulatory Requirements" of our Report of even date)**

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that;

**(i) Property, Plant and Equipment**

a)

A. The Company does not have Property, Plant & Equipment. Hence, reporting under clause (a) paragraph 3 (i) of the order is not applicable to the Company.

B. Company does not have any intangible asset, therefore company is not required to maintain records showing full particulars of intangible assets;

b) As we informed in above clause that company does not have property plant and equipment thus there is no requirement of physical verification of Property, Plant and Equipment.

c) According to the information and explanations given to us, there are no immovable assets held by the company, hence this clause of paragraph 3 (i) of the order is not applicable to the Company.

d) As we informed in clause (i) (a), company does not have Property, Plant and Equipment (including Right of Use assets), therefore reporting in clause of revaluation is not applicable to this company for the year 2022-2023.

e) As disclosed by the management in note 32 (i) of the financial statements, no proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) (as amended in 2016) and rules made thereunder.

**(ii) Inventories**

a) The Company does not have any inventory and hence reporting under paragraph 3 clause (ii) (a) of the order is not applicable.

b) According to the information and explanations given to us and as verified by us, during any point of time of the year, the company has not been sanctioned working capital limits, hence paragraph 3 (ii) (b) of the order is not applicable to the company.

**(iii) Loans, Investments, Guarantees, Securities and Advances in nature of Loan**

The Company has not made any investments and granted loans to its subsidiary companies and other parties during the year which were outstanding at balance sheet date, in respect of which:





- (a) The aggregate amount of loans granted & guarantee given to its subsidiary & Associates during the year and the balance outstanding at the balance sheet date with respect to the same, which were outstanding at balance sheet date are as under:

Particulars	(Rs. in Lakhs)			
	Guarantee	Security	Loans	Investment
Aggregate amount granted/provided during the year	NIL	NIL	NIL	NIL
-Subsidiaries	NIL	NIL	NIL	NIL
-Associates	NIL	NIL	NIL	NIL
Holding	NIL	NIL	NIL	NIL
-Others	NIL	NIL	NIL	NIL
Balance outstanding as at balance sheet date	NIL	NIL	NIL	NIL
-Subsidiaries	NIL	NIL	NIL	NIL
-Associates	NIL	NIL	NIL	NIL
Holding	18,000	NIL	NIL	NIL
-Others	NIL	NIL	NIL	NIL

- (b) The company has not given any loans and advances in the nature of loan, therefore reporting under paragraph 3 (iii) (c) to (f) of the order is not applicable on company.

**(iv) Compliance of Sec. 185 & 186**

There is no transaction covered under Section 185 and Section 186 therefore reporting under paragraph 3 (iv) of the order is not applicable on the company.

**(v) Public Deposit**

The Company has not accepted any deposits including amount which are deemed to be deposit from the public and hence directives issued by the Reserve Bank of India and the provisions of the section 73 to 76 or any other relevant provisions of the Act and the Rules framed there under apply are not applicable. Accordingly, the provision of paragraph 3(v) of the Order is not applicable to the Company.

**(vi) Cost Records**

In our opinion and according to information and explanation given to us, the turnover and networth of the company is not above the threshold limit as prescribed by the Central Government under Section 148(1) of the Companies Act, 2013 for maintenance of cost records, therefore provisions of paragraph 3 (vi) of the order is not applicable.

**(vii) Statutory Dues**





- a) The Company has not been regular in depositing its undisputed statutory dues including income-tax, Goods and Services Tax and Cess etc. and there have been serious delays in large number of cases. There are no undisputed dues payable, outstanding as on 31<sup>st</sup> March, 2023 for a period of more than six months from the date they became payable except as under:

Name of the statute	Nature of dues	Amount (Rs. In Lakhs.)	Period to which the amount relates
TDS 194I	TDS Payable	0.09	April 2022 to August 2022
The Delhi State Tax on Professions, Trades, Callings, Employments Act of 1975	Professional Tax	0.07	F.Y. 2019-20, F.Y. 2020-21, F.Y. 2021-22, April 2022 to September 2022
Income Tax Act, 1961	Int on TDS/ Late Fees	0.05	AY 2020-21
Income Tax Act, 1961	Int on TDS/ Late Fees	0.002	AY 2021-22
Income Tax Act, 1961	Int on TDS/ Late Fees	0.21	AY 2022-23
Income Tax Act, 1961	Int on TDS/ Late Fees	2.37	Prior to AY 2020-21

- b) There are no amounts in respect of Income Tax, Goods and Services Tax etc. that have not been deposited with the appropriate authorities on account of any dispute
- (viii) There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, the requirement to report on clause 3(viii) is not applicable to the company.

**(ix) Application & Repayment of Loans & Borrowings**

- a) In our opinion and according to the information and explanation given to us, the Company has not defaulted in the repayment of loans or other borrowings or in the payment of interest thereon to any lender.
- b) As disclosed by the management in note 32 (viii) of the financial statements, the Company has not been declared as willful defaulter by any bank or financial institution or the other lender.
- c) As disclosed by the management in note 32 (xii) of the financial statements, term loans taken from the Bank, Financial Institutions or any other lender were applied for the purpose for which the loans were obtained. During the year Company has not taken any loan. Terms loans were taken in earlier years was appeared to be utilised in earlier year for the purpose for which same were obtained.







- d) On an overall examination of the balance sheet of the company, we report that, prima facie, funds raised on short-term basis have not been used for long term purposes.
- e) The Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries. Accordingly, the reporting under paragraph 3 (ix) (e) of the Order is not applicable to the Company.
- f) The Company has not raised loans during the year on the pledge of securities held in its subsidiaries. Accordingly, the reporting under paragraph 3 (ix) (f) of the Order is not applicable to the Company.

**(x) Application of fund raise through public offer**

- a) The Company has not raised money by way of initial public offer or further public offer (including debt instrument) during the year under audit therefore, reporting under paragraph 3 (x) (a) of the order is not applicable to the company.
- b) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit. Therefore reporting under paragraph 3 (x) (b) of the order is not applicable to the company..

**(xi) Fraud**

- a) No fraud by the Company or on the Company has been noticed or reported during the year.
- b) No report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government during the year and up to the date of this report.
- c) Company is not required for establishment of whistle-blower mechanism under section 177(9) of the Act. Therefore reporting under paragraph 3 (xi) (c) of the order is not applicable to the company.

**(xii)** The company is not a Nidhi Company. Therefore reporting under paragraph 3 (xii) (a), (b) and (c) of the order is not applicable to the company.

**(xiii)** The company is not required to constitute audit committee hence section 177 of the Companies Act, 2013 is not applicable to the Company. The Company has complied with the provision of section 188 of The Companies Act, 2013 and the details have been disclosed in the financial statement as required by the applicable accounting standards.





- (xiv) The company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act 2013. Therefore reporting under paragraph 3 (xiv) (a) and (b) of the order is not applicable to the company.
- (xv) The company has not entered into any non-cash transaction with directors or persons connected with him. Therefore reporting under paragraph 3 (xv) of the order is not applicable to the company.
- (xvi) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934. Therefore reporting under paragraph 3 (xvi) of the order is not applicable to the company.
- (xvii) Company has incurred cash losses of Rs. 76.04 lakhs and 97.98 lakhs during the financial year & in immediate previous financial year.
- (xviii) There has been no resignation of the statutory auditors during the year and accordingly reporting under paragraph 3 (xviii) of the order is not applicable to the company.
- (xix) On the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however state that this is not an assurance as to the future viability of the company. We further state that our reporting is based in the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.



**T R Chadha & Co LLP**  
Chartered Accountants



- (xx) Section 135(5) of the Act, is not applicable to the company, Accordingly, the reporting under paragraph 3 (xx) (a) and (b) of the Order is not applicable to the Company.

For T R Chadha & Co LLP  
Chartered Accountants  
Firm Regn. No: 006711N/N500028



Aashish Gupta  
Partner  
Membership No. 097343

UDIN : 23097343 BGQJQX 5332

Place: Delhi  
Date: 25-08-2023



**ANNEXURE B**

**THE INDEPENDENT AUDITOR'S REPORT OF EVEN DATE ON THE FINANCIAL STATEMENTS OF PARSVNATH HOTELS LIMITED**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to financial statement of **PARSVNATH HOTELS LIMITED** ("the Company") as of 31 March, 2023 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on, "the internal control with reference to financial statement criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statement based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statement was established and maintained and if such controls operated effectively in all material respects.

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





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

### **Meaning of Internal Financial Controls with reference to Financial Statement**

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

### **Inherent Limitations of Internal Financial Controls with reference to Financial Statement**

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

### **Opinion**

In our opinion, the company has in all material respects, an adequate internal financial controls system with reference to financial statement and such internal financial controls with reference to financial statement were operating effectively as at 31<sup>st</sup> March, 2023 based on, "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India".

Place: Delhi  
Date : 25-08-2023

For T R Chadha & Co LLP  
Chartered Accountants  
Firm Regn. No: 006711N / N500028

  
  
Aashish Gupta  
Partner  
Membership No. 097343  
UDIN : 2309734386 QJQX 5332

**Parsvnath Hotels Limited**  
**Balance Sheet as at 31 March, 2023**

	Notes	As at 31-March-23 Rs. In lakhs	As at 31-March-22 Rs. In lakhs
<b>Assets</b>			
<b>1. Non-current assets</b>			
a. Capital work-in-progress	3	1,990.00	2,034.72
b. Financial assets			
i. Other financial assets	4	-	0.25
c. Tax assets (net)	6	-	0.19
d. Other non-current assets	7	496.93	542.51
<b>Total non-current assets</b>		<b>2,486.93</b>	<b>2,577.67</b>
<b>2. Current assets</b>			
a. Financial assets			
i. Cash and cash equivalents	5	0.65	1.67
ii. Other financial assets	4	0.69	0.69
b. Other current assets	7	44.08	44.35
<b>Total current assets</b>		<b>45.42</b>	<b>46.71</b>
<b>Total assets</b>		<b>2,532.35</b>	<b>2,624.38</b>
<b>EQUITY AND LIABILITIES</b>			
<b>1. Equity</b>			
a. Equity share capital	8	540.00	540.00
b. Other equity	9	(261.40)	(185.36)
<b>Total Equity</b>		<b>278.60</b>	<b>354.64</b>
<b>2. Liabilities</b>			
<b>Non-current liabilities</b>			
a. Financial liabilities			
i. Borrowings	10	1,931.96	1,990.56
<b>Total non-current liabilities</b>		<b>1,931.96</b>	<b>1,990.56</b>
<b>Current liabilities</b>			
a. Financial liabilities			
i. Borrowings	10	227.53	227.53
ii. Trade Payables	11		
a. Total outstanding dues of micro enterprises and small enterprises			
b. Total outstanding dues of creditors other than micro enterprises and small enterprises		8.35	5.16
iii. Other financial liabilities	12	84.64	45.57
b. Provisions	13	0.79	0.68
c. Other current liabilities	14	0.48	0.24
<b>Total current liabilities</b>		<b>321.79</b>	<b>279.18</b>
<b>Total liabilities</b>		<b>2,253.75</b>	<b>2,269.74</b>
<b>Total equity and liabilities</b>		<b>2,532.35</b>	<b>2,624.38</b>

See accompanying notes to the financial statements

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In terms of our report attached  
**For T R Chadha & Co. LLP**  
Chartered Accountants  
Firm's Registration No. 1006711N/N500028

**Aashish Gupta**  
Partner  
Membership No. 097343



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

**Surya Mani Pandey**  
Director  
DIN: 08250346

**Atul Jain**  
Director  
DIN: 00102555

Place: Delhi  
Date: 25-08-2023

**Parsvnath Hotels Limited**  
**Statement of Profit and Loss account for the year ended 31 March, 2023**

	Notes	Year ended 31 March, 2023	Year ended 31 March, 2022
		-	Rs. In lakhs
I Other income	15	-	-
II <b>Total income</b>		-	-
III <b>Expenses</b>			
a. Employee benefit expense	16	7.41	7.11
b. Finance costs	17	63.37	86.39
c. Other expenses	18	5.26	4.48
<b>Total expenses</b>		<b>76.04</b>	<b>97.98</b>
IV <b>Profit/(loss) before tax (II-III)</b>		<b>(76.04)</b>	<b>(97.98)</b>
V Tax expense/(benefit):		-	-
VI <b>Profit/(loss) for the year (IV-V)</b>		<b>(76.04)</b>	<b>(97.98)</b>
VII <b>Other comprehensive income</b>		-	-
VIII <b>Total comprehensive income for the year (VI+VII)</b>		<b>(76.04)</b>	<b>(97.98)</b>
IX Earnings per equity share (face value Rs. 10 per share)	25		
(1) Basic (in `)		(1.41)	(1.81)
(2) Diluted (in `)		(1.41)	(1.81)
See accompanying notes to the financial statements	<b>1-44</b>		

In terms of our report attached  
**For T R Chadha & Co. LLP**  
Chartered Accountants  
Firm's Registration No. 006711N/N500028



**Aashish Gupta**  
Partner  
Membership No. 097343

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

**Surya Mani Pandey**  
Director  
DIN: 08250346

**Atul Jain**  
Director  
DIN: 00102555

Place: Delhi  
Date: 25-08-2023

**Parsvnath Hotels Limited**  
**Statement of changes in equity for the year ended 31 March, 2023**

**A. Equity Share Capital**

Particulars	Rs. In lakhs
<b>Balance as at 31 March, 2021</b>	<b>540.00</b>
Changes in equity share capital during the year	-
<b>Balance as at 31 March, 2022</b>	<b>540.00</b>
Changes in equity share capital during the year	-
<b>Balance as at 31 March, 2023</b>	<b>540.00</b>

**B. Other Equity ( Refer Note: 9 )**

Particulars	Reserves and Surplus		
	Securities premium	Retained earnings	Total
<b>Balance as at 31 March, 2021</b>	<b>810.00</b>	<b>(897.38)</b>	<b>(87.38)</b>
Profit/(loss) for the year	-	(97.98)	(97.98)
Other comprehensive income for the year	-	-	-
<b>Balance as at 31 March, 2022</b>	<b>810.00</b>	<b>(995.36)</b>	<b>(185.36)</b>
Profit/(loss) for the year	-	(76.04)	(76.04)
Other comprehensive income for the year	-	-	-
<b>Balance as at 31 March, 2023</b>	<b>810.00</b>	<b>(1,071.40)</b>	<b>(261.40)</b>

See accompanying notes to the financial statements

1-44

In terms of our report attached  
**For T R Chadha & Co. LLP**  
Chartered Accountants  
Firm's Registration No. 006711N/N500028

**Aashish Gupta**  
Partner  
Membership No. 097343



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

**Surya Mani Pandey**  
Director  
DIN: 08250346

**Atul Jain**  
Director  
DIN: 00102555

Place: Delhi  
Date: 25-08-2023



**Parsvnath Hotels Limited**  
**Statement of cash flows for the year ended 31 March, 2023**

Notes	Year ended 31 March, 2023 Rs. In lakhs	Year ended 31 March, 2022 Rs. In lakhs
<b>Cash flows from operating activities</b>		
Profit/(loss) for the year	(76.04)	(97.98)
Adjustments for :		
Provision for employee benefits	0.11	0.03
Interest Expense	63.37	86.39
	(12.56)	(11.56)
Movements in working capital:		
(Increase)/decrease in other current assets	0.28	(0.27)
(Increase)/decrease in other non current financial assets	0.25	0.69
(Increase)/decrease in other non current assets	45.58	21.97
(Increase)/decrease in other financial current assets	0.00	(0.69)
(Increase)/decrease in tax Assets	0.19	-
Increase/(decrease) in trade payables	3.19	(3.37)
Increase/(decrease) in other financial liabilities	45.86	5.51
Increase/(decrease) in other current liabilities	0.24	0.15
<b>Cash generated from operations</b>	<b>83.03</b>	<b>12.43</b>
Income tax (paid)/refund (net)	-	0.53
<b>Net cash flow from/(used in) operating activities</b>	<b>83.03</b>	<b>12.97</b>
<b>Cash flows from investing activities</b>		
Payments for capital work-in-progress	44.72	(4.21)
<b>Net Cash flow from/(used in) investing activities</b>	<b>44.72</b>	<b>(4.21)</b>
<b>Cash flows from financing activities</b>		
Proceeds from Borrowings	208.88	250.54
Repayment of Borrowings	(267.48)	(168.26)
Interest paid	(70.17)	(90.22)
<b>Net Cash flow from/(used in) financing activities</b>	<b>(128.77)</b>	<b>(7.94)</b>
<b>Net increase in Cash and Cash equivalents</b>	<b>(1.02)</b>	<b>0.82</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>1.67</b>	<b>0.85</b>
<b>Cash and cash equivalents at the end of the year</b>	<b>0.65</b>	<b>1.67</b>

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

See accompanying notes to the financial statements

1-44

In terms of our report attached  
**For T R Chadha & Co. LLP**  
Chartered Accountants  
Firm's Registration No. 006711N/N500028

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

  
**Aashish Gupta**  
Partner  
Membership No. 097343

  
**Surya Mani Pandey**  
Director  
DIN: 08250346

  
**Atul Jain**  
Director  
DIN: 00102555

Place: Delhi  
Date: 25-08-2023

**PARSVNATH HOTELS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023**

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## **1. CORPORATE INFORMATION**

Parsvnath Hotels Limited is a subsidiary of Parsvnath Developers Limited and has been set up to engage in the business of development, operation and management of hotels and tourism projects, both in and outside India, including acquisition, construction and development of hotels, resorts, service apartments, tourist complexes, tour operates business etc.

## **2. Significant accounting policies**

### **2.1 Basis of preparation**

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

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

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

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

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

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

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

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

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

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

### **2.3 Revenue recognition**

Revenue is recognised to the extent that it is probable that the Company will collect the consideration to which it will be entitled in exchange of goods or services that will be transferred to the customers taking into account contractually defined terms of payments. Revenue excludes taxes and duties collected on behalf of the Government and is net of customer returns, rebates, discounts and other similar allowances.

- i. Revenue from real estate projects - The Company derives revenue, primarily from sale of properties comprising of both commercial and residential units. Revenue from sale of constructed properties is recognised at a 'Point of Time', when the Company satisfies the performance



**PARSVNATH HOTELS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023**

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- obligations, which generally coincides with completion/possession and offer for possession of the unit/NOC received for fit out offer. To estimate the transaction price in a contract, the Company adjusts the contracted amount of consideration to the time value of money if the contract includes a significant financing component.
- ii. In case of joint development projects, wherein land owner provides land and the Company acts as a developer and in lieu of land, the Company has agreed to transfer certain percentage of the revenue proceeds, the revenue is accounted on gross basis. In case, where, in lieu of the land, the Company has agreed to transfer certain percentage of constructed area, revenue is recognised in respect of Company's share of constructed area to the extent of Company's percentage share of the underlying real estate development project.
  - iii. Revenue from sale of land without any significant development is recognised when the sale agreement is executed resulting in transfer of all significant risk and rewards of ownership and possession is handed over to the buyer. Revenue is recognised, when transfer of legal title to the buyer is not a condition precedent for transfer of significant risks and rewards of ownership to the buyer.
  - iv. Revenue from sale of development rights is recognised when agreements are executed.
  - v. 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. 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 bears to the estimated total contract cost for each contract. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.
  - vi. The revenue on account of interest on delayed payment / transfer charge / forfeiture income and other associated charges 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 licence fee is recognised on accrual basis in accordance with the terms of agreement with the sub-licensees.
  - viii. Income from rent is recognised on accrual basis in accordance with the terms of agreement with the lessee.
  - ix. Income from maintenance charges is recognised on accrual basis.
  - x. Interest income on bank deposits is recognised on accrual basis on a time proportion basis. Interest income on other financial instruments is recognised using the effective interest rate method.

## **2.4 Leasing**

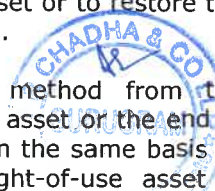
### **Ind AS 116**

The company has applied Ind AS 116 for recognition of revenue from leasing.

#### **As a lessee**

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

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property and equipment and intangible assets. In addition, the right-of-use asset is



**PARSVNATH HOTELS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023**

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periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

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

The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the company's estimate of the amount expected to be payable under a residual value guarantee, or if company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

**Short-term leases and leases of low-value assets**

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

**As lessor**

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

**2.5 Borrowing costs**

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

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

**2.6 Employee benefits**

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

Gratuity to employees and liability for balance of unavailed earned leave due to employees is provided as per management estimate of the liability based on period of service and last salary drawn.

**2.7 Taxation**

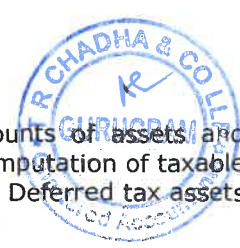
Income tax expense for the year comprises of current tax and deferred tax.

**Current tax**

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

**Deferred tax**

Deferred tax is recognised on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding amounts used in the computation of taxable income. Deferred tax liabilities are recognised for all taxable temporary differences. Deferred tax assets



**PARSVNATH HOTELS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023**

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are generally recognised for all deductible temporary differences, the carry forward of unused tax losses and unused tax credits. Deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilised.

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

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

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

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

#### **Minimum Alternate Tax (MAT)**

Minimum Alternate Tax (MAT) is payable when the taxable profit is lower than the book profit. Taxes paid under MAT are available as a set off against regular income tax payable in subsequent years. MAT paid in a year is charged to the Statement of Profit and Loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period i.e. the period for which MAT credit is allowed to be carried forward. MAT credit is recognised as an asset and is shown as 'MAT Credit Entitlement'. The Company reviews the 'MAT Credit Entitlement' asset at each reporting date and write down the asset to the extent the Company does not have convincing evidence that it will pay normal tax during the specified period.

### **2.8 Property, plant and equipment**

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

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

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from the use. Any gain or loss arising on re-recognition to the asset is included in the Statement of Profit and Loss.

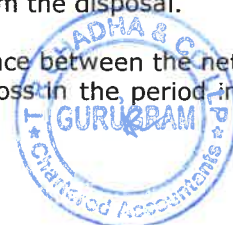
Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as 'Capital work-in-progress'

### **2.9 Investment properties**

Investment properties are properties held to earn rentals and/or for capital appreciation. Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any. The cost includes purchase/construction cost, directly attributable cost and borrowing costs, if the recognition criteria are met. The fair value of investment property is disclosed in the notes.

An investment property is derecognised upon disposal or when the investment property is permanently withdrawn from use and no future economic benefits are expected from the disposal.

Any gain or loss arising on derecognition of the property (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in profit or loss in the period in which the property is derecognised.



**PARSVNATH HOTELS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023**

**2.10 Depreciation on property, plant and equipment and investment property**

Depreciation on property, plant and equipment and investment property is provided on straight line basis as per the useful life prescribed in Schedule II to the Companies Act, 2013, except in respect of Shuttering and Scaffolding, in which case the life of the asset has been assessed on technical advice, taking into account the nature of asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technology changes and maintenance support etc. Accordingly, the useful life of the assets taken is as under:

<b>Asset</b>	<b>Useful life</b>
Buildings	60 years
Plant and equipment	8 years
Shuttering and scaffolding	6 years
Furniture and fixture	8 years
Vehicles	8 years
Office equipment	5 years
Computer	3 years
Investment properties (Buildings)	60 years

Free hold land is not depreciated.

**2.11 Intangible assets and Intangible asset under development**

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

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

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

Intangible assets are amortised on a straight-line basis over the licence period (right to use) which ranges from 20 to 44 years.

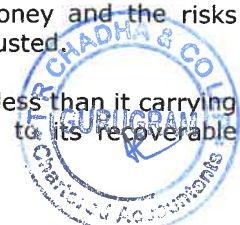
**2.12 Impairment of tangible and intangible assets**

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

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

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

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



**PARSVNATH HOTELS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023**

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

**2.13 Investment in equity instrument of subsidiaries (including partnership firm) and associates**

Investment in equity instrument of subsidiaries and associates are stated at cost as per Ind AS 27 'Separate Financial Statements'. Where the carrying amount of an investment is greater than its estimated recoverable amount, it is assessed for recoverability and in case of permanent diminution provision for impairment is recorded in statement of Profit and Loss. On disposal of investment, the difference between the net disposal proceeds and carrying amount is charged or credited to the statement of Profit and Loss.

**2.14 Inventories**

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

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

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

**2.15 Provisions**

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

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

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

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

**Onerous contracts**

Present obligations arising under onerous contracts are recognised and measured as provisions. An onerous contract is considered to exist where the Company has a contract under which the unavoidable costs of meeting the obligations under the contract exceed the economic benefits expected to be received from the contract.

**2.16 Contingent liabilities and Contingent Assets**



**PARSVNATH HOTELS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023**

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

Contingent assets are neither recognised nor disclosed except when realisation of income is virtually certain, related asset is disclosed.

#### **2.17 Cash and cash equivalents**

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

#### **2.18 Cost of revenue**

Cost of constructed properties includes cost of land/development rights, construction and development costs, borrowing costs and direct overheads, which is charged to the statement of profit and loss based on the corresponding revenue recognized from sale of unit on proportionate basis.

#### **2.19 Earnings per share**

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

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

#### **2.20 Foreign currency translations**

The financial statements are presented in Indian Rupee, the functional and presentation currency of the Company.

Transactions in foreign currencies entered into by the Company are recorded at the exchange rates prevailing on the date of the transaction or at rates that closely approximate the rate at the date of the transaction.

Foreign currency monetary items of the Company, outstanding at the reporting date are restated at the exchange rates prevailing at the reporting date. Non-monetary items denominated in foreign currency, are reported using the exchange rate at the date of the transaction.

Exchange differences arising on settlement / restatement of foreign currency monetary assets and liabilities of the Company are recognised as income or expense in the Statement of Profit and Loss.

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

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

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period;





**PARSVNATH HOTELS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023**

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- Cash and cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is treated as current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period, or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period

All other liabilities are classified as non-current.

## **2.22 Operating cycle**

The operating cycle is the time gap between the acquisition of the asset for processing and their realization in cash and cash equivalents. Based on the nature of products / activities of the Company and the normal time between acquisition of assets and their realization in cash or cash equivalents, the Company has determined its operating cycle as 48 months for real estate projects and 12 months for others for the purpose of classification of its assets and liabilities as current and non-current.

## **2.23 Optionally convertible redeemable preference shares and compulsorily convertible debentures**

### **i) Optionally convertible redeemable preference shares**

Optionally convertible redeemable preference share issued by wholly owned subsidiaries are accounted as investment carried at cost. In such instrument preference share are convertible with the option of company at any time before expiry of stipulated period from the date of issue into such number as defined in agreement. This share shall be mandatorily be redeemed by subsidiaries companies on expiry of defined period from the date of issue. Amount is fixed at upfront and conversion will be into fixed number of shares.

### **ii) Compulsorily convertible debentures**

Compulsorily convertible debentures issued by wholly owned subsidiaries companies are accounted as equity instrument carried at Cost based on the term of the contract. These instruments are convertible into fixed number of equity shares within the term stipulated in contract at the option of holder. Amount is fixed at upfront and conversion will be into fixed number of shares

## **2.24 Financial instruments**

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

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

## **2.25 Financial assets**

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



**PARSVNATH HOTELS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023**

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

**Classification of financial assets**

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

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

All other financial assets are subsequently measured at fair value.

**Effective interest method**

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

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

**Investments in equity instruments at FVTOCI**

On initial recognition, the Company can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

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

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

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

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



**PARSVNATH HOTELS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023**

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

#### **Impairment of financial assets**

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

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

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

If the Company's measured loss allowance for a financial instrument at lifetime expected credit loss model in the previous period, but determines at the end of a reporting period that the credit risk has not increased significantly since initial recognition due to improvement in credit quality as compared to the previous period, the Company again measures the loss allowance based on 12-month expected credit losses.

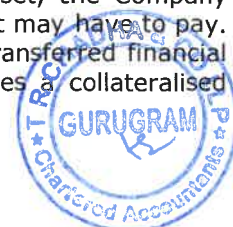
When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to lifetime expected credit losses.

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

#### **Derecognition of financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.



**PARSVNATH HOTELS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023**

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On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognised in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

### **Foreign exchange gains and losses**

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

- For foreign currency denominated financial assets measured at amortised cost and FVTPL, the exchange differences are recognised in profit or loss except for those which are designated as hedging instruments in a hedging relationship.
- Changes in the carrying amount of investments in equity instruments at FVTOCI relating to changes in foreign currency rates are recognised in other comprehensive income.
- For the purposes of recognising foreign exchange gains and losses, FVTOCI debt instruments are treated as financial assets measured at amortised cost. Thus, the exchange differences on the amortised cost are recognised in profit or loss and other changes in the fair value of FVTOCI financial assets are recognised in other comprehensive income.

## **2.26 Financial liabilities and equity instruments**

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

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

### **Equity instruments**

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

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

### **Financial liabilities**

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

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

### **Financial liabilities at FVTPL**



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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023**

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

A financial liability is classified as held for trading if:

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

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

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

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

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

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

**Financial liabilities subsequently measured at amortised cost**

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

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

**Financial guarantee contracts**



**PARSVNATH HOTELS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023**

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A financial guarantee contract is a contract that requires the issuer to make specified payments to reimburse the holder for a loss it incurs because a specified debtor fails to make payments when due in accordance with the terms of a debt instrument.

Financial guarantee contracts issued by the Company are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

**Commitments to provide a loan at a below-market interest rate**

Commitments to provide a loan at a below-market interest rate are initially measured at their fair values and, if not designated as at FVTPL, are subsequently measured at the higher of:

- the amount of loss allowance determined in accordance with impairment requirements of Ind AS 109; and
- the amount initially recognised less, when appropriate, the cumulative amount of income recognised in accordance with the principles of Ind AS 18.

**Foreign exchange gains and losses**

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in 'Other income'.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in profit or loss.

**Derecognition of financial liabilities**

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

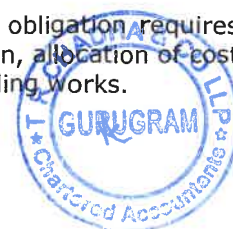
**2.27 Significant accounting judgements, estimates and assumptions**

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

**2.28 Revenue recognition**

Recognition of revenue at a point in time based on satisfaction of performance obligation requires estimates and judgements regarding timing of satisfaction of performance obligation, allocation of cost incurred to segment/units and the estimated cost for completion of some final pending works.

**2.29 Net realisable value of inventory**



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**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023**

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

### **2.30 Deferred tax assets**

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

### **2.31 Valuation of investments in subsidiaries**

Investments in subsidiaries are carried at cost. The management estimates the indicators of impairment of such investments. This requires assessment of key assumptions used in calculation of cash flows, sale price, discount rate etc., which may effect the estimation of impairment in value of investments.

### **2.32 Others**

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

- a. Classification of property as investment property or inventory
- b. Measurement of defined benefit obligations
- c. Useful life of property, plant and equipment
- d. Measurement of contingent liabilities and expected cash outflows
- e. Provision for diminution in value of long-term investments
- f. Provision for expected credit losses
- g. Impairment provision for intangible assets

### **2.33 Recent accounting pronouncements**

#### **New and amended standards**

The Ministry of Corporate Affairs (MCA) in consultation with National Financial Reporting Authority (NFRA) vide its notification dated 23 March 2022, had made certain amendments in Companies (Indian Accounting Standard Rules), 2015. The Company has not early adopted any standards or amendments that have been issued but are not yet effective. These amendments apply for the first time from the year ending 31 March 2023, but do not have a material impact on the financial statements of the Company:

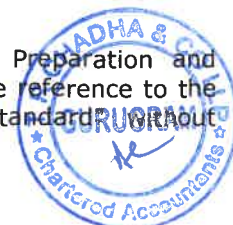
#### **Ind AS 37: Provisions, Contingent Liabilities and Contingent Assets**

The amendments to Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' specify which costs an entity needs to include when assessing whether a contract is onerous or loss-making. The amendments apply a "directly related cost approach". The costs that relate directly to a contract to provide goods or services include both incremental costs for example direct labour and materials and an allocation of other costs directly related to contract activities for example an allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling that contract. General and administrative costs do not relate directly to a contract and are excluded unless they are explicitly chargeable to the counterparty under the contract.

These amendments had no impact on the financial statements of the Company during the year.

#### **Ind AS 103: Business combination**

The amendments replaced the reference to the ICAI's "Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards" with the reference to the "Conceptual Framework for Financial Reporting under Indian Accounting Standards" which significantly changing its requirements.



**PARSVNATH HOTELS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023**

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The amendments also added an exception to the recognition principle of Ind AS 103 'Business Combinations' to avoid the issue of potential 'day 2' gains or losses arising for liabilities and contingent liabilities that would be within the scope of Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets' or Appendix C, Levies, of Ind AS 37 'Provisions, Contingent Liabilities and Contingent Assets', if incurred separately.

It has also been clarified that the existing guidance in Ind AS 103 for contingent assets would not be affected by replacing the reference to the Framework for the Preparation and Presentation of Financial Statements under Indian Accounting Standards.

These amendments had no impact on the financial statements of the Company during the year.

**Ind AS 16: Property, Plant and Equipment**

The amendments modified paragraph 17(e) of Ind AS 16 'Property, Plant and Equipment' to clarify that excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the statement of profit and loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

These amendments had no impact on the financial statements of the Company during the year.

**Ind AS 109: Financial Instruments**

The amendment clarifies the fees in the '10 percent' test for de-recognition of financial liabilities, that an entity includes when assessing whether the terms of a new or modified financial liability are substantially different from the terms of the original financial liability. These fees include only those paid or received between the borrower and the lender, including fees paid or received by either the borrower or lender on the other's behalf.

These amendments had no impact on the financial statements of the Company during the year.

**2.34 New and amended standards, not yet effective**

The Ministry of Corporate Affairs (MCA) in consultation with National Financial Reporting Authority (NFRA) vide its notification dated 31 March 2023, had made certain amendments in the Companies (Indian Accounting Standard) Rules, 2015. Such amendments shall come into force with effect from 1 April 2023, but do not have a material impact on the financial statements of the Company:

**Ind AS 1: Presentation of Financial Statements**

The amendments aim to help entities provide accounting policy disclosures that are more useful by replacing the requirement for entities to disclose their 'significant' accounting policies with a requirement to disclose their 'material' accounting policies and adding guidance on how entities apply the concept of materiality in making decisions about accounting policy disclosures. Consequential amendments have been made in Ind AS 107 'Financial Instruments Disclosures' also.

The Company is currently revisiting their accounting policy information disclosures to ensure consistency with the amended requirements.

**Ind AS 8: Accounting Policies, Changes in Accounting Estimates and Errors**

The amendments clarify the distinction between changes in accounting estimates and changes in accounting policies and the correction of errors. It has also been clarified how entities use measurement techniques and inputs to develop accounting estimates. The Company does not expect the amendments to have any material impact on the financial statements of the Company.

**Ind AS 12: Income Taxes**

The amendments narrow the scope of the initial recognition exception under Ind AS 12 'Income Taxes', so that it no longer applies to transactions that give rise to equal taxable and deductible temporary differences.

The amendments should be applied to transactions that occur on or after the beginning of the earliest comparative period presented. In addition, at the beginning of the earliest comparative





**PARSVNATH HOTELS LIMITED**  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2023**

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period presented, a deferred tax asset (provided that sufficient taxable profit is available) and a deferred tax liability should also be recognised for all deductible and taxable temporary differences associated with leases and decommissioning obligations. Consequential amendments have been made in Ind AS 101 'First-time Adoption of Indian Accounting Standards'.

The Company is currently assessing the impact of the amendments.



**Parsvnath Hotels Limited**  
**Notes to the financial statements for the year ended 31 March, 2023**

**3. Capital work-in-progress**

	<b>As at 31-Mar-23</b>	<b>As at 31-Mar-22</b>
	<b>Rs. In lakhs</b>	<b>Rs. In lakhs</b>
<b>Net carrying amounts of:</b>		
a. Capital work-in-progress ( Refer Note: 27 )	1,990.00	2,034.72
<b>Total</b>	<b>1,990.00</b>	<b>2,034.72</b>
	<b>As at 31-Mar-23</b>	<b>As at 31-Mar-22</b>
	<b>Rs. In lakhs</b>	<b>Rs. In lakhs</b>
<b>Cost</b>		
Opening balance	2,034.72	2,030.51
Additions	30.78	4.21
Deletions	75.49	
<b>Closing balance</b>	<b>1,990.01</b>	<b>2,034.72</b>



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**Parsvnath Hotels Limited**  
**Notes to the financial statements for the year ended 31 March, 2023**

	<b>As at 31-Mar-23 Rs In Lakhs</b>	<b>As at 31-Mar-22 Rs In Lakhs</b>
<b>4. Other financial assets</b>		
( Unsecured, Considered goods unless stated otherwise)		
<b>Non-Current</b>		
a. Security deposit to others	-	0.25
b. Security deposit -rent ( Refer related party note: 30)		
c. Deposit with banks held as margin money for than 12 months		0.00
	<u>-</u>	<u>0.25</u>
<b>Current</b>		
(i) Other Financial Assets		
a. Security Deposits (Refer related party note-30)	0.69	0.69
	<u>0.69</u>	<u>0.69</u>
<b>5. Cash and cash equivalents</b>		
a. Balances with banks in current account	0.15	1.60
b. Cash on hand	0.50	0.07
	<u>0.65</u>	<u>1.67</u>
<b>6. Tax assets ( net)</b>		
a. Tax refund receivable	-	0.19
	<u>-</u>	<u>0.19</u>
<b>7. Other assets</b>		
( Unsecured, Considered goods unless stated otherwise)		
<b>Non-Current</b>		
a. Advances to related parties ( Refer realted party note : 30 )	490.11	490.11
b. Advances to vendors	0.00	45.90
c. Other advances	6.82	6.50
	<u>496.93</u>	<u>542.51</u>
<b>Current</b>		
a. GST/CENVAT credit receivable	44.08	44.35
	<u>44.08</u>	<u>44.35</u>



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**Parsvnath Hotels Limited**  
**Notes to the financial statements for the year ended 31 March, 2023**

**8 .Equity Share Capital**

	As at 31-Mar-23 Rs. In lakhs	As at 31-Mar-22 Rs. In lakhs
<b>Authorised Share Capital</b>		
2,00,00,000 ( as at 31 March,2023: 2,00,00,000) fully paid equity shares of Rs. 10 each	2,000.00	2,000.00
	<b>2,000.00</b>	<b>2,000.00</b>
2,00,00,000 ( as at 31 March,2022: 2,00,00,000) fully paid equity shares of Rs. 10 each		
<b>Issued and Subscribed</b>		
54,00,000 (as at 31 March, 2023: 54,00,000) fully paid equity shares of Rs 10 each	540.00	540.00
54,00,000 (as at 31 March, 2022: 54,00,000) fully paid equity shares of Rs 10 each		
	<b>540.00</b>	<b>540.00</b>

**8.1-Reconciliation of share capital**

	Number of Shares	Share Capital Rs./lakhs
Balance as at 31 March, 2021	5,400,000	540.00
Movements during the year	-	-
Balance as at 31 March, 2022	5,400,000	540.00
Movements during the year	-	-
Balance as at 31 March, 2023	<b>5,400,000</b>	<b>540.00</b>

**8.2- Rights, preferences and restrictions attached to equity shares**

The Company has issued one class of equity shares having face value of ` 10 each. Each shareholder is entitled to one vote per share. Dividend proposed by the board of directors,if any, is subject to approval of the shareholders in Annual General Meeting. In the event of liquidation, the equity shareholders are eligible to receive the remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

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

	As at 31-March-2023 No of shares	As at 31-March-2022 No of shares
<b>Holding company</b>		
Parsvnath Developers Limited and its nominees	5,400,000	5,400,000

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

	As at March 31, 2023		As at March 31, 2022	
	Number of shares held	% holding of equity shares	Number of shares held	% holding of equity shares
Parsvnath Developers Limited	5,400,000	100.00%	5,400,000	100.00%



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**Parsvnath Hotels Limited**  
**Notes to the financial statements for the year ended 31 March, 2023**

**8.5- Shareholding of promoters:**  
**Shareholding As at 31 Mar '2023**

Sr. No.	Class of equity Shares	Promoter's Name	Nos. of shares at the beginning of the year	Change during the year	Nos. of shares at the end of the year	% of total shares	% change during the year
1.	Equity Share Capital	Parsvnath Developers Limited	5,399,400	-	5,399,400	99.99%	-
2.	Equity Share Capital	Mr Pradeep Kumar Jain ( Nominee of Parsvnath Developers Limited )	100	-	100	0.00%	-
3.	Equity Share Capital	Mrs. Nutan Jain ( Nominee of Parsvnath Developers Limited )	100	-	100	0.00%	-
4.	Equity Share Capital	Mr. Sanjeev Jain ( Nominee of Parsvnath Developers Limited )	100	-	100	0.00%	-
5.	Equity Share Capital	Mr. Rajeev Jain ( Nominee of Parsvnath Developers Limited )	100	-	100	0.00%	-
6.	Equity Share Capital	Mr. Yogesh Jain ( Nominee of Parsvnath Developers Limited )	100	-	100	0.00%	-
7.	Equity Share Capital	Ms. Neelam Jain ( Nominee of Parsvnath Developers Limited )	100	-	100	0.00%	-
<b>TOTAL</b>			<b>5,400,000</b>	<b>-</b>	<b>5,400,000</b>	<b>100%</b>	

**Shareholding As at 31 Mar '2022**

Sr. No.	Class of equity Shares	Promoter's Name	Nos. of shares at the beginning of the year	Change during the year	Nos. of shares at the end of the year	% of total shares	% change during the year
1.	Equity Share Capital	Parsvnath Developers Limited	5,399,400	-	5,399,400	99.99%	-
2.	Equity Share Capital	Mr Pradeep Kumar Jain ( Nominee of Parsvnath Developers Limited )	100	-	100	0.00%	-
3.	Equity Share Capital	Mrs. Nutan Jain ( Nominee of Parsvnath Developers Limited )	100	-	100	0.00%	-
4.	Equity Share Capital	Mr. Sanjeev Jain ( Nominee of Parsvnath Developers Limited )	100	-	100	0.00%	-
5.	Equity Share Capital	Mr. Rajeev Jain ( Nominee of Parsvnath Developers Limited )	100	-	100	0.00%	-
6.	Equity Share Capital	Mr. Yogesh Jain ( Nominee of Parsvnath Developers Limited )	100	-	100	0.00%	-
7.	Equity Share Capital	Ms. Neelam Jain ( Nominee of Parsvnath Developers Limited )	100	-	100	0.00%	-
<b>TOTAL</b>			<b>5,400,000</b>	<b>-</b>	<b>5,400,000</b>	<b>100%</b>	



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**Parsvnath Hotels Limited**  
**Notes to the financial statements for the year ended 31 March, 2023**

	As at 31-March-23 Rs. In Lakhs	As at 31-March-22 Rs. In Lakhs
<b>9. Other equity</b>		
a. Securities premium	810.00	810.00
b. Retained earnings	(1,071.40)	(995.36)
	<b>(261.40)</b>	<b>(185.36)</b>
<b>a. Securities premium</b>		
Balance at the beginning of the year	810.00	810.00
Movements	-	-
Balance at the end of the year	810.00	810.00
<b>b. Retained earnings</b>		
Balance at the beginning of the year	(995.36)	(897.39)
Profit /(Loss) for the year	(76.04)	(97.98)
Balance at the end of the year	(1,071.40)	(995.36)

**Nature and purpose of reserves:**

- a. Retained earnings - Retained earnings are profits of the Company earned till date less transfer to general reserve and debenture redemption reserve.
- b. Securities premium - The amount received in excess of the face value of the equity shares issued by the Company is recognised in securities premium.



**Parsvnath Hotels Limited**  
**Notes to the financial statements for the year ended 31 March, 2023**

	As at 31-March-23 Rs. In lakhs	As at 31-March-22 Rs. In lakhs
<b>10. Borrowings</b>		
<b>Non current</b>		
<b>Unsecured - at amortised cost</b>		
a. Loans from related parties ( Refer related party note: 30)	1,822.44	1,678.56
<b>Secured - at amortised cost</b>		
a. Term loan from bank	109.52	312.00
	<u>1,931.96</u>	<u>1,990.56</u>
<b>Current</b>		
Current maturity for long term debts	<u>227.53</u>	<u>227.53</u>

Term loan from bank is secured by mortgage of hotel project land and buildings thereon at Shirdi, first charge on all the movable and immovable assets of the project, corporate guarantee of Parsvnath Developers Ltd and personal guarantee of Mr Pradeep Kumar Jain.

Term loan from bank carries a rate of interest of MCLR + 4.15%

Term loan is payable in 30 quarterly instalments starting from 3<sup>rd</sup> quarter of financial year 2015-16. There has been further restructuring of the loan and the principal as on 19th march 2019 is payable in 17 equal quarterly instalments, quarter starting from 31 January 2020.

**11. Trade Payables**

<b>Current</b>		
a. Total outstanding dues of micro enterprises and small enterprises	-	-
b. Total outstanding dues of creditors other than micro enterprises and small enterprises	8.35	5.16
	<u>8.35</u>	<u>5.16</u>

( Refer Note-37 for Trade payables ageing )

Note:

As per the information available with the Company, trade payables do not include any amount due to Micro and Small Enterprises as defined under 'Micro, Small and Medium Enterprises Developments Act, 2006' (MSMED Act, 2006) and no interest has been paid or payable in terms of MSMED Act, 2006.

**12. Other Financial Liabilities \***

<b>Current</b>		
a. Interest accrued but not due on borrowings	12.88	19.67
b. Security deposit received	0.49	0.49
c. Payables on purchase of fixed assets	2.58	21.58
d. Employees Dues	4.50	3.83
e. Book Overdraft	64.19	-
	<u>84.64</u>	<u>45.57</u>

\* Carrying amount of these financial liabilities are reasonable approximation of their fair value.

**13. Provisions**

<b>Current</b>		
a. Employee benefits ( See note:23)	0.79	0.68
	<u>0.79</u>	<u>0.68</u>

**14. Other liabilities**

<b>Current</b>		
a. Statutory liabilities	0.48	0.24
	<u>0.48</u>	<u>0.24</u>



**Parsvnath Hotels Limited**  
**Notes to the financial statements for the year ended 31 March, 2023**

	Year ended 31 March, 2023	Year ended 31 March, 2022
<b>15. Other income</b>		
a. Other Income	-	-
<b>16. Employee benefits expense</b>		
a. Salaries and Wages	7.41	7.11
	<b>7.41</b>	<b>7.11</b>
<b>17. Finance cost</b>		
a. Interest on borrowings	62.72	86.29
b. Late Fee on GST	-	0.10
c. Other Borrowing Cost	0.65	
	<b>63.37</b>	<b>86.39</b>
<b>18. Other expenses</b>		
a. Rates and taxes	0.11	0.28
b. Rent *	3.36	3.23
c. Legal and professional charges	0.07	0.21
d. Payment to auditors ( see note below)	0.68	0.50
e. Balances written off	0.81	-
f. Miscellaneous expenses	0.23	0.26
	<b>5.26</b>	<b>4.48</b>
Note:		
<b>Payment to auditors</b>		
i. Statutory audit fee (Current Year Figure includes GST)	0.68	0.50
	<b>0.68</b>	<b>0.50</b>
* Rent related to short term lease.		



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**Parsvnath Hotels Limited**  
**Notes to the financial statements for the year ended 31 March, 2023**

**19. Contingent liability**

	<b>As at 31 March, 2023</b>	<b>As at 31 March, 2022</b>
	<b>Rs in lakhs</b>	<b>Rs in lakhs</b>
(a) Pending cases with Income Tax Authorities	2.68	2.47
(b) Custom Duty	15.60	-
	<b>18.28</b>	<b>2.47</b>

(b) The company has been granted Export Promotion Capital Goods (EPCG) license against which the future export obligations of Rs. 87.55 lakhs (Previous year 87.55 lakhs) are to be fulfilled on or before 31 March, 2023. Management is of the view that company is in the process of obtaining extension from the Directorate General of Foreign Trade.

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

**21. Capital commitments**

	<b>As at 31 March, 2023</b>	<b>As at 31 March, 2022</b>
	<b>Rs in lakhs</b>	<b>Rs in lakhs</b>
(a) Estimated amount of contracts remaining to be executed on capital account and not provided (net of advances)	-	1,204.21
	<b>-</b>	<b>1,204.21</b>

22. The company has entered into a development agreement on plot of land admeasuring 3.47 acres situated at Jodhpur, Rajasthan owned by the holding company. The holding company has taken loan from IL&FS Financial Services Limited for loan of Rs. 629 lakhs (Previous year : Rs. 17,500 lakhs). Subsequently year closing march 2023, loan has been fully paid. The company has provided the security by way of equitable mortgage on the said land for loan taken by the holding company.

**23. Employee benefit plan**

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

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

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

	<b>As at 31 March, 2023</b>	<b>As at 31 March, 2022</b>
	<b>Rs. in lakhs</b>	<b>Rs. in lakhs</b>
Liability at the beginning of the year	0.50	0.39
Current service cost	0.06	0.11
Paid during the year	-	-
Liability at the end of the year	0.56	0.50
Expensed recognised in the Statement of Profit and Loss	-	-

**24. Segment reporting**

The chief operating decision maker ('CODM') for the purpose of resource allocation and assessment of segments performance focuses on Real Estate, thus operates in a single business segment. The Company is operating in India, which is considered as single geographical segment. Accordingly, the reporting requirements for segment disclosure as prescribed by Ind AS 108 are not applicable.



## 25. Earnings per share

		As at 31 March, 2023	As at 31 March, 2022
i. Net loss for calculation of basic and diluted earnings per share	Rs. In lakhs	(76.04)	(97.98)
ii. Weighted average number of equity shares outstanding during the year	Numbers	5,400,000	5,400,000
iii. Basic and diluted earnings per share	Rs.	(1.41)	(1.81)
iv. Nominal value of equity shares	Rs.	10	10

**Parsvnath Hotels Limited**  
**Notes to the financial statements for the year ended 31 March, 2023**

## 26. Corporate social responsibility

In terms of provisions of section 135 of the Companies Act, 2013, the Company was not required to spend on Corporate Social Responsibility ( CSR ) during the year in view of the continuing losses during the last three years and there is no unspent amount towards Corporate Social Responsibilities (CSR) under sub section ( 5) of Section 135 of the Act pursuant to any project during the financial year 2022-23.

## 27. Capital work-in-progress

The Company is constructing and developing a hotel. Detail of incidental expenditure during construction and pending capitalisation is as under:

Particulars	Balance	Additions /Deletions during the year	Balance
	as on 31.03.2022 Rs in lakhs	Rs in lakhs	as on 31.03.2023 Rs in lakhs
	I	II	III=I+II
<b>A. Project assets</b>			
i. Land	44.12	(44.12)	0.00
ii. Conversion/Lease charges	31.36	(31.36)	-
iii. Material consumed	103.55	0.92	104.47
iv. Labour and other charges	208.71	2.31	211.02
<b>Total - A</b>	<b>387.74</b>	<b>(72.25)</b>	<b>315.49</b>
<b>B. Net incidental expenditure during construction pending allocation</b>			
i. Interest on borrowings	1,406.14	-	1,406.14
ii. Legal and professional charges	266.09	-	266.09
iii. Other expenses	64.88	27.55	92.43
<b>Total - B</b>	<b>1,737.11</b>	<b>27.55</b>	<b>1,764.66</b>
<b>C. Total (A+B)</b>	<b>2,124.85</b>	<b>(44.70)</b>	<b>2,080.15</b>
<b>D. Less: Capitalised</b>	90.13	-	90.13
<b>E. Balance carried Forward (C-D)</b>	<b>2,034.72</b>	<b>(44.70)</b>	<b>1,990.02</b>



**Parsvnath Hotels Limited**  
**Notes to the financial statements for the year ended 31 March, 2023**

	As at 31-March-23 Rs. in lakhs	As at 31-March-22 Rs. in lakhs	
<b>28 Deferred tax assets (net)</b>			
Deferred tax assets	-	-	
Deferred tax liabilities	-	-	
Net	-	-	
	<b>Opening Balance</b>	<b>Recognised in Profit or loss/OCI/Retain ed Earning</b>	<b>Closing balance</b>
<b>Year ended 31 March, 2023</b>			
Deferred tax asset in relation to:			
Property, plant and equipment	-	-	-
Employee benefits	-	-	-
	-	-	-
Tax losses	-	-	-
<b>Net deferred tax assets (a)</b>	-	-	-
	<b>Opening balance</b>	<b>Recognised in Profit or loss/OCI/Retain ed Earning</b>	<b>Closing balance</b>
	<b>Rs. in lakhs</b>	<b>Rs. in lakhs</b>	<b>Rs. in lakhs</b>
<b>Year ended 31 March, 2022</b>			
Deferred tax asset in relation to:			
Property, plant and equipment	-	-	-
Employee benefits	-	-	-
	-	-	-
Tax losses	-	-	-
<b>Net deferred tax assets (a)</b>	-	-	-

**Notes:**

- 1 The company has tax losses of Rs. 396.03 lakhs (31 March, 2022 - Rs. 352.67 lakhs) that are available for offsetting for eight years against future taxable income of the respective Companies. The losses will expire as under:

	Current year Rs. in lakhs	Previous year Rs. in lakhs
Year ending 31 March, 2023	-	32.68
Year ending 31 March, 2024	7.96	7.96
Year ending 31 March, 2025	6.40	6.40
Year ending 31 March, 2026	23.82	23.82
Year ending 31 March, 2027	32.75	32.75
Year ending 31 March, 2028	11.60	11.60
Year ending 31 March, 2029	139.49	139.49
Year ending 31 March, 2030	97.97	97.97
Year ending 31 March, 2031	76.04	-
	<b>396.03</b>	<b>352.67</b>

- 2 On a prudence basis, the company has not recognised deferred tax assets (DTA) on amounting Rs. 19.77 lakhs (31 March 2021 - Rs. 25.48 lakhs) on current year's losses and other items.

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**Parsvnath Hotels Limited**  
**Notes to the financial statements for the year ended 31 March, 2023**

	<b>Year ended 31-March-23</b>	<b>Year ended 31-March-22</b>
	<b>Rs. in lakhs</b>	<b>Rs. in lakhs</b>
<b>29 Income tax</b>		
i. Income tax recognised in Statement of Profit and Loss		
<b>Current tax</b>		
In respect of the current year	-	-
Tax adjustment for earlier years	-	-
<b>Deferred tax</b>		
In respect of the current year	-	-
Total income tax expense/(benefit) recognised in Profit & Loss		
	-	-
ii. <b>Reconciliation of income tax expense on accounting profit:</b>		
Profit/(loss) before tax	(76.04)	(97.98)
Income tax expense calculated at 26%	(19.77)	(25.48)
Effect of expenses that are not deductible in determining taxable profit	-	-
Adjustments recognised in the current year in relation to the current tax of previous years	-	-
Adjustments on account of deferred tax not recognised on prudence basis	19.77	25.49
<b>Total Income tax expense/(benefit) recognised in statement of profit and loss</b>		
	-	-

The tax rates used for the financial year 2022-23 is 26% and for 2021 -22 26%, payable by corporate entities in India on taxable profits under the Indian tax laws.



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**Parsvnath Hotels Limited**  
**Notes to the financial statements for the year ended 31 March, 2023**

**30. Related party disclosures**

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

- (a) Holding Company**  
- Parsvnath Developers Limited (PDL)
- (b) Associate of Holding Company**  
- Vardaan Buildtech Private Limited

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

	<b>Holding Company</b> Rs in lakhs Current year	<b>Holding Company</b> Rs in lakhs Previous year	<b>Associate of Holding Company</b> Rs in lakhs Current year	<b>Associate of Holding Company</b> Rs in lakhs Previous year
<b>(a) Transactions during the year</b>				
Advance received	219.36	289.38	65.00	-
Cancellation of Project	75.49	-	-	-
Rent Expense (Excluding GST)	2.85	3.23	-	-
Advance repaid	-	38.84	65.00	-
<b>(b) Balances at year-end</b>				
Advance against purchase of land/development rights	490.11	490.11	-	-
Long-term borrowings	1822.44	1678.56	-	-
Security deposit paid	0.69	0.69	-	-
Trade payable	4.96	1.89	-	-
Corporate guarantee received	1268.00	1268.00	-	-
Corporate guarantee given (To the extend of loan outstanding)	18,000.00 629.00	18,000.00 17,500.00	-	-

**Terms and conditions of transactions with related parties**

- 1 Related party transactions entered during the year were in ordinary course of business and are on arm's length basis. For the year ended 31 March, 2023, the Company has not recorded any impairment of receivables from related parties (31 March, 2022 - Nil). The Company makes this assessment each financial year through examination of the financial position of the related party and the market condition in which the related party operates.

31. The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits received Presidential assent in September 2020. The Code has been published in the Gazette of India. However, the date on which the Code will come into effect has not been notified and the final rules/ interpretation have not yet been issued. The Company will assess the impact of the Code when it comes into effect and will record any related impact in the period the Code becomes effective. Based on the preliminary assessment the entity believes the impact of the change will not be significant.



**Parsvnath Hotels Limited**  
**Notes to the financial statements for the Year ended 31 March, 2023**

**32. OTHER STATUTORY INFORMATION FOR THE YEAR ENDED 31 MARCH 2023 AND 31 MARCH 2022:**

- (i) The Company do not have any benami property, where no proceeding has been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benanmi Transactions ( prohibition ) Act, 1988 ( 45 of 1988 ) (as amended in 2016) and reules made thereunder.
- (ii) The Company does not have any transaction with companies struck off under Section 248 of the Companies Act, 2013
- (iii) The Company does not have any charge or satisfaction pending which is yet to be registered with Registrar of Companies beyond the statutory period
- (iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year.
- (v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (Ultimate Beneficiaries); or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- (vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries); or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (vii) The Company do not have any transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income in the tax assessments under the Income-tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income-tax Act, 1961).
- (viii) The Company has not been declared wilful defaulter by any bank or financial institution or Government or any Government authority or other lender, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India.
- (ix) The Company does not have any investment in any subsidiary and hence compliance under with respect to number of layers prescribed under Clause (87) of Section 2 of the Companies Act, 2013 read with the Companies (Restriction on number of Layers) Rules, 2017 from the date of their implementation.
- (x) The Company has not provided and paid any remuneration to Directors during the year.
- (xi) The Company has not taken any over draft facility during the year, so disclosure regarding discrapancies between balance as per books and quarterly statement sent to Bank is not applicable.



**Parsvnath Hotels Limited**  
**Notes to the financial statements for the Year ended 31 March, 2023**

- (xii) Term Loans taken from bank and financial institutions or any other lender were applied for the purpose for which the loans were obtained.
- (xiii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund, during the year

**33** The Company has incurred cash losses during the current and previous financial years. Due to continued recession in real estate sector owing to slow down in demand, the company is facing liquidity issues. The company continues to face lack of alternate sources of finance to complete the ongoing project. The parent company has been providing financial support and the company has also hired project management consultant to complete the project in next one year. The management is of the view that the project would be operational in next financial year and start generating revenue. Accordingly, in the opinion of management, no adverse impact is anticipated on future operation of the company and it is appropriate to prepare the financial statements on going concern basis.

**34** In the opinion of the Board of directors and management, Current and non current assets do have a value on realisation in the ordinary course of business at least equal to the amount at which they are stated and liabilities are stated at least at the value they are expected to be settled in the ordinary course of business though balance confirmation in certain cases are not available



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**Parsvnath Hotels Limited**  
Notes to the financial statements for the Year ended 31 March, 2023

**35 Ratios:**

S. No.	Particulars	Numerator	Denominator	As on 31.03.23	As on 31.03.22	% Cf ratio
1	Current ratio (in times)	Current assets	Current liabilities	0.14	0.17	
2	Debt-equity ratio (in times)	Total debt	Total equity excluding Debenture redemption reserve	7.75	6.25	
3	Debt service coverage ratio (in times)	Earnings before exceptional items, interest and tax (EBIT) and finance cost charged to inventory	[Finance cost + principal repayments made during the period for non-current borrowings (including current maturities)]	(0.04)	(0.05)	
4	Return on equity ratio (%)	Net profit after tax	Total equity excluding Debenture redemption reserve	(27.29)	(27.63)	
5	Inventory turnover ratio (in times)	Cost of goods sold	Average inventories	Not Applicable	Not Applicable	Not A
6	Trade receivable turnover ratio (in times)	Revenue from operations	Average trade receivables	Not Applicable	Not Applicable	Not A
7	Trade payable turnover ratio (in times)	Cost of goods sold	Average trade payables	Not Applicable	Not Applicable	Not A
8	Net capital turnover ratio (in times)	Revenue from operations	Working capital\$	Not Applicable	Not Applicable	Not A
9	Net profit ratio (in %)	Net profit after tax	Revenue from operations	Not Applicable	Not Applicable	Not A
10	Return on capital employed (%)	Earnings before exceptional items, interest and tax (EBIT) and finance cost charged to inventory	Capital employed@	(0.52)	(0.45)	
11	Return on investment (%)					
	(i) Fixed income investments	Interest income	Average investment in fixed income investments	Not Applicable	Not Applicable	Not A

\$ Working capital = Total current assets less Total current liabilities.

@ Capital employed has been considered as Total equity excluding DRR including total debts excluding interest accrued net of cash and cash equivalents.





**Parsvnath Hotels Limited**  
Notes to the financial statements for the Year ended 31 March, 2023

**36 Ageing of Trade Payables**

Rs in lakhs

Ageing of Outstanding balances as at 31 March 2023						
Particulars	Unbilled Due	Less than 1 Year	1 – 2 Years	2 – 3 Years	More than 3 Yrs	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	3.38	4.97	-	-	-	8.35
(iii) Disputed Dues – MSME	-	-	-	-	-	-
(iv) Disputed Dues – Others	-	-	-	-	-	-
<b>Total</b>	<b>3.38</b>	<b>4.97</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>8.35</b>

Rs in lakhs

Ageing of Outstanding balances as at 31 March 2022						
Particulars	Unbilled Due	Less than 1 Year	1 – 2 Years	2 – 3 Years	More than 3 Yrs	Total
(i) MSME	-	-	-	-	-	-
(ii) Others	3.27	1.89	-	-	-	5.16
(iii) Disputed Dues – MSME	-	-	-	-	-	-
(iv) Disputed Dues – Others	-	-	-	-	-	-
<b>Total</b>	<b>3.27</b>	<b>1.89</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>5.16</b>

**37 Ageing of Capital work in Projects in Progress**

Rs in lakhs

Capital work in Projects in Progress As at 31 March 2023					
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in progress	30.78	4.21	-	1,955.02	1,990.01
Project temporary suspended as at 31 March, 2023	-	-	-	-	-
<b>G. Total</b>	<b>30.78</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,990.01</b>

Rs in lakhs

Capital work in Projects in Progress As at 31 March 2022					
Particulars	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
Project in progress	-	-	-	-	-
Project temporary suspended as at 31 March, 2022	4.21	-	123.46	1,907.05	2,034.72
<b>G. Total</b>	<b>4.21</b>	<b>-</b>	<b>123.46</b>	<b>1,907.05</b>	<b>2,034.72</b>

**38 Following is the Schedule of completion of Capital work in progress**

Rs in lakhs

Particulars	To be Completed in				Total
	Less than 1 year	1-2 years	2-3 years	more than 3 years	
Project in progress as at 31 March, 2023	1,537.38	-	-	-	1,537.38
Project suspended as at 31 March, 2023	-	-	-	-	-
<b>G. Total</b>	<b>1,537.38</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>1,537.38</b>
Project in progress as at 31 March, 2022	-	-	-	-	-
Project suspended as at 31 March, 2022	-	4.21	500	700	1,204.21
<b>G. Total</b>	<b>-</b>	<b>4.21</b>	<b>500.00</b>	<b>700.00</b>	<b>1,204.21</b>



**PARSVNATH HOTELS LIMITED**  
**Notes to the financial statements for the year ended 31 March, 2023**

**39 Financial instruments**

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

	As at 31-March-2023				As at 31-March-2022	
	Total	Amortised Cost	At cost	FVTPL	Total	Amortised Cost
<b>Financial assets</b>						
i. Cash and cash equivalents	0.65	0.65	-	-	1.67	1.67
ii. Other financial assets	0.69	0.69	-	-	0.94	0.94
<b>Total financial assets</b>	<b>1.34</b>	<b>1.34</b>	<b>-</b>	<b>-</b>	<b>2.61</b>	<b>2.61</b>
<b>Financial liabilities</b>						
i. Borrowings	2,159.49	2,159.49	-	-	2,218.09	2,218.09
ii. Trade Payables	8.35	8.35	-	-	5.16	5.16
iii. Other financial liabilities	84.64	84.64	-	-	45.57	45.57
<b>Total financial liabilities</b>	<b>2,252.48</b>	<b>2,252.48</b>	<b>-</b>	<b>-</b>	<b>2,268.82</b>	<b>2,268.82</b>

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



**Parsvnath Hotels Limited**  
**Notes to the financial statements for the year ended 31 March, 2023**

**40 Financial Risk Management**

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

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

**Liquidity Risk**

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

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

	<b>Rs. in lakhs</b>				
	<b>Carrying amount</b>	<b>Payable within 1 year</b>	<b>Payable in 1-3 years</b>	<b>Payable in 3-5 years</b>	<b>Payable more than 5 years</b>
<b>As at 31 March, 2023</b>					
Borrowings	2,159.49	227.53	109.52	-	1,822.44
Trade payables	8.35	8.35	-	-	-
Other financial liabilities	84.64	84.64	-	-	-
	<b>2,252.48</b>	<b>320.52</b>	<b>109.52</b>	<b>-</b>	<b>1,822.44</b>

	<b>Rs. in lakhs</b>				
	<b>Carrying amount</b>	<b>Payable within 1 year</b>	<b>Payable in 1-3 years</b>	<b>Payable in 3-5 years</b>	<b>Payable more than 5 years</b>
<b>As at 31 March, 2022</b>					
Borrowings	2,218.09	227.53	312.00	-	1,678.56
Trade payables	5.16	5.16	-	-	-
Other financial liabilities	45.57	45.57	-	-	-
	<b>2,268.82</b>	<b>278.26</b>	<b>312.00</b>	<b>-</b>	<b>1,678.56</b>

**Market risk**

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

**A. Interest rate risk**

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



**Parsvnath Hotels Limited**  
**Notes to the financial statements for the year ended 31 March, 2023**

**Interest rate sensitivity analysis**

The exposure of the company's borrowing to interest rate change at the end of the reporting periods are as follows :

	<b>As at 31 March, 2023</b>	<b>As at 31 March, 2022</b>
	<b>Rs. in lakhs</b>	<b>Rs. in lakhs</b>
<b>Variable rate borrowings</b>		
Long Term	337.05	539.53
Short Term	-	-
<b>Total Variable rate Borrowing</b>	<u>337.05</u>	<u>539.53</u>
<b>Fixed Rate Borrowings</b>		
Long Term	-	-
Short Term	-	-
<b>Total Fixed rate Borrowing</b>	<u>-</u>	<u>-</u>
<b>Interest Free Borrowings</b>		
Long Term	1,822.44	1,678.56
Short Term	-	-
<b>Total Interest Free Borrowing</b>	<u>1,822.44</u>	<u>1,678.56</u>
<b>Total Borrowing</b>	<u>2,159.48</u>	<u>2,218.09</u>

**Sensitivity**

Variable Interest rate loans are exposed to interest rate risk, the impact on profit or loss before tax may be as follows :

	<b>Year ended 31 March, 2023</b>	<b>Year ended 31 March, 2022</b>
	<b>Rs. in lakhs</b>	<b>Rs. in lakhs</b>
Increase in interest rate by 1 %	(3.37)	(5.40)
Decrease in interest rate by 1 %	3.37	5.40

**B. Price risk**

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

**Credit Risk**

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

Based on discussion with customer and an assessment of the current receivables, the management believes that there is no credit risk and accordingly no provision is required.




**Parsvnath Hotels Limited**  
**Notes to the financial statements for the year ended 31 March, 2023**

**41 Capital Management**

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

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

	<b>As at 31 March, 2023</b>	<b>As at 31 March, 2022</b>
	<b>Rs. in lakhs</b>	<b>Rs. in lakhs</b>
<b>Borrowings:</b>		
- Long term	1,931.96	1,990.56
- Short term	-	-
- Current maturities of long term borrowings	227.53	227.53
<b>Total borrowings - A</b>	<b>2,159.49</b>	<b>2,218.09</b>
<b>Equity</b>		
- Share capital	540.00	540.00
- Other equity	(261.40)	(185.36)
<b>Total Equity - B</b>	<b>278.60</b>	<b>354.64</b>
Debt to equity ratio (A/B)	7.75	6.25

**42 Events after the reporting period**

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

**43** Previous year figures have been regrouped / reclassified wherever necessary, to make them comparable with current year figures.

**44 Approval of the financial statements**

The financial statements were approved for issue by Board of Directors on 25th August 2023.

**For T R Chadha & Co. LLP**

Chartered Accountants

Firm's Registration No. 006711N/N500028

  
  
**Aashish Gupta**  
 Partner  
 Membership No. 097343

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

  
**Surya Mani Pandey**  
 Director  
 DIN: 08250346

  
**Atul Jain**  
 Director  
 DIN: 00102555

Place: Delhi

Date: 25-08-2023