Parsvnath
committed to build a better world

Parsvnath Capital Towers,
B.V.S.M. (New Delhi)
Actual Picture

The Parsvnath 27,
K.G. Marg (New Delhi)
Perspective Image

Parsvnath Mall,
Akshardham
Metro Station (Delhi)
Actual Picture

Parsvnath Mall
Moradabad (U.P.)
Actual Picture

# TURNING SPACES INTO LANDMARKS

**Parsvnath Developers Limited** | Annual Report 2016-17

# ACROSS THE PAGES



## Caution regarding forward looking statements

Certain statements in this annual report concerning our future growth prospects are forward-looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. We have tried wherever possible to identify such statements by using words such as 'anticipate', 'estimate', 'expect', 'project', 'intend', 'plan', 'believe' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, our actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

## TURNING SPACES INTO
# LANDMARKS

Parsvnath Capital Towers, B.V.S.M. (New Delhi) Actual Picture

The Parsvnath 27, K.G. Marg (New Delhi) Perspective Image

Parsvnath Mall, Akshardham Metro Station (Delhi) Actual Picture

Parsvnath Mall Moradabad (U.P.) Actual Picture

A business comes true on its premise when it delivers passionately on its fundamentals. In real estate, the true challenge for a developer is to put all its might behind and convert barren lands into enriched spaces which will be revered as landmarks in the future.

At Parsvnath Developers, turning spaces into landmarks has been a passion ever since we began our journey; one that is replete with milestones achieved over the years. We have been establishing high-standards in the craft of construction and art of customer satisfaction. In 1994, we were the first organised developer to bring a Mall Project to the Tier II city of Moradabad. Parsvnath made its mark when it became first developer to develop mall projects at Delhi Metro Stations. We continue to enjoy that privilege, courtesy our immaculate project execution for the DMRC Projects. We were also amongst the first few real estate companies to come out with an IPO in 2006. In our journey through the years, the strategy of geographic diversification made Parsvnath one of the few players to have such wide presence across the country – one which spans across 41 cities in 15 states. Parsvnath also prides itself on being the first real estate company in India to have integrated with ISO 9001, 14001 and OHSAS 18001 certifications of quality, management and health and safety.

We have been able to achieve these milestones because we understand the importance of the dream to own a home and the aspiration to move into a new office for business. For a home owner or an office occupier, these are unforgettable landmarks besides being a lifetime investment. We have always striven to give more than just space to our customers – our projects boast of prime locations, impressive architecture, good quality construction and the use of latest technologies – everything it takes to create a real landmark!

Parsvnath Capital Towers, Bhai Veer Singh Marg (B.V.S.M.) in the Central Business District (CBD)


The Parsvnath 27, Kasturba Gandhi Marg, New Delhi. Perspective Image of Delhi stands as testimony to the zeal and passion with which Parsvnath Group pursues its vision to create projects that become benchmarks in the real estate sector. This project is one of the new developments in CBD around Connaught Place in last over a decade. The development of Phase-II of this project is nearing completion and will have an area of over 5 lakh sq. ft. put together. Next in line is one of the most premium upcoming project, not only in Delhi & NCR but possibly across the country which is 'The Parsvnath 27' at Kasturba Gandhi Marg in the heart of New Delhi. Parsvnath is also coming up with a large scale mall in the posh and promising location of Rohini, Delhi. With approximately 3 lakh sq. ft. of leasable area, Parsvnath Mall Rohini in North-West Delhi is poised to become one of the most happening places to eat, shop and entertain.

It is indeed a proud legacy when it comes to delivering enriching spaces to our customers across commercial and residential segments since our inception. The Parsvnath City Mall project in Faridabad covers approximately 1.82 lakh sq. ft. of leased area and houses big retail brands. The Parsvnath Prestige I & II, Group Housing project along the Taj Expressway, NOIDA, covering 1.61 million sq. ft. area, offered iconic lifestyle landmark in NOIDA. The Green Ville, Gurgaon project was positioned as a project with international living style and was delivered in same fashion, covering 1.12 million sq. ft. developed area with open area, serene surroundings and clean & green living. In our Third Party Contracts segment, too, we have delivered some landmark projects. The construction of the Sai Ashram at Shri Saibaba Sansthan, Shirdi, Maharashtra having expansive built-up area of 9 lakh sq. ft. stands testimony to that.

Today, when the Indian economy is witnessing dynamic transformation in the structure of major industry segments and Real Estate in particular, Parsvnath is geared to fulfill the dreams and aspirations of New Age Indians. At a time when residential segment is going through a relatively rough phase, especially in North India, on account of oversupply, higher interests (prior to demonetization), delays in projects, implementation of RERA, effects of GST and Demonetization, Parsvnath remains committed to completing its projects under development and deliver its promise to its customers. The commercial segment is most lucrative segment in Indian Real Estate sector due to stabilising macro environment, latent growth potential and various government initiatives to induce growth. Here, Parsvnath already has a strong presence and one which we are leveraging further to establish our unrivalled supremacy. Our various projects in the National Capital in the Central & North Business Districts have been getting an overwhelming response from corporate entities and retailers, besides being seen as iconic urban landmark developments which include Parsvnath Capital Towers at B.V.S.M., New Delhi and its Phase II, the upcoming The Parsvnath 27 at Kasturba Gandhi Marg and Parsvnath Mall in Rohini, North-West Delhi.

And our quest to turn spaces into landmarks continues.


Parsvnath Exotica, Gurgaon. Actual Picture

# From The Chairman's Desk

*Dear Shareholders*

The year gone by continued to be a transitory year for your Company, real estate sector and the country but it also has the potential to be a point of inflection for each one of them. The surprise announcement of demonetization in November 2016, throttled the growth momentum that was gathering steam due to a normal monsoon, especially after a sluggish first half of FY 2016-17. This resulted in a tepid GDP growth of 7.1% in FY2016-17 vs. 8% in the previous year and the real estate sector was also impacted due to deferment of purchase by residential buyers in anticipation of price corrections. However, demonetization was only one of a series of steps taken by the Government to curb black money in the economy and usher in positive long term change towards corporatization, formalization, digitization and democratization.

Implementation of RERA and similar reforms are expected to do something similar for the real estate sector. In the long term, these will shore up the buyers' and investors' confidence in the sector, and in turn improve the growth prospects. Overall these steps will favor growth of the organized players like Parsvnath, whereas the informal sector is likely to get impacted by the same.

**Company's performance**

During the year under review, our consolidated revenues went down by 31.3% to ₹278.90 crore against ₹405.94 crore in the previous year. We incurred a net loss of ₹148.87 crore as against net loss of ₹49.36 crore in FY 2015-16. On the operational front, your Company has seen considerable demand in its luxury office and retail segment and has signed global reputed corporates like World Health Organization (WHO) and Facebook India Online Services Pvt. Ltd. in Parsvnath Capital Towers – Bhai Veer Singh Marg, New Delhi in addition to existing corporates viz. Aditya Birla Group, Thomson Reuters, Indiabulls, State Bank of India, ICICI Prudential, Axis Bank, Regus etc. Your Company's focus on its residential segment continues to be on execution of under-construction projects and achieve successful project closure. We offered possession of 493 units during the reported period across the residential, commercial, retail and integrated township segments comprising of 0.85 million sq. ft. of space.

**Growth strategy**

In alignment with the sectoral trends, our growth strategy will be in alignment with the 'smart money'. Institutional investors are currently focusing on the commercial, retail and affordable housing segments within the sector. The Company has a stellar track record in delivering successful, landmark commercial properties, and has completed 13 independent projects and 11 mall projects at Delhi Metro Stations totaling up to 1.74 million sq. ft. It is currently working on another 3.51 million sq. ft. of Commercial space (luxury office & retail) to meet the expected spurt in demand for quality and sustainable revenue projects. Our projects in the Grade A office and retail space are much in demand from leading companies and retailers, especially the notable, under-construction projects such as Parsvnath Capital Towers, The Parsvnath 27 and Parsvnath Mall at Rohini. Your Company's focus on residential front across Group Housing and Integrated Townships is on completion of existing projects and handing over the possession of ready units on consistent basis.

In addition to these segments, we also intend to generate diverse revenue streams from third party contracting and Government projects. In garnering the opportunities in these segments, we will leverage our expertise in the sector developed over three decades. All these strategies will help us reduce debt by generating steady cash flow and also raise long term capital through new projects in segments popular with institutional investors.

**Outlook**

Major sector specific announcement such as infrastructure status for the Affordable Housing segment along with the tax incentives already announced will further boost the segment through availability of long term, low cost capital and favorable economics for the developers. In addition to RERA, implementation of GST will benefit the sector through simplification of tax structure with potential benefits from availability of input credit. These measures in addition to liberalization of FDI norms for completed projects and release of guidelines for REITs have already encouraged many institutional investors, especially large overseas players to start investing in the sector, specifically in steady income formats such as Commercial and Retail. Similar to 2016, there are projections of higher expected gross absorption (42.6 million sq. ft.) against supply addition (35.1 million sq. ft.) of commercial space in the major markets during 2017, as per a report from Colliers International. Hence the outlook for Commercial segment will continue to be positive.

Overall, the Indian economy continues to remain subdued and is yet to see growth accelerate from the low 7% levels. While the green shoots of growth are visible with demonetization impact fading out by the end of Q4 FY2016-17, the excesses of pre-2008 period continue to cast a shadow on the industrial growth. Similarly, the real estate industry can get into a growth overdrive only in the medium term. Overhang of accumulated inventory, past practices will need time to be cleared. However, this transformation is certain to happen and we expect this transition period to end soon. Outlook for the industry is thus cautiously positive. Parsvnath's capabilities and nearly three decade experience of delivering quality real estate projects, will surely help us benefit during this transition. We are confident of our strategic choices to focus on the segments such as Commercial and others that are going to drive this sector and lead to value creation for all stakeholders.

**In conclusion**

On behalf of the Board, I would like to take this opportunity to thank all our employees, whose skills and capabilities have been instrumental for our growth, for their continuous dedication and commitment. Also, I would like to thank all our shareholders, financial institutions, bankers, investors, esteemed customers and associates for their continued trust and support. As we enter into another fiscal, I look forward to communicating our results and accomplishments as we execute our coherent and cohesive strategies towards a higher growth trajectory.

With warm regards,

**Pradeep Jain**
Founder Chairman

# OUR PROJECTS – OUR LANDMARKS

## Parsvnath Capital Towers

Bhai Veer Singh Marg, New Delhi

- **Project Profile:** Integrated office complex
- **Brands Associated:** World Health Organization (WHO), Facebook, Axis Bank, State Bank of India, Aditya Birla Group, Regus, Thomson Reuters, L'Oreal, ICICI Lombard and Indiabulls
- **Project USP:** Only green building in Central Delhi - Targeted Gold LEED rating. Construction by L&T. Only Expansive 5 acre Plot in CBD, Modern Five-Star Lobby Design.


Actual Picture


Perspective Image

## The Parsvnath 27

Kasturba Gandhi Marg, New Delhi
(Upcoming - Construction in full-swing)

- **Project Profile:** Luxury Office & Retail space
- **Project USP:** Only Freehold Property in Connaught Place having an area of 1.18 Acres (4776.14 sq. mt.), Fully Automated Car Parking. Most Premium Location New Development in CBD

## Parsvnath Mall

Akshardham Metro Station, New Delhi

- **Project Profile:** Commercial, Build Operate Transfer (BOT) Model for Delhi Metro Rail Corporation
- **Brands Associated:** Haldiram's, SAVEMAX Wholesale, Nexa, TATA Concord, Hastkalp, Platters Food Court, Café Coffee Day, Reebok, Adidas
- **Project USP:** Located next to prime tourist destination with heavy footfall


Actual Picture

## Parsvnath Mall
Rohini, New Delhi
(Under Construction)

- **Project Profile:** Retail Mall
- **Project USP:** North-West Delhi's prime location with high footfall

Perspective Image

Actual Picture

## Parsvnath Prestige Phase I and II
Sector 93A, Taj-Expressway, Noida
(Delivered)

- **Project Profile:** A Group Housing Project
- **Project USP:** One of early occupied new developments in Noida. Expansive project area

## Parsvnath Mall
## Moradabad, Uttar Pradesh
(Completed & Operational)

- **Project Profile:** Retail-cum-Multiplex Mall
- **Brands Associated:** PVR, Giani's, Woodland
- **Project USP:** Situated on main High Street, surrounded with high footfall.

Actual Picture

# ABOUT PARSVNATH DEVELOPERS LIMITED:

Parsvnath Developers Limited (PDL) is one of India's premier real estate and infrastructure development companies, with in-depth industry experience of more than 26 years in creating real estate projects which have contributed towards a better life. The Company has a near pan-India presence with operations spread across 41 cities and 15 states. The Company has been working with very strong project finance partners which reduces financial risks and improves execution capabilities and resultant outcomes. PDL through its journey, has created many architectural symbols from barren lands, which have left lasting landmarks on the real estate industry landscape. PDL works with various leading architects and contractors and has ambitious plans in terms of projects, infrastructure and enhanced customer-centric services. The Company's sole objective is to serve its customers through an integrated comprehensive strategy and to become a valuable contributor to a better world and brighter future.

## VISION

Our vision statement can be encapsulated in our corporate philosophy and motto of 'Building a better world'; to envision, design and construct the most magnificent landmarks and edifices; to contribute tangibly in regional and national development by way of key infrastructure projects, and to protect and preserve the environment we live in. At the end of the day, our vision is about making the world a better place to live in; to transform and uplift quality of living and lifestyles of each and every individual that comes in contact with us.

## MISSION

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

# OUR BUSINESS PORTFOLIO

GROUP HOUSING

INTEGRATED TOWNSHIP

COMMERCIAL

LUXURY OFFICE

# PARSVNATH DEVELOPERS – THE NAME WITH MANY FIRSTS

- Amongst First few IPOs in Indian Real Estate - Listed on NSE & BSE in 2006
- First Real Estate Company to integrate ISO 9001, 14001 and OHSAS 18000
- First Company to develop mall projects at Delhi Metro Stations
- First major development in CBD of Delhi (in last decade) – Parsvnath Capital Towers, BVSM, New Delhi
- Most premium commercial development in Delhi and India (Estimated) - The Parsvnath 27, KG Marg
- Successful track of partnering and giving lucrative exits to PE partners at project level

DELHI METRO RAIL CORPORATION (DMRC)

HOSPITALITY

SPECIAL ECONOMIC ZONES (SEZs) / IT Parks

THIRD PARTY

# OPERATIONAL & FINANCIAL PERFORMANCE OF COMPANY AND BUSINESS VERTICALS:

FY17 has presented the Indian Real estate with new roads to transformation and their related challenges. Historic policy reforms like GST Act, implementation of RERA and Demonetization come with the potential to bring transparency, fair practices and protection of stakeholder interest. In the backdrop of this macro environment, Parsvnath Developers remained committed to complete and deliver on-going residential projects besides taking larger strides in the promising commercial segment. As on June 30, 2017, the Company had a total of 65 completed projects, measuring 26,27,924 sq. mt. (28.29 million sq. ft.) of area across Residential, Commercial, DMRC, Retail and Contractual segments. The Company had total 42 projects under various stages of development at the end of FY17 translating into 50,75,035 sq. mt. (54.63 million sq. ft.) saleable area. PDL has strategic land bank of 94,49,359 sq. mt. (101.71 million. sq. ft.) as on June 30, 2017.

## COMPLETED PROJECTS as on June 30, 2017:

| SEGMENT | NO. OF PROJECTS | SALEABLE AREA SQ. MT. | (MN. SQ. FT.) |
|---|---|---|---|
| Group Housing Projects | 20 | 9,69,420 | 10.43 |
| Commercial Projects | 15 | 86,237 | 0.93 |
| Integrated Township Projects | 13 | 13,10,171 | 14.10 |
| DMRC (BOT) Projects | 11 | 90,750 | 0.98 |
| Contractual Projects | 6 | 1,71,346 | 1.85 |
| Total | 65 | 26,27,924 | 28.29 |

## ON-GOING PROJECTS as on June 30, 2017:

| SEGMENT | NO. OF PROJECTS | SALEABLE AREA SQ. MT. | (MN. SQ. FT.) |
|---|---|---|---|
| Group Housing Projects | 16 | 20,40,822 | 21.97 |
| Commercial Projects | 11 | 2,44,414 | 2.63 |
| Integrated Township Projects | 13 | 26,77,052 | 28.81 |
| DMRC (BOT) Projects | 1 | 11,463 | 0.12 |
| SEZ/IT Parks | 1 | 1,01,284 | 1.09 |
| Total | 42 | 50,75,035 | 54.63 |


Parsvnath City, Sonepat. Actual Picture

## GROUP HOUSING PROJECTS

Parsvnath develops quality residential spaces of varied specifications and scale across the country. These include high-rise, multi-storey apartments with all modern facilities and features.

The Company has been working on a balanced portfolio of real estate projects. The Group Housing segment constitutes 37% of the total projects delivered till date and 40% of the projects under development in terms of saleable area. In-line with its strategy, the Company continued to focus on completing the existing projects and hence no new project was launched in FY17.

The prestigious projects under development during FY17 included Parsvnath Exotica at Gurgaon, Parsvnath Privilege at Greater Noida and Parsvnath Palacia at Greater Noida.




Images above:

1. Parsvnath Planet Lucknow. Actual Picture
2. Parsvnath Panchvati, Agra. Actual Picture
3. Parsvnath Royale, Panchkula. Actual Picture

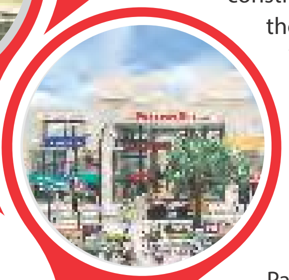
## COMMERCIAL PROJECTS

Parsvnath has a strong Commercial Real Estate development portfolio which includes offices, malls, retail spaces and showrooms. The revenues vary across sale of property as well as lease rental income.

Another cornerstone of PDL's future growth strategy is the major focus on the Commercial Segment. This is also in line with the industry trends that indicate a strong segmental growth in the present and latent potential for the near to long-term future. PDL has over the years built a strong presence in commercial segment and has constructed some impressive landmark projects. Our commercial projects have some of the most prominent brands associated with us like Axis Bank, Aditya Birla Group, World Health Organization (WHO), Loreal, Facebook, ICICI Prudential and Thomson Reuters to name a few. Our commercial projects are spread across Delhi, Moradabad, Faridabad, Saharanpur, Gurgaon, Dehradun, Bhiwadi, Greater Noida and many other cities across India.

The Company's prominent projects include Parsvnath Capital Towers at Bhai Veer Singh Marg, New Delhi (Phase 1 delivered, Phase 2 under development); The Parsvnath 27 at Kasturba Gandhi Marg, New Delhi; Parsvnath Mall at Rohini, Delhi.






Images above:

1. The Parsvnath 27, Kasturba Gandhi Marg, New Delhi. Perspective Image.
2. Parsvnath Capital Towers, B.V.S.M. (New Delhi) Actual Picture
3. Parsvnath Plaza, Saharanpur. Actual Picture

## DELHI METRO RAIL CORPORATION (DMRC) PROJECTS

Parsvnath has been privileged to develop futuristic world-class commercial spaces and retail outlets at Delhi's Metro Stations since 2006. These projects are executed under BOT/ BOI / BOO Model. Since then, the Company has come a long way in DMRC mall projects wherein it builds, owns and operates the commercial and retail spaces for a specific period of time, usually 12 or 30 years. At the end of FY17, Parsvnath had delivered 11 mall projects on 8 stations of DMRC across Red line, Yellow line and Blue line.

**Images above:**

1. Parsvnath Mall, Shahadara Metro Station, Delhi. Actual Picture
2. Parsvnath Mall, Pratap Nagar Metro Station, Delhi. Actual Picture
3. Parsvnath Mall, Seelampur Metro Station, Delhi. Actual Picture

## INTEGRATED TOWNSHIP PROJECTS

Integrated Township Projects are self-sufficient in terms of infrastructure and provide for a complete city-like living experience within the frame work of the project. Integrated Townships offer villas, independent floors, high-rise apartments, residential plots, commercial spaces, retail destinations, education establishments, medical facilities and more. The Company has garnered immense growth opportunities in this segment. PDL has over the years been developing many such projects in its portfolio.

The Company's Integrated Township projects are spread across Indore, Karnal, Jaipur, Jodhpur, Lucknow, Panipat, Saharanpur, Sonepat, Ujjain, Rajpura, Rohtak, Dharuhera, Derabassi and others.

**Images above:**

1. Parsvnath City Jaipur. Actual Picture
2. Parsvnath City,Lucknow. Actual Picture
3. Parsvnath City, Indore. Actual Picture

## HOSPITALITY PROJECTS

Parsvnath Developers undertakes projects to develop hospitality facility(s) through its wholly owned subsidiary viz. Parsvnath Hotels Limited. At present PDL is developing a hospitality project at Shirdi, District Ahmednagar, Maharashtra.

## SPECIAL ECONOMIC ZONES / IT PARKS

The Company has been taking steady strides in the segment of Special Economic Zone (SEZ)/ IT Park(s) projects. PDL carries out its SEZ business through a subsidiary company named Parsvnath Infra Limited (PIL). PDL through PIL is currently in the initial stages of developing a bio-technology SEZ at Hyderabad, Andhra Pradesh and an integrated IT/Hi-tech Park at Kochi, Kerala. At present, one project named Parsvnath Technica, Gurgaon is under construction under this category by PDL.

## THIRD PARTY CONTRACTS

Third party contract projects have remained in PDL's project portfolio since inception. PDL undertakes construction projects for private as well government clients. Parsvnath's inherent strengths, capabilities and scale helps it deliver high quality projects from scratch for its customers. As on date, there are no currently running third party contracts, however, these have remained an important part of PDL's business and the Company is focusing again on this segment and plans to take up new projects.

The key third party contract projects included construction of SAI ASHRAM at Shri Saibaba Sansthan, Shirdi Maharashtra; construction of institute and hostel buildings for Footwear Design & Development Institute, Bareli, UP; and construction of Station Complex at Dhaula Kuan Metro Station, New Delhi among others.




**Images above:**

1. Parsvnath Technica (IT Park), Gurgaon. Actual Picture
2. SAI ASHRAM, Shri Saibaba Sansthan, Shirdi. Actual Picture
3. Footwear Design & Development Institute, Rae Bareli. Actual Picture

# CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Company has been committed to its Corporate Social Responsibility (CSR). The Company carries out all its CSR activities through its CSR arm - Parsvnath Foundation, under the able and considerate leadership of the Founder Chairman Shri Pradeep Kumar Jain who is ably supported by the Board of Directors, Senior Management and designated employees.

As a responsible corporate citizen, the Company is consciously working towards fulfilling its Corporate Social Responsibility under its CSR policy which lays down the vision, objectives and implementation mechanism. The Company shall be outlining the projects that will be undertaken within the broad framework of Schedule VII of the Companies Act, 2013.

The Company has constituted a CSR Committee under the Board of Directors which comprises of five directors including two Executive Directors viz., Shri Pradeep Kumar Jain and Shri Sanjeev Kumar Jain and three Non-Executive Independent Directors viz., Shri Ashok Kumar (Chairman of the Committee), Shri Mahendra Nath Verma and Ms. Deepa Gupta. Shri V. Mohan, Sr. Vice President (Legal) & Company Secretary acts as the Secretary to the Committee. The CSR Committee shall ensure that the implementation and monitoring of the CSR projects will be in compliance with the CSR Policy in letter and in spirit.

# AWARDS & RECOGNITIONS

Parsvnath Developers has been creating landmarks through its business journey and has been recognized across various platforms. The Company's legacy of earning laurels for the good work continues and during FY17 following were the key recognitions:

- **Redfort Capital Parsvnath Towers** featured in list of Noteworthy Projects set to Transform the Country's skyline in November 2016 issue of reputed **"Construction Week Magazine"**
- **Mr. Pradeep Jain, Chairman** of Parsvnath Developers Ltd featured in the Cover Story of the July 2016 issue of **'Construction Week Magazine"**

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

**Executive Directors**

Shri Pradeep Kumar Jain
*Founder Chairman*

Shri Sanjeev Kumar Jain
*Managing Director & CEO*

Dr. Rajeev Jain
*Director (Marketing)*

## NON-EXECUTIVE INDEPENDENT DIRECTORS

Shri Ashok Kumar
Dr. Pritam Singh
Ms. Deepa Gupta
Shri Mahendra Nath Verma

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

Shri V. Mohan

## AUDITORS

M/s S. N. Dhawan & Co. LLP
(formerly S.N. Dhawan & Co.),
Chartered Accountants,
410, Ansal Bhawan,
16, Kasturba Gandhi Marg,
New Delhi - 110001

## REGISTRAR & SHARE TRANSFER AGENT

M/s Link Intime India Pvt. Ltd.
44, Community Center,
2nd Floor, Naraina Industrial Area,
Phase-I, New Delhi - 110 028.

## SHARES LISTED AT

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

## REGISTERED OFFICE

Parsvnath Tower,
Near Shahdara Metro Station,
Shahdara, Delhi - 110 032.
CIN: L45201DL1990PLC040945
Phone No: 011-43010500, 011-43050100
Fax No: 011-43050473
E-mail: investors@parsvnath.com
Website: www.parsvnath.com

## CORPORATE OFFICE

6th Floor, Arunachal Building,
19, Barakhamba Road,
New Delhi - 110 001.

## BANKS & FINANCIAL INSTITUTIONS

| | | |
|---|---|---|
| Axis Bank Ltd. | IDBI Bank Ltd. | Punjab National Bank |
| Bank of India | IFCI Venture Capital Funds Ltd. | State Bank of India |
| Canara Bank | IndusInd Bank Ltd. | Syndicate Bank |
| Central Bank of India | Karnataka Bank Ltd. | UCO Bank |
| Dhanlaxmi Bank Ltd. | Kotak Mahindra Bank Ltd. | |
| HDFC Bank Ltd. | Life Insurance Corporation of India | |
| ICICI Bank Ltd. | Oriental Bank of Commerce | |

# BOARD'S REPORT

**Dear Shareholders,**

Your Directors have pleasure in presenting the 26th Annual Report, together with the Audited Financial Statements of the Company for the financial year ended March 31, 2017.

## 1. FINANCIAL RESULTS

[₹ in lakhs]

| Item | STAND-ALONE | | CONSOLIDATED | |
|---|---|---|---|---|
| | FY 2016-17 | FY 2015-16 | FY 2016-17 | FY 2015-16 |
| **Total Revenue** | 27,468.27 | 34,616.74 | 30,653.08 | 44,146.44 |
| **Profit/ (loss) before depreciation and tax** | (3,325.45) | (2,158.02) | (13,319.37) | (6,109.30) |
| Less: Depreciation | 852.17 | 959.24 | 2,794.09 | 2,891.13 |
| **Profit/ (loss) before tax** | **(4,177.62)** | **(3,117.26)** | **(16,113.46)** | **(9,000.43)** |
| Less: Provision for taxation | (694.48) | (3,322.72) | (1,224.21) | (4,062.49) |
| **Profit/ (loss) after tax** | **(3,483.14)** | **205.46** | **(14,889.25)** | **(4,937.94)** |
| Share of Profit/(loss) in Associates | - | - | 2.21 | 2.18 |
| **Profit/ (loss) for the year** | **(3,483.14)** | **205.46** | **(14,887.04)** | **(4,935.76)** |
| Other comprehensive income | (18.92) | 8.34 | (18.92) | 8.33 |
| **Total comprehensive income for the year** | **(3,502.06)** | **213.80** | **(14,905.96)** | **(4,927.43)** |
| Net profit/(loss) attributable to: | | | | |
| a) Shareholders of the company<br>b) Non-controlling interest | (3,502.06)<br>- | 213.80<br>- | (14,474.94)<br>(431.02) | (3,707.66)<br>(1,219.77) |
| Balance brought forward (including other comprehensive income) | 87,475.34 | 87,261.54 | 82,271.76 | 85,979.42 |
| Add: Profit/(loss) for the year attributable to shareholders of the company | (3,502.06) | 213.80 | (14,474,.94) | (3,707.66) |
| Less: Transferred to Debenture Redemption Reserve | 7,802.50 | - | 12,802.50 | - |
| **Closing balance (including other comprehensive income)** | **76,170.78** | **87,475.34** | **54,994.32** | **82,271.76** |

Note: The Company has adopted Indian Accounting Standards ("Ind AS") from April 1, 2016 and accordingly the financial statements have been prepared in accordance with the Companies (Indian Accounting Standards) Rules, 2015 (Ind AS) prescribed under Section 133 of the Companies Act, 2013. The date of transition to Ind AS is April 1, 2015. Figures for the corresponding year ended March 31, 2016 have been restated to comply with Ind AS.

## 2. DIVIDEND

In view of loss incurred during the financial year ended March 31, 2017 coupled with constrained liquidity position of the Company, your Directors have considered it appropriate not to recommend any dividend.

## 3. REVIEW OF OPERATIONS

During the year under review, on consolidated basis, the Company has earned a total revenue of ₹ 30,653.08 lakhs as against ₹ 44,146.44 lakhs in 2015-2016 and Net loss was ₹ 14,887.04 lakhs as against a net loss of ₹ 4,935.76 lakhs in 2015-2016. Earnings per Share (EPS) of the Company stood at ₹ -0.80 on stand-alone basis and ₹ -3.33 on consolidated basis in Fiscal 2016-2017.

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

## 4. MANAGEMENT DISCUSSION AND ANALYSIS

The Management Discussion and Analysis Report, forming part of the Board's Report for the year under review, as stipulated under Regulation 34 (2)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), is discussed in a separate section of this Annual Report.

## 5. SUBSIDIARIES, JOINT VENTURE ENTITIES AND ASSOCIATE COMPANIES

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

During the year under review:

- Parsvnath Estate Developers Pvt. Ltd., subsidiary company has become a wholly owned subsidiary of the Company, consequent upon the acquisition of 12,25,000 Class B equity shares, with effect from May 24, 2016.
- Parsvnath Realty Ventures Ltd. has become a wholly owned subsidiary of the Company, consequent upon the acquisition of 50,000 equity shares, with effect from July 16, 2016.
- Parsvnath Landmark Developers Pvt. Ltd., subsidiary company has become a wholly owned subsidiary of the Company, consequent to the acquisition of 1,60,101 Class A equity shares and 5,61,951 Class B equity shares, with effect from November 2, 2016.
- Vasavi PDL Ventures Pvt. Ltd. (VPVPL) was incorporated as a subsidiary company, by subscribing to 51% of the paid-up capital of VPVPL, with effect from October 31, 2016, pursuant to the joint venture agreement with Vasavi Nirmaan Private Limited to develop the multi-complex on the land situated at Kukatpally, Hyderabad.

Subsequent to year under review, Farhad Realtors Private Limited ("FRPL") has become a wholly owned subsidiary of the Company, consequent upon the acquisition of 10,000 equity shares, with effect from July 29, 2017.

Pursuant to the provisions of Section 129(3) of the Companies Act, 2013 ("Act"), a statement containing brief financial details of the Company's subsidiaries, associate companies and joint ventures for the financial year ended March 31, 2017 in Form AOC-1 is attached to the financial statements of the Company. The details as required under Rule 8 of the Companies (Accounts) Rules, 2014 regarding the performance and financial position of each of the subsidiaries and associate companies forms part of the Consolidated Financial Statements of the Company for the financial year ended March 31, 2017.

Pursuant to the provisions of Section 136 of the Act, the financial statements of the Company, including consolidated financial statements alongwith relevant documents and separate audited accounts in respect of its subsidiary companies are available on the website of the Company. The annual accounts of these subsidiaries and the related detailed information will be made available to any Shareholder of the Company/its subsidiaries seeking such information at any point of time and will also be kept open for inspection by any Shareholder of the Company/its subsidiaries at the registered office of the Company and that of the respective companies and the copies thereof shall also be available at the Corporate Office of the Company situated at 6th Floor, Arunachal Building, 19, Barakhamba Road, New Delhi-110001, between 11.00 a.m. and 1.00 p.m. on all working days. The Company shall furnish a copy of detailed annual accounts of such subsidiaries to any Shareholder on demand.

## 6. CONSOLIDATED FINANCIAL STATEMENTS

In accordance with the provisions of the Act, and implementation requirements of Indian Accounting Standards (`Ind- AS') Rules on accounting and disclosure requirements, which is applicable from current year and Regulation 33 of the Listing Regulations, the Audited Consolidated Financial Statements are provided in this Annual Report.

## 7. DEBENTURES

During the year under review, the Company has issued Series XV & XVI (Issue–I) 19% Secured Redeemable Non-Convertible Debentures (NCDs) aggregating to ₹ 1,710 lakhs.

## 8. FIXED DEPOSITS

During the year under review, the Company has not accepted fixed deposits from the public.

## 9. DIRECTORS AND KEY MANAGERIAL PERSONNEL

During the year under review, there has been no change in the composition of the Board of Directors.

Your Company has received annual declarations from all the Independent Directors of the Company confirming that they meet with the criteria of Independence provided in Section 149(6) of the Act and Regulation 16(1)(b) of the Listing Regulations and there has been no change in the circumstances which may affect their status as Independent Director during the year.

During the year, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, apart from receiving Director's remuneration.

In accordance with the applicable provisions of the Act read with the Articles of Association of the Company, Dr. Rajeev Jain (DIN: 00433463), Director of the Company, will retire by rotation at the ensuing Annual General Meeting and being eligible, offers himself for re-appointment.

The Notice convening the ensuing 26th Annual General Meeting includes the proposal for re-appointment of Dr. Rajeev Jain as stated above. Further, as required under the

Listing Regulations and Secretarial Standard on General Meetings, his brief resume is furnished in the explanatory statement to the Notice convening the ensuing Annual General Meeting.

## 10. BOARD COMMITTEES

### Audit Committee

The Audit Committee comprises Shri Mahendra Nath Verma (Chairman), Shri Sanjeev Kumar Jain, Shri Ashok Kumar, Dr. Pritam Singh and Ms. Deepa Gupta. All members except Shri Sanjeev Kumar Jain are Non-Executive, Independent Directors of the Company.

### CSR Committee

The CSR Committee comprises five directors including two Executive Directors viz. Shri Pradeep Kumar Jain and Shri Sanjeev Kumar Jain and three Non-Executive, Independent Directors viz. Shri Ashok Kumar, who is also the Chairman of the Committee, Ms. Deepa Gupta and Shri Mahendra Nath Verma.

### Nomination and Remuneration Committee

As on March 31, 2017, the Committee comprised of Dr. Pritam Singh (Chairman), Shri Ashok Kumar and Shri Mahendra Nath Verma, all being Non-Executive, Independent Directors. Subsequent to year under review, Ms. Deepa Gupta was co-opted as Member of the Committee with effect from May 29, 2017.

### Stakeholders Relationship Committee

The Committee comprises Shri Ashok Kumar, Non-Executive Independent Directors (Chairman), Shri Sanjeev Kumar Jain and Dr. Rajeev Jain.

A detailed note on the Committees of the Board of Directors is given in the Corporate Governance Report which forms part of this Report.

## 11. NUMBER OF MEETINGS OF THE BOARD

Eight meetings of the Board of Directors were held during the year. For details of the meetings of the Board, please refer to the Corporate Governance Report, which forms part of this Report.

## 12. BOARD EVALUATION

The Board of Directors has carried out an annual evaluation of its own performance and that of its committees and individual Directors, pursuant to the provisions of the Act, based on the criteria recommended by the Nomination and Remuneration Committee. Pursuant to Regulation 17 (10) read with Schedule II to the Listing Regulations and Schedule IV to the Act, the performance evaluation of the Independent Directors was carried out by the entire Board, excluding the Director being evaluated.

A separate meeting of the Independent Directors was held, inter-alia, to review the performance of Non-Independent Directors and the Board as a whole, review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors and to assess the quality, quantity and timeliness of flow of information between the Company's management and the Board, that is necessary for the Board to effectively and reasonably perform its duties.

## 13. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS

The Nomination and Remuneration Policy recommended by the Nomination and Remuneration Committee duly approved by the Board of Directors of the Company is attached as **Annexure I**.

The details of programmes for familiarisation of Independent Directors with the Company, their roles, rights, responsibilities in the Company, nature of the industry in which the Company operates, business model of the Company and related matters are posted on the website of the Company at the link: http://www.parsvnath.com/investors/iulr/familiarization-programs-for-independent-directors/.

## 14. DIRECTORS' RESPONSIBILITY STATEMENT

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

a) in the preparation of the annual accounts for the year ended March 31, 2017, the applicable accounting standards read with requirements set out under Schedule III to the Act, have been followed and there are no material departures from the same;

b) the Directors have selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2017 and the profit and/or loss of the Company for the year ended on that date;

c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

d) the Directors have prepared the annual accounts on a 'going concern' basis;

e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and

f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the internal, statutory and secretarial auditors and the reviews of the management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the financial year 2016-17.

## 15. CORPORATE SOCIAL RESPONSIBILITY

The Annual Report on Corporate Social Responsibility (CSR) under Section 135 of the Companies Act, 2013 is annexed as **Annexure II** to this report in the format prescribed in the Companies (Corporate Social Responsibility Policy) Rules, 2014. The Company's CSR policy is available on the Company's web site at link: http://www.parsvnath.com/investors/iulr/corporate-social-responsibility-policy/.

## 16. CONTRACTS AND ARRANGEMENTS WITH RELATED PARTIES

All contracts / arrangements / transactions entered by the Company during the financial year with related parties were in the ordinary course of business and on an arm's length basis. Also, the Company has obtained prior omnibus approval for related party transactions occurred during the year for transactions which are of repetitive nature and / or entered in the ordinary course of business at arm's Length.

During the year, the Company had not entered into any contract / arrangement / transaction with related parties which could be considered material under Section 188 of the Companies Act, 2013.

In view of the above, the requirement of giving particulars of contracts / arrangements made with related parties, in Form AOC-2 is not applicable for the year under review.

The related party transactions undertaken during the financial year 2016–17 are detailed in the Notes to Accounts of the Financial Statements.

The Policy for determination of materiality of related party transactions and dealing with related party transactions as approved by the Board may be accessed on the Company's website at the link: http://www.parsvnath.com/investors/iulr/related-party-transaction-policy/.

## 17. INTERNAL FINANCIAL CONTROLS AND INTERNAL AUDIT

The Company has in place adequate internal financial controls with reference to the financial statements. The Audit Committee periodically reviews the internal control systems with the management, Internal Auditors and Statutory Auditors and the adequacy of internal audit function, significant internal audit findings and follow-ups thereon.

## 18. AUDIT COMMITTEE RECOMMENDATIONS

During the year under review, the suggestions put forth by the Audit Committee were duly considered and accepted by the Board of Directors. There were no instances of non-acceptance of such recommendations.

## 19. AUDITORS

### (a) Statutory Auditors

M/s S. N. Dhawan & Co. LLP (formerly S. N. Dhawan & Co.), Chartered Accountants (Firm Registration No. 000050N/N500045) has been appointed as Statutory Auditors of the Company from the conclusion of 25th Annual General Meeting for a term of five consecutive years till conclusion of the 30th Annual General Meeting (subject to ratification of the appointment by the members at every Annual General Meeting)

As required under Sections 139 and 141 of the Act and the Rules made thereunder, the Company has obtained a written consent from M/s S. N. Dhawan & Co. LLP, Chartered Accountants, to such ratification and also a certificate to the effect that such ratification would be in accordance with the aforesaid Sections, as may be applicable.

### Statutory Auditors Report

➢ There is no qualification, reservation or adverse remark in the Auditors' Report on the Stand-alone Financial Statements of the Company for the financial year ended March 31, 2017.

  They have made certain observations in clauses (vii)(a), (vii)(b) & (viii) of the Annexure referred to in the aforesaid Report in respect of delay in deposit of statutory liabilities to the appropriate authorities, delay in payment of principal and interest on borrowings and the response of your Directors is given below under point no. (b):

➢ The Auditors in their report on Consolidated Financial Statements of the Company for the financial year ended March 31, 2017 have expressed the qualified opinion: "We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets (after eliminating intra-group transactions) of Rs. 22,503.57 lakhs as at March 31, 2017, total revenues (after eliminating intra-group transactions) of Rs. 632.49 lakhs and net cash flows amounting to Rs. 30.31 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements."

This qualification is appearing since the financial statements of Parsvnath Buildwell Private Limited, subsidiary company has been consolidated on the basis of unaudited financial statements.

➢ There were no instances of frauds reported by the Statutory Auditors under Section 143(12) of the Act.

### (b) Secretarial Auditors and Secretarial Audit Report

The Board of Directors of the Company has re-appointed M/s Chandrasekaran Associates, Company Secretaries, to conduct the Secretarial Audit of the Company for the Financial Year 2017-18. The Secretarial Audit Report for the financial year ended March 31, 2017 is annexed herewith as **Annexure III** to this Report. The Secretarial Auditors in their report have made certain observations and the response of your Directors is as follows:

The Company, due to continued recession in the real estate sector owing to slow down in demand, is facing tight liquidity situation as a result of which it could not make timely payment of principal and interest on its borrowings and discharge of its statutory liabilities. Also, the Company continues to face lack of adequate sources of finance to fund execution and completion of its ongoing projects resulting in delayed realisation from its customers and lower availability of funds to discharge its liabilities. The Company is continuously exploring alternative sources of finance, including sale of non-core assets to generate adequate cash inflows for meeting these obligations and to overcome this liquidity crunch.

### (c) Internal Auditors

The Board of Directors of the Company has re-appointed M/s P. Jain & Company, Chartered Accountants, (Firm Registration No. 000711C) as Internal Auditors, pursuant to the provisions of Section 138 of the Companies Act, 2013, for the financial year 2017-18.

### (d) Cost Auditors

The Board of Directors of the Company has re-appointed M/s Chandra Wadhwa & Company, Cost Accountants (Firm Registration No. 000239) as Cost Auditors for conducting the audit of cost records of the Company, for the financial year 2017-18.

## 20. CORPORATE GOVERNANCE

A separate section on Corporate Governance, forming part of the Board's Report and the Certificate from M/s Chandrasekaran Associates, practicing company secretary confirming compliance with the Corporate Governance norms, as prescribed under Regulation 34 of the Listing Regulations are included in the Annual Report.

### Code of Conduct

The Board of Directors has laid down a Code of Conduct for Board Members and Senior Management Personnel. The said Code has been posted on the Company's website www.parsvnath.com. As prescribed under Listing Regulations, a declaration signed by the Managing Director & CEO affirming compliance with the aforesaid Code of Conduct by the Directors and Senior Management Personnel of the Company for the financial year 2016-17 is annexed and forms part of the Corporate Governance Report.

## 21. LISTING WITH STOCK EXCHANGES

During the year under review, the equity shares of the Company continue to remain listed with the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE). The listing fee for the financial year 2017-18 has been paid by the Company to both NSE and BSE.

## 22. TRANSFER TO INVESTOR EDUCATION AND PROTECTION FUND

During the year under review, the Company was not required to transfer any amount to Investor Education and Protection Fund (IEPF) established by the Central Government.

## 23. DISCLOSURES

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

The nature of operations of the Company does not require disclosure of particulars relating to conservation of energy and technology absorption, as prescribed under Section 134(3)(m) of the Act, read with Rule 8(3) of the Companies (Accounts) Rules, 2014. During the year under review, the Company has nil foreign exchange earnings and has incurred expenditure of ₹ 90.14 lakhs, as compared to ₹ 21.02 lakhs in the previous year.

### 2. Particulars of Employees

The information required under Section 197 of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company as on March 31, 2017:

| Name of the Directors | Ratio to median remuneration |
|---|---|
| **Non-Executive Directors** | |
| Shri Ashok Kumar | 17.06 |
| Dr. Pritam Singh | 10.03 |
| Ms. Deepa Gupta | 14.05 |
| Shri Mahendra Nath Verma | 16.05 |
| **Executive Directors** | |
| Shri Pradeep Kumar Jain | N.A. |
| Shri Sanjeev Kumar Jain | N.A. |
| Dr. Rajeev Jain | N.A. |

b. The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year: Nil

c. The percentage increase in the median remuneration of employees in the financial year: Nil

d. The number of permanent employees on the rolls of Company as on March 31, 2017: 462

e. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration: Nil

f. Affirmation that the remuneration is as per the remuneration policy of the Company:

The Company affirms that remuneration is as per the remuneration policy of the Company.

g. As per Section 197(12) of the Act read with the Rule 5 of the Companies (Appointment of Managerial Personnel) Rules, 2014 details of employees drawing a remuneration of more than ₹ 102 lakhs per annum, if employed throughout the financial year and ₹ 8.5 lakhs per month, if employed for part of the financial year need to be set out as annexure to this Report. However, none of the employees come under the purview of this section and hence, the said provisions are not applicable.

Further, as per MCA notification dated June 30, 2016, list of top ten employees of the Company is annexed herewith as **Annexure IV**.

### 3. Particulars of loans, guarantees or investments under Section 186 of the Companies Act, 2013

As your Company is engaged in the business of real estate development included in the term Infrastructural projects/facilities under Schedule VI to the Act, the provisions of Section 186 of the Act related to loans made, guarantees given or securities provided are not applicable to the Company. However, the details of the same are provided in the financial statements.

### 4. Extract of Annual Return

Extract of Annual Return in the Form MGT-9, as required under Section 92 of the Act is annexed herewith as **Annexure V** to this Report.

## 24. RISK MANAGEMENT

Your Company has in place a Risk Management Policy to assist the Board in:

(a) Overseeing and approving the Company's enterprise wide risk management framework;

(b) Overseeing that all the risks that the organization faces such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational and other risks have been identified and assessed and there is an adequate risk management infrastructure in place capable of addressing those risks.

The Company manages, monitors and reports on the principal risks and uncertainties that can impact its ability to achieve its strategic objectives. The Company's management systems, organisational structure, processes, standards, code of conduct etc. governs how the Company conducts its business and manages associated risks.

The Board periodically reviews implementation and monitoring of the risk management plan for the Company including identification therein of elements of risks, if any, which in the opinion of the Board may threaten the existence of the Company.

## 25. VIGIL MECHANISM

The Company has in place Vigil Mechanism, which also incorporates a Whistle Blower Policy for Directors and employees to report genuine concerns in the prescribed manner, in terms of the Listing Regulations. The Vigil Mechanism is overseen by the Audit Committee and provides adequate safeguards against victimization of employees and Directors. Whistle Blower Policy is a mechanism to address any complaint(s) related to fraudulent transactions or reporting intentional non-compliance with the Company's policies and procedures and any other questionable accounting/ operational process followed. It provides a mechanism for employees to approach the Chairman of the Audit Committee or Shri V. Mohan, Sr. Vice President (Legal) & Company Secretary designated as Whistle and Ethics Officer under the aforesaid mechanism. During the year, no such incidents were reported and no personnel were denied access to the Chairman of the Audit Committee. The Vigil Mechanism / Whistle Blower Policy may be accessed on the Company's website at the link: http://www.parsvnath.com/investors/information/vigil-mechanism-whistle-blower-policy/.

## 26. GENERAL

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

1. Details relating to deposits covered under Chapter V of the Act.
2. Issue of equity shares with differential rights as to dividend, voting or otherwise.
3. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
4. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
5. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future.
6. No material changes and/or commitments affecting the financial position of your Company have occurred between the end of the financial year and the date of signing of this Report.

Your Directors further state that during the year under review, there were no cases filed/ reported pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Securities and Exchange Board of India ("SEBI") had issued directions to the Stock Exchanges vide letter No. SEBI/HO/ISD/ISD/OW/P/2017/18183 dated August 7, 2017 whereby the Company's name was included amongst the list of suspected "Shell Companies", as a result of which, the equity shares of the Company were shifted to GSM VI on the Stock Exchanges. The Company had filed an appeal against the aforesaid directions of SEBI with Securities Appellate Tribunal ("SAT") on August 9, 2017. SAT has passed an order dated August 11, 2017 staying the aforesaid directions of SEBI in respect of trading restriction on the Shares of the Company and accordingly the equity shares of the Company were restored to the normal trading segment of the Stock Exchanges with effect from August 14, 2017.

## ACKNOWLEDGEMENT

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

The Directors also wish to acknowledge the contribution made by employees at all levels for steering the growth of the organisation. Your Directors also thank the Government of India, the State Governments and other Government Agencies for their assistance and co-operation and look forward to their continued support in future.

**On behalf of the Board of Directors**

**Sd/-**
**PRADEEP KUMAR JAIN**
**Chairman**
**DIN 00333486**

Place: New Delhi
Date: August 12, 2017

### *CAUTIONARY STATEMENT*

*Certain statements in the Board's Report describing the Company's objectives, projections, estimates, expectations or predictions may be forward-looking statements within the meaning of applicable securities laws and regulations. Actual results could differ from those expressed or implied. Important factors that could make a difference to the Company's operations include labour and material availability, and prices, cyclical demand and pricing in the Company's principal markets, changes in government regulations, tax regimes, economic development within India and other incidental factors.*

## ANNEXURE I

# NOMINATION AND REMUNERATION POLICY

## 1. PREAMBLE

The Board of Directors of Parsvnath Developers Limited ("the Company") constituted the "Remuneration Committee" at its Meeting held on March 14, 2006 and subsequently renamed the same as "Nomination and Remuneration Committee" with effect from May 28, 2014. The Nomination and Remuneration Policy has been formulated in compliance with Section 178 of the Companies Act, 2013 read with the applicable rules thereto and SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 (Listing Regulations) and amended, based on the recommendation of the Nomination and Remuneration Committee.

## 2 DEFINITIONS

a) **"Act"** means the Companies Act, 2013, as amended from time to time.

b) **"Board"** means Board of Directors of the Company.

c) **"Committee"** means Nomination and Remuneration Committee ('NRC') of the Board of Directors.

d) **"Company"** means Parsvnath Developers Limited.

e) **"Directors"** mean Directors appointed to the Board of Directors of the Company.

f) **"Independent Director"** means a director referred to in Section 149 (6) of the Act read with Regulation 16(1)(b) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("Listing Regulations")

g) **"Key Managerial Personnel"** means Key Managerial Personnel (KMP) as defined under the Act and includes:

(i) Managing Director, or Chief Executive Officer or Manager;

(ii) Whole-time Director;

(iii) Company Secretary;

(iv) Chief Financial Officer; and

(v) such other officer(s) as may be prescribed

h) **"Policy"** means Nomination and Remuneration Policy, as amended from time to time.

i) **"Senior Management"** means Personnel of the Company who are members of its core management team excluding the Board of Directors. This would normally comprise all members of management one level below the Executive Directors, including all functional heads.

## 3. OBJECTIVES

The Key Objectives of the Policy are to ensure that:

a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors, Key Managerial Personnel and Senior Managerial Personnel to maintain the quality of work required to run the Company successfully;

b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

c) remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals; and

d) to develop a succession plan for the Board and senior management.

## 4. TERMS OF REFERENCE/ ROLE OF THE COMMITTEE

The Committee shall have roles in accordance with the provisions of Section 178 of the Act read with Rules made thereunder and Regulation 19 read with Part D of Schedule II to the Listing Regulations and shall act in accordance with the terms of reference which shall, *inter-alia*, include the following:

a) formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board of Directors a policy relating to the remuneration of the Directors, Key Managerial Personnel and other employees;

b) formulation of criteria for evaluation of performance of Independent Directors and the Board of Directors;

c) devising a policy on diversity of Board of Directors;

d) identifying persons who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board of Directors their appointment and removal;

e) whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors;

f) To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;

g) Decide the salary, allowances, perquisites, bonuses, notice period, severance fees and increment etc. of Whole-time/Managing/Executive Directors;

## 5. APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT

a) The Committee shall identify and ascertain the integrity, qualifications, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend his / her appointment, as per Company's Policy.

b) A person should possess adequate qualification, expertise and experience for the position he/ she is considered for appointment. The Committee has authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.

c) The Company shall not appoint or continue the employment of any person as Whole-time Director who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing a special resolution.

d) Senior Management personnel are appointed or promoted and removed/relieved with the authority of Chairman and/or Managing Director based on the business need and the suitability of the candidate in accordance with the criteria laid down. The details of the appointment made and the personnel removed/ relieved shall be presented to the Board.

## 6. TERM / TENURE

**a) Managing Director/Whole-time Director:**

The Company shall appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.

**b) Independent Director:**

An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's report.

No Independent Director shall hold office for more than two consecutive terms of upto maximum of 5 years each, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

At the time of appointment of Independent Director it should be ensured that the number of Boards on which such Independent Director serves is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act and Listing Regulations.

## 7. EVALUATION

The Committee shall carry out evaluation of performance of Directors including Independent Directors, Board of Directors yearly or at such intervals as may be considered necessary.

## 8. REMOVAL

Due to reasons for any disqualification mentioned in the Act or under any other applicable Act, rules and regulations thereunder, the Committee may recommend with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the Act, Listing Regulations and the policy of the Company.

## 9. RETIREMENT

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Act and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

## 10. POLICY FOR REMUNERATION TO DIRECTORS/KMP/SENIOR MANAGEMENT PERSONNEL

**a) Remuneration to Managing Director / Whole-time Directors:**

i. The Remuneration/ Commission etc. to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of the Act and Rules made thereunder or any other enactment for the time being in force and the approvals obtained from the shareholders of the Company.

ii. The Nomination and Remuneration Committee shall make such recommendations to the Board of Directors, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

**b) Remuneration to Non-Executive / Independent Directors:**

i. The Non-Executive/ Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of the Act. The amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors. Provided that the amount of such fees shall not exceed ₹ One Lakh per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.

ii. The Non-Executive/ Independent Directors may be paid commission within the monetary limit approved by the shareholders, subject to the limit as per the applicable provisions of the Act.

iii. All the remuneration of the Non-Executive / Independent Directors (excluding remuneration for attending meetings, as prescribed under Section 197 (5) of the Act, shall be subject to ceiling/ limits as provided under the Act and Rules made thereunder or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors or shareholders, as the case may be.

iv. An Independent Director shall not be eligible to get Stock Options of the Company.

v. Any remuneration paid to Non- Executive / Independent Directors for services rendered which are professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:

- The Services are rendered by such Director in his capacity as a professional; and
- In the opinion of the Committee, the Director possesses the requisite qualification for the practice of that profession.

**c) Remuneration to Key Managerial Personnel and Senior Management:**

i. The remuneration to Key Managerial Personnel and Senior Management may consist of fixed pay and incentive pay, in compliance with the provisions of the Act and in accordance with the Company's Policy.

ii. The Fixed pay shall include monthly remuneration and may include employer's contribution to Provident Fund, contribution to pension fund, pension schemes etc., if any, as decided from to time.

iii. The Incentive pay shall be decided based on the balance between performance of the Company and performance of the Key Managerial Personnel and Senior Management, to be decided annually or at such intervals as may be considered appropriate.

## 11. CRITERIA FOR EVALUATION OF THE DIRECTORS:

The criteria for evaluation under different categories depend on the role the person/group plays in the organization. The criteria for every evaluation may be decided at every level depending on the functions, responsibilities, competencies required, nature of business, etc. As per the Act and the Listing Regulations, the primary responsibility of formulation of criteria lies on the Nomination and Remuneration Committee.

Indicative criteria that may be used for different categories are:

**a) Board as a whole**

i. Structure of the Board: Competency of Directors, Experience of Directors, Mix of qualifications, Diversity in Board under various parameters viz. Gender/background/ competence/experience, etc., Process of Appointment to the Board.

ii. Meetings of the Board: Regularity and frequency of Meetings of the Board, logistics viz. venue, format, timing, etc., Agenda, Discussions and dissent, Recording of minutes, Dissemination of information.

iii. Functions of the Board: Role and responsibilities of the Board, Strategy and performance evaluation, Governance and compliance, Evaluation of Risks, Grievance redressal for Investors, Conflict of interest, Stakeholder value and responsibility, Corporate culture and values, Review of Board evaluation, Facilitation of independent directors.

iv. Board and management: Evaluation of performance of the management and feedback, Independence of the management from the Board, Access of the management to the Board and Board access to the management:, Secretarial support:, Fund availability, Succession plan.

v. Professional development

**b) Committees of the Board**

i. Mandate and composition

ii. Effectiveness of the Committee

iii. Structure of the Committee and meetings

iv. Independence of the Committee from the Board:

v. Contribution to decisions of the Board

**c) Individual Directors and Chairperson (including Chairperson, CEO, Independent Directors, Non-independent Directors, etc.)**

i. Qualifications

ii. Experience

iii. Knowledge and Competency

iv. Fulfillment of functions

v. Ability to function as a team

vi. Initiative

vii. Availability and attendance

viii. Commitment

ix. Contribution

x. Integrity

**d) Additional criteria for Independent Director:**

i. Independence

ii. Independent views and judgment:

**e) Additional criteria for Chairperson:**

i. Effectiveness of leadership and ability to steer the meetings

ii. Impartiality

iii. Commitment

iv. Ability to keep shareholders' interests in mind

Different criteria may be assigned different weights depending on the organisation's requirements, circumstances, outcome of previous assessments, stage of Board's maturity etc. Instead of the questionnaire in a simple yes/no format, it should provide scope for grading, additional comments, suggestions etc.

## 12. CONSTITUTION OF THE COMMITTEE

a) The Committee shall comprise of atleast 3 non-executive directors, majority of them being Independent.

b) Minimum two (2) members shall constitute quorum for the Committee meeting.

c) Company Secretary will act as Secretary to the Committee.

## 13. CHAIRPERSON OF THE COMMITTEE

a) Chairperson of the Committee shall be an Independent Director.

b) Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairperson of the Committee.

c) In the absence of the Chairperson, the members of the Committee present at the meeting shall choose one amongst them to act as Chairperson except the Chairman of the Company.

d) Chairperson of the Committee meeting shall be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

## 14. COMMITTEE MEMBERS' INTERESTS

a) A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.

b) The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

## 15. POLICY ON BOARD DIVERSITY

The Board of Directors shall have the optimum combination of Directors from the different areas/fields like Management, Finance, Sales, Marketing, Retail, Commercial, Human Resources etc. or as may be considered appropriate. The Board shall have atleast one Woman Director as per the statutory requirements.

## 16. SUCCESSION PLAN

The Nomination and Remuneration Committee shall review the leadership needs and succession plan of the Company from time to time.

The appointment of the person at the Board level shall be in accordance with the applicable provisions of the Act read with Listing Regulations, as may be amended from time to time. The successors for the Independent Directors shall be identified by NRC through the sources as the NRC may deem fit. In case of separation of Independent Directors due to resignation/ retirement or otherwise, successor will be appointed at the earliest but not later than the immediate next Board meeting or three months from the date of such vacancy, whichever is later, unless the Board decides not to fill up the vacancy.

The successors for the Executive Director(s) shall be identified by the NRC from among the Senior Management or through external source as the Board may deem fit. The NRC will review the proposed appointments giving due consideration for the expertise and other criteria required for the successor and submit its recommendations to the Board.

The vacancy at Senior Management shall be filled with the authority of Chairman and/or Managing Director or Executive Director in line with internal policy adopted by the management keeping in view the future growth and development. Appointment of the Chief Executive Officer/ Chief Financial Officer/Company Secretary shall be as per the provisions of the Act read with Listing Regulations.

## 17. DISCLOSURE OF INFORMATION

Details of Policy shall be disclosed in the Board's Report.

## 18. APPLICABILITY OF THE REMUNERATION POLICY

This Policy shall be applicable to the Directors, KMPs, Senior Management of the Company as well as Company's subsidiary companies.

Any departure from the policy can be undertaken only with the approval of the Board of Directors.

## 19. REVIEW AND AMENDMENT

a) The Committee or the Board may review the Policy as and when it deems necessary.

b) The Committee may issue the guidelines, procedures, formats, reporting mechanism and manual in supplement and better implementation to this Policy, if it thinks necessary.

c) This Policy may be amended or substituted by the Board as and when required.

d) The right to interpret this Policy vests in the Board of Directors of the Company.

## Annexure II

# ANNUAL REPORT ON CSR ACTIVITIES

**1. A brief outline of the Company's CSR policy:**

The Company is a responsible corporate citizen and is conscientiously working towards fulfilling its Corporate Social Responsibility (CSR). A separate section on CSR forms part of the Annual Report. The Company's CSR Policy lays out the vision, objectives and implementation mechanisms. The projects undertaken will be within the broad framework of Schedule VII to the Companies Act, 2013 read with the Rules made thereunder.

**2. The composition of the CSR committee:**

The Company has constituted the CSR Committee which comprises five directors including two Executive Directors viz. Shri Pradeep Kumar Jain and Shri Sanjeev Kumar Jain and three Non-Executive, Independent Director viz. Shri Ashok Kumar, who is also the Chairman of the Committee, Shri Mahendra Nath Verma and Ms. Deepa Gupta. Shri V. Mohan, Sr. Vice President (Legal) & Company Secretary acts as the Secretary to the Committee.

3. **Average net profit/ (loss) of the Company for last three financial years for the purpose of computation of CSR:** ₹ -7,579.25 lakhs.

4. **Prescribed CSR Expenditure (two per cent of the amount as in item 3 above):** Not Applicable

5. **Details of CSR Expenditure spent during the financial year:** Not Applicable

6. **In case the Company has failed to spend the two per cent of the average net profit of the last three financial years or any part thereof, the Company shall provide the reasons for not spending the amount in its Board report.**

   As the average net profit for the last three years was negative, the Company was not required to spend any amount on CSR activities in the Financial Year 2016-17. However, suitable eligible project(s) shall be identified to make expenditure towards Corporate Social Responsibility as and when the need arises.

7. **A responsibility statement of the CSR committee that the implementation and monitoring of CSR policy, is in compliance with CSR objectives and policy of the Company.**

   We hereby declare that implementation and monitoring of the CSR project, as and when done, shall be in compliance with CSR objectives and policy of the Company.

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

**Sd/-**
**Ashok Kumar**
**Chairman, Corporate Social Responsibility Committee**

New Delhi
August 12, 2017

# SECRETARIAL AUDIT REPORT

**FOR THE FINANCIAL YEAR ENDED March 31, 2017**

The Members,
**PARSVNATH DEVELOPERS LIMITED**
Parsvnath Tower
Near Shahdara Metro Station,
Shahdara, Delhi-110032

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Parsvnath Developers Limited (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2017 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made thereunder;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder to the extent of Regulation 55A;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

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

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

  (d) The Securities and Exchange Board of India (Share Based employee Benefits) Regulations, 2014; Not Applicable

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; Not Applicable

  (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client to the extent of securities issued;

  (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; Not Applicable and

  (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; Not Applicable

(vi) As confirmed and certified by the management, there is no law specifically applicable to the Company based on the Sectors / Businesses.

We have also examined compliance with the applicable clauses/Regulations of the following:

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

(ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has generally complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observation:

1. There are certain instances of delay in repayment of loan and interest due to financial institutions during the period under review.

We further report that:

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent in advance (and at a shorter notice for which necessary approvals obtained), and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the following specific events / actions took place having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc:

The Company has made allotment of Non-Convertible Debentures (NCDs) for an amount upto ₹ 6,16,00,000 for Series XV and ₹ 10,94,00,000 for Series XVI (Issue-I) to Annuities In Senior Secured Estate Transactions I (ASSET I) and Annuities In Senior Secured Estate Transactions II (ASSET II) respectively, on 7th October, 2016.

Date: August 12, 2017
Place: New Delhi

For Chandrasekaran Associates
Company Secretaries

Sd/-
Rupesh Agarwal
Partner
Membership No. ACS 16302
Certificate of Practice No. 5673

Note: This report is to be read with our letter of even date which is annexed as Annexure-A and forms an integral part of this report.

## Annexure-A

The Members,
**PARSVNATH DEVELOPERS LIMITED**
Parsvnath Tower
Near Shahdara Metro Station,
Shahdara, Delhi-110032

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

Date: August 12, 2017
Place: New Delhi

For Chandrasekaran Associates
Company Secretaries

Sd/-
Rupesh Agarwal
Partner
Membership No. ACS 16302
Certificate of Practice No. 5673

## Annexure - IV

# PARTICULARS OF EMPLOYEES PURSUANT TO SECTION 197 (12) OF THE COMPANIES ACT, 2013

| S No | Name | Designation / Nature of duties | Qualifications | Remuneration (₹) | Experience (Years) | Date of Joining | Age (Years) | Last Employment Held | Number & % of shares held in the Company as at March 31, 2017 | |
|---|---|---|---|---|---|---|---|---|---|---|
| | | | | | | | | | Number | % |
| **List of Top Ten Employees of the Company (in terms of remuneration drawn)** | | | | | | | | | | |
| 1 | Mr. Prehlad Kumar Jain | President | BE (Civil) | 7,531,916 | 44 | 27-Sep-2004 | 67 | Deb Construction Private Limited | 8266 | 0.002 |
| 2 | Dr. Sunit Sachar | Sr. Vice President (Marketing & Publicity) | PhD, MBA, PGD | 5,010,575 | 36 | 17-Apr-2009 | 64 | Sarvapriya Developers Private Limited | 0 | 0 |
| 3 | Mr. Mukesh Chand Jain | Sr. Vice President (Corporate) & Group CFO | CA, LLB | 4,905,579 | 34 | 1-Dec-2003 | 58 | Lok Housing & Construction Limited | 0 | 0 |
| 4 | Mr. V. Mohan | Sr. Vice President (Legal) & Company Secretary | LLB, FCS, MBA | 4,593,446 | 38 | 3-May-2003 | 61 | Laxmi Sugar Mills Limited | 1252 | 0 |
| 5 | Ms. Rema Menon | Vice President (Retail) | MBA (Marketing) | 3,517,117 | 25 | 1-May-2014 | 51 | Innovations | 0 | 0 |
| 6 | Wg. Cdr. R.K. Maheshwari | Vice President (Marketing) | BE (Elect.) | 3,168,467 | 51 | 15-Feb-2000 | 73 | Toshbro Limited | 0 | 0 |
| 7 | Dr. Jayanti A.R. | Vice President (Business Development) | Phd, LLB, MA, MBA | 3,038,584 | 31 | 10-Jul-2006 | 59 | Infinite Biosol Private Limited | 104 | 0 |
| 8 | Mr. Arun Kumar Mathur (Resigned w.e.f. July 31, 2017) | Vice President (Architecture) | B.Arch | 2,787,821 | 32 | 20-Apr-2015 | 58 | Enquinox Realty & Infrastructure Private Limited | 0 | 0 |
| 9 | Mr. Sandeep Kumar Jain | Consultant (PE) | BE (Civil) | 2,555,780 | 33 | 5-Dec-2006 | 54 | Rishabhnath Developers & Builders Private Limited | 612 | 0 |
| 10 | Mr. Satish Chander | Vice President (Constructions) | M.Tech. (Structure) | 2,548,869 | 31 | 26-May-2015 | 56 | Earth Infrastructure Limited | 0 | 0 |

Notes:

1 The remuneration does not include leave encashment, gratuity and other retirement benefits.

2 The nature of employment in all cases is on contractual basis except in case of Directors, whose terms have been approved by the shareholders. Other terms and conditions of employment are as per Company policy.

3 All the employees have adequate experience to discharge the responsibilities assigned to them and their designations are indicative of their nature of duties.

4 None of the employees mentioned above is a relative of any Director of the Company

## Annexure-V

# FORM NO. MGT 9

EXTRACT OF ANNUAL RETURN
as on financial year ended on March 31, 2017

***Pursuant to Section 92 (3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration ) Rules, 2014.***

## I. REGISTRATION & OTHER DETAILS:

| | | |
|---|---|---|
| i) | CIN | L45201DL1990PLC040945 |
| ii) | Registration Date | July 24, 1990 |
| iii) | Name of the Company | Parsvnath Developers Limited |
| iv) | Category/Sub-category of the Company | Public Limited Company |
| v) | Address of the Registered office & contact details | Parsvnath Tower, Near Shahdara Metro Station, Shahdara, Delhi-110032<br>Contact No: 011-43010500, 43050100 |
| vi) | Whether listed company (Yes/ No) | Yes |
| vii) | Name, Address & Contact details of Registrar & Transfer Agent, if any | Link Intime India Private Limited<br>Address: 44, Community Centre, 2nd Floor, Naraina Industrial Area, Phase-I, Near PVR Naraina, New Delhi-110028<br>Contact No.: 011-41410592/93/94 |

## II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the company shall be stated:

| S. No. | Name & Description of main products/services | NIC Code of the Product /service | % to total turnover of the Company |
|---|---|---|---|
| 1 | Development, Construction and Marketing of Real Estate projects for Commercial and Residential use | 681-Real estate activities with own or leased property | 82% |

## III. PARTICULARS OF HOLDING , SUBSIDIARY AND ASSOCIATE COMPANIES

| S. No | Name & Address of the Company | CIN/GLN | Holding/ Subsidiary/ Associate | % of Shares held | Applicable Section |
|---|---|---|---|---|---|
| 1 | Parsvnath Landmark Developers Pvt. Ltd. | U45201DL2003PTC122489 | Subsidiary | 100 | 2(87) |
| 2 | Parsvnath Infra Ltd. | U45200DL2006PLC154061 | Subsidiary | 94.87 | 2(87) |
| 3 | Parsvnath Film City Ltd. | U92412DL2007PLC159853 | Subsidiary | 100 | 2(87) |
| 4 | Parsvnath Hotels Ltd. | U55204DL2007PLC170126 | Subsidiary | 100 | 2(87) |
| 5 | PDL Assets Ltd. | U45400DL2007PLC170966 | Subsidiary | 100 | 2(87) |
| 6 | Parsvnath Telecom Pvt. Ltd. | U32204DL2007PTC169471 | Subsidiary | 100 | 2(87) |
| 7 | Parsvnath Developers Pte. Ltd. (Overseas Subsidiary – Singapore) | N.A. | Subsidiary | 53.32 | 2(87) |
| 8 | Primetime Realtors Pvt. Ltd. | U70109DL2006PTC149614 | Subsidiary | 100 | 2(87) |
| 9 | Parsvnath Estate Developers Pvt. Ltd. | U45400DL2007PTC166218 | Subsidiary | 100 | 2(87) |
| 10 | Parsvnath Promoters and Developers Pvt. Ltd. | U45400DL2007PTC166189 | Subsidiary | 51 | 2(87) |
| 11 | Parsvnath HB Projects Pvt. Ltd. | U45200DL2008PTC175708 | Subsidiary | 51 | 2(87) |
| 12 | Parsvnath Hessa Developers Pvt. Ltd. | U45400DL2007PTC166177 | Subsidiary | 100 | 2(87) |

| S. No | Name & Address of the Company | CIN/GLN | Holding/ Subsidiary/ Associate | % of Shares held | Applicable Section |
|---|---|---|---|---|---|
| 13 | Parsvnath Buildwell Pvt. Ltd. | U45400DL2008PTC178395 | Subsidiary | 90.05 | 2(87) |
| 14 | Parsvnath Realty Ventures Ltd. | U70101DL2008PLC176045 | Subsidiary | 100 | 2(87) |
| 15 | Vasavi PDL Ventures Pvt. Ltd. | U45309TG2016PTC112697 | Subsidiary | 51 | 2(87) |
| 16 | Parsvnath MIDC Pharma SEZ Pvt. Ltd. (Subsidiary of Parsvnath Infra Ltd.) | U24239MH2008PTC178174 | Subsidiary (Step Down Subsidiary) | – | 2(87) |
| 17 | Parsvnath Realcon Pvt. Ltd. (Subsidiary of Parsvnath Buildwell Pvt. Ltd.) | U70109DL2008PTC177916 | Subsidiary (Step Down Subsidiary) | – | 2(87) |
| 18 | Amazon India Ltd. | U74899DL1994PLC063704 | Associate | 48.31 | 2(6) |
| 19 | Homelife Real Estate Pvt. Ltd. | U70101CH2003PTC026160 | Associate | 50 | 2(6) |
| 20 | Vardaan Buildtech Pvt. Ltd. | U45201DL2005PTC138264 | Associate | 33.33 | 2(6) |
| 21 | Parsvnath Rail Land Project Pvt. Ltd. | U45203DL2011PTC227343 | Associate | 28.30 | 2(6) |
| 22 | Ratan Parsvnath Developers AOP | N.A. | Associate (Joint Venture) | 50 | 2(6) |

## IV. SHAREHOLDING PATTERN (Equity Share capital Break up as % to Total Equity)

### (i) CATEGORY-WISE SHARE HOLDING

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **A. PROMOTERS** | | | | | | | | | |
| **(1) Indian** | | | | | | | | | |
| a) Individual/HUF | 261,006,062 | 0 | 261,006,062 | 59.976 | 262,308,819 | 0 | 262,308,819 | 60.276 | 0.300 |
| b) Central Govt. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) State Govt.(s) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) Bodies Corporates | 46,277,992 | 0 | 46,277,992 | 10.634 | 47,186,992 | 0 | 47,186,992 | 10.843 | 0.209 |
| e) Bank/FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| f) Any other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **SUB TOTAL:(A) (1)** | **307,284,054** | **0** | **307,284,054** | **70.611** | **309,495,811** | **0** | **309,495,811** | **71.119** | **0.509** |
| | | | | | | | | | |
| **(2) Foreign** | | | | | | | | | |
| a) NRI- Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Other Individuals | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| c) Bodies Corp. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) Banks/FI | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| e) Any other | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **SUB TOTAL (A) (2)** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| **Total Shareholding of Promoter (A)= (A)(1)+(A)(2)** | **307,284,054** | **0** | **307,284,054** | **70.610** | **309,495,811** | **0** | **309,495,811** | **71.119** | **0.509** |
| | | | | | | | | | |
| **B. PUBLIC SHAREHOLDING** | | | | | | | | | |
| **(1) Institutions** | | | | | | | | | |
| a) Mutual Funds | 1,697 | 0 | 1,697 | 0 | 0 | 0 | 0 | 0 | 0 |
| b) Banks/FI | 1,466,013 | 0 | 1,466,013 | 0.337 | 816,884 | 0 | 816,884 | 0.188 | -0.149 |
| C) Central Govt. | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| d) State Govt.(s) | 20 | 0 | 20 | 0 | 20 | 0 | 20 | 0 | 0 |
| e) Venture Capital Fund | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| f) Insurance Companies | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| g) Foreign Institutional Investors | 35,083,315 | 0 | 35,083,315 | 8.062 | 30,661,264 | 0 | 30,661,264 | 7.046 | -1.016 |
| h) Foreign Venture Capital Funds | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| i) Others (specify) | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 | 0 |
| **SUB TOTAL (B)(1):** | **36,551,045** | **0** | **36,551,045** | **8.062** | **31,478,148** | **0** | **31,478,148** | **7.233** | **-1.166** |

| Category of Shareholders | No. of Shares held at the beginning of the year | | | | No. of Shares held at the end of the year | | | | % change during the year |
|---|---|---|---|---|---|---|---|---|---|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| **(2) Non Institutions** | | | | | | | | | |
| a) Bodies corporates | | | | | | | | | |
| i) Indian | 52,670,578 | 0 | 52,670,578 | 12.103 | 51,254,458 | 0 | 51,254,458 | 11.778 | -0.325 |
| ii) Overseas | 22 | 0 | 22 | 0 | 22 | 0 | 22 | 0 | 0 |
| b) Individuals | | | | | | | | | |
| i) Individual shareholders holding nominal share capital upto ₹ 1 lakhs | 30,667,849 | 42,022 | 30,709,871 | 7.057 | 34,296,635 | 43,621 | 34,340,256 | 7.891 | 0.834 |
| ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs | 5,188,494 | 0 | 5,188,494 | 1.192 | 5,753,625 | 0 | 5,753,625 | 1.322 | 0.130 |
| c) Others (specify) | 2,777,106 | 0 | 2,777,106 | 0.639 | 2,858,850 | 0 | 2,858,850 | 0.657 | 0.018 |
| **SUB TOTAL (B)(2):** | **91,304,049** | **42,022** | **91,346,071** | **20.991** | **94,163,590** | **43,621** | **94,207,211** | **21.648** | **0.657** |
| **Total Public Shareholding (B)= (B)(1)+(B)(2)** | **127,855,094** | **42,022** | **127,897,116** | **29.390** | **125,641,738** | **43,621** | **125,685,359** | **28.881** | **-0.509** |
| **C. SHARES HELD BY CUSTODIAN FOR GDRs & ADRs** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** | **0** |
| **Grand Total (A+B+C)** | **435,139,148** | **42,022** | **435,181,170** | **100.00** | **435,137,549** | **43,621** | **435,181,170** | **100.00** | **0** |

## (ii) SHARE HOLDING OF PROMOTERS

| Shareholder's Name* | Shareholding at the beginning of the Year | | | Shareholding at the end of the Year | | | % change in shareholding during the year |
|---|---|---|---|---|---|---|---|
| | No. of shares | % of total shares of the Company | % of shares pledged/ encumbered to total shares | No. of shares | % of total shares of the Company | % of shares pledged/ encumbered to total shares | |
| Shri Pradeep Kumar Jain | 115,470,317 | 26.534 | 25.644 | 117,156,162 | 26.921 | 25.988 | 0.387 |
| Smt. Nutan Jain | 45,045,974 | 10.351 | 5.604 | 44,911,886 | 10.32 | 4.861 | -0.031 |
| Pradeep Kumar Jain & Sons HUF | 100,406,571 | 23.072 | 22.939 | 100,157,571 | 23.015 | 21.963 | -0.057 |
| Parasnath And Associates Pvt. Ltd. | 46,277,992 | 10.634 | 9.027 | 47,186,992 | 10.843 | 10.843 | 0.209 |
| Shri Sanjeev Kumar Jain | 21,600 | 0.005 | 0 | 21,600 | 0.005 | 0 | 0 |
| Late Shri Sheetal Prasad Jain | 21,600 | 0.005 | 0 | 21,600 | 0.005 | 0 | 0 |
| Ms. Neelam Jain | 24,000 | 0.005 | 0 | 24,000 | 0.005 | 0 | 0 |
| Dr. Rajeev Jain | 16,000 | 0.004 | 0 | 16,000 | 0.004 | 0 | 0 |
| **TOTAL** | **307,284,054** | **70.610** | **63.214** | **309,495,811** | **71.119** | **63.655** | **0.509** |

* Includes Promoter & Promoter Group

### (iii) CHANGE IN PROMOTERS' SHAREHOLDING ( SPECIFY, IF THERE IS NO CHANGE)

| Particulars | Name of Promoters alongwith their PAN | Change in the number of Shares | Date wise increase/decrease in Promoters Share holding during the year | Reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc) | Shareholding at the beginning of the Year | | Cumulative Share holding during the year | |
|---|---|---|---|---|---|---|---|---|
| | | | | | No. of Shares | % of total shares of the company | No. of shares | % of total shares of the company |
| **At the beginning of the year** | Shri Pradeep Kumar Jain (AEHPJ6194D) | | | | 115,470,317 | 26.534 | | |
| Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc) | | 183,000 | April 4, 2016 | Market Purchase | | | 115,653,317 | 26.576 |
| | | 100,000 | April 5, 2016 | Market Purchase | | | 115,753,317 | 26.599 |
| | | 101,000 | April 6, 2016 | Market Purchase | | | 115,854,317 | 26.622 |
| | | 50,000 | April 8, 2016 | Market Purchase | | | 115,904,317 | 26.634 |
| | | 261,000 | April 11, 2016 | Market Purchase | | | 116,165,317 | 26.694 |
| | | 250,000 | April 18, 2016 | Market Purchase | | | 116,415,317 | 26.751 |
| | | 90,000 | July 15, 2016 | Market Purchase | | | 116,505,317 | 26.772 |
| | | -2,750,000 | September 26, 2016 | Invocation of pledged Shares | | | 113,755,317 | 26.140 |
| | | 2,335,000 | September 27, 2016 | Re-transfer of invoked Shares | | | 116,090,317 | 26.676 |
| | | 184,511 | November 15, 2016 | Market Purchase | | | 116,274,828 | 26.719 |
| | | -31,320 | November 16, 2016 | Invocation of pledged Shares | | | 116,243,508 | 26.712 |
| | | 200,000 | November 16, 2016 | Market Purchase | | | 116,443,508 | 26.757 |
| | | -233,535 | November 17, 2016 | Invocation of pledged Shares | | | 116,209,973 | 26.704 |
| | | 359,621 | November 17, 2016 | Market Purchase | | | 116,569,594 | 26.786 |
| | | -75,061 | November 18, 2016 | Invocation of pledged Shares | | | 116,494,533 | 26.769 |
| | | 196,819 | November 18, 2016 | Market Purchase | | | 116,691,352 | 26.814 |
| | | 325,510 | November 21, 2016 | Market Purchase | | | 117,016,862 | 26.889 |
| | | 139,300 | November 22, 2016 | Market Purchase | | | 117,156,162 | 26.921 |
| **At the end of the year** | | | | | | | **117,156,162** | **26.921** |
| **At the beginning of the year** | Smt. Nutan Jain (ACBPJ9940M) | | | | **45,045,974** | **10.351** | | |
| Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc) | | -134,088 | November 16, 2016 | Invocation of pledged Shares | | | 44,911,886 | 10.320 |
| **At the end of the year** | | | | | | | **44,911,886** | **10.320** |

| Particulars | Name of Promoters alongwith their PAN | Change in the number of Shares | Date wise increase/decrease in Promoters Share holding during the year | Reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc) | Shareholding at the beginning of the Year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|---|---|---|
| | | | | | No. of Shares | % of total shares of the company | No. of shares | % of total shares of the company |
| **At the beginning of the year** | Pradeep Kumar Jain & Sons HUF (AAFHP8013H) | | | | **100,406,571** | **23.072** | | |
| | | -1,650,000 | September 26, 2016 | Invocation of pledged Shares | | | 98,756,571 | 22.693 |
| Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc) | | 1,401,000 | September 27, 2016 | Re-transfer of invoked Shares | | | 100,157,571 | 23.015 |
| **At the end of the year** | | | | | | | **100,157,571** | **23.015** |
| **At the beginning of the year** | Parasnath And Associates Pvt. Ltd. (AAACP0061B) | | | | **46,277,992** | **10.634** | | |
| Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc) | | 1,000,000 | April 13, 2016 | Re-transfer of invoked shares | | | 47,277,992 | 10.864 |
| | | -600,000 | September 26, 2016 | Invocation of pledged Shares | | | 46,677,992 | 10.726 |
| | | 509,000 | September 27, 2016 | Re-transfer of invoked shares | | | 47,186,992 | 10.843 |
| **At the end of the year** | | | | | | | **47,186,992** | **10.843** |

## (iv) SHAREHOLDING PATTERN OF TOP TEN SHAREHOLDERS (OTHER THAN DIRECTORS, PROMOTERS AND HOLDERS OF GDRs and ADRs)

| Name of the Shareholders* | Shareholding at the beginning of the year (April 1 ,2016)** | | Cumulative Shareholding at the end of the year (March 31, 2017)** | |
|---|---|---|---|---|
| | No.of shares | % of total shares of the company | No. of shares | % of total shares of the company |
| FIDELITY SECURITIES FUND - FIDELITY BLUE CHIP GROWTH FUND | 21,771,340 | 5.003 | 18,930,597 | 4.35 |
| VISTRA ITCL INDIA LIMITED | 11,610,000 | 2.668 | 11,610,000 | 2.668 |
| ITF MAURITIUS | 10,117,168 | 2.325 | 9,781,177 | 2.248 |
| RELIGARE FINVEST LIMITED | 4,700,770 | 1.08 | 4,561,382 | 1.048 |
| ANAND RATHI GLOBAL FINANCE LIMITED | 2,000 | 0.001 | 4,517,787 | 1.038 |
| IVORY CONSULTANTS PRIVATE LIMITED | 0 | 0 | 2,555,000 | 0.587 |
| BAHUBALI PROPERTIES LIMITED | 52,830 | 0.012 | 2,380,592 | 0.547 |
| DECENT FINANCIAL SERVICES PRIVATE LIMITED | 507,766 | 0.117 | 2,177,000 | 0.5 |
| SEMINARY TIE UP PRIVATE LIMITED | 2,965,000 | 0.681 | 1,765,000 | 0.406 |
| B K COAL FIELDS PRIVATE LIMITED | 1,725,000 | 0.396 | 1,725,000 | 0.396 |

*The names of the shareholders are taken as on March 31, 2017 and since the shares of the Company are traded on a daily basis, hence the date wise increase / decrease in shareholding is not indicated.

** Shareholding is consolidated based on Permanant Account Number (PAN) of the shareholder.

**(v) SHAREHOLDING OF DIRECTORS & KMP**

| For each of the Directors & KMP | Name of Directors and KMPs alongwith their PAN* | Change in the number of Shares | Date wise increase/decrease in Promoters Share holding during the year | Reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc) | Shareholding at the beginning of the Year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|---|---|---|
| | | | | | No. of Shares | % of total shares of the company | No. of shares | % of total shares of the company |
| **At the beginning of the year** | Shri Pradeep Kumar Jain (Director & KMP) -AEHPJ6194D | | | | **115,470,317** | **26.534** | | |
| Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc) | | 183,000 | April 4, 2016 | Market Purchase | | | 115,653,317 | 26.576 |
| | | 100,000 | April 5, 2016 | Market Purchase | | | 115,753,317 | 26.599 |
| | | 101,000 | April 6, 2016 | Market Purchase | | | 115,854,317 | 26.622 |
| | | 50,000 | April 8, 2016 | Market Purchase | | | 115,904,317 | 26.634 |
| | | 261,000 | April 11, 2016 | Market Purchase | | | 116,165,317 | 26.694 |
| | | 250,000 | April 18, 2016 | Market Purchase | | | 116,415,317 | 26.751 |
| | | 90,000 | July 15, 2016 | Market Purchase | | | 116,505,317 | 26.772 |
| | | -2,750,000 | September 26, 2016 | Invocation of pledged Shares | | | 113,755,317 | 26.140 |
| | | 2,335,000 | September 27, 2016 | Re-transfer of invoked Shares | | | 116,090,317 | 26.676 |
| | | 184,511 | November 15, 2016 | Market Purchase | | | 116,274,828 | 26.719 |
| | | -31,320 | November 16, 2016 | Invocation of pledged Shares | | | 116,243,508 | 26.712 |
| | | 200,000 | November 16, 2016 | Market Purchase | | | 116,443,508 | 26.757 |
| | | -233,535 | November 17, 2016 | Invocation of pledged Shares | | | 116,209,973 | 26.704 |
| | | 359,621 | November 17, 2016 | Market Purchase | | | 116,569,594 | 26.786 |
| | | -75,061 | November 18, 2016 | Invocation of pledged Shares | | | 116,494,533 | 26.769 |
| | | 196,819 | November 18, 2016 | Market Purchase | | | 116,691,352 | 26.814 |
| | | 325,510 | November 21, 2016 | Market Purchase | | | 117,016,862 | 26.889 |
| | | 139,300 | November 22, 2016 | Market Purchase | | | 117,156,162 | 26.921 |
| **At the end of the year** | | | | | | | **117,156,162** | **26.921** |
| **At the beginning of the year** | Shri Sanjeev Kumar Jain (Director & KMP)-AEHPJ6244G | | | | **21,600** | **0.005** | | |
| Date wise increase/decrease in Promoters Shareholding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc) | | 0 | N.A. | N.A. | | | 0 | 0 |
| **At the end of the year** | | | | | | | **21,600** | **0.005** |
| **At the beginning of the year** | Dr. Rajeev Jain (Director & KMP)-AEDPJ4758B | | | | **16,000** | **0.004** | | |
| Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc) | | 0 | N.A. | N.A. | | | 0 | 0 |
| **At the end of the year** | | | | | | | **16,000** | **0.004** |

| For each of the Directors & KMP | Name of Directors and KMPs alongwith their PAN* | Change in the number of Shares | Date wise increase/decrease in Promoters Share holding during the year | Reasons for increase/decrease (e.g. allotment/ transfer/bonus/ sweat equity etc) | Shareholding at the beginning of the Year | | Cumulative Shareholding during the year | |
|---|---|---|---|---|---|---|---|---|
| | | | | | No. of Shares | % of total shares of the company | No. of shares | % of total shares of the company |
| **At the beginning of the year** | Shri Ashok Kumar (Director)-ABFPK9610A | | | | **2,000** | **0.000** | | |
| Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc) | | 0 | N.A. | N.A. | | | 0 | 0 |
| **At the end of the year** | | | | | | | 2,000 | 0.000 |
| **At the beginning of the year** | Shri V.Mohan(KMP)-AAJPM9761B | | | | **1,252** | **0.000** | | |
| Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/ transfer/bonus/sweat equity etc) | | 0 | N.A. | N.A. | | | 0 | 0 |
| **At the end of the year** | | | | | | | 1,252 | 0.000 |

*No other Director/KMP is holding any shares in the Company.

## V Indebtedness

Details of Indebtedness of the Company including interest outstanding / accrued but not due for payment (Rs. in Lakhs)

| SL.No. | Particulars | Secured loans excluding deposits | Unsecured loans | Deposits | Total Indebtedness |
|---|---|---|---|---|---|
| **A** | **Indebtedness at the beginning of the financial year** | | | | |
| i) | Principal Amount | 145,425.20 | 5,085.13 | 0 | 150,510.33 |
| ii) | Interest due but not paid | 1,377.02 | 0 | 0 | 1,377.02 |
| iii) | Interest accrued but not due | 5,698.57 | 0.74 | 0 | 5,699.31 |
| | **Total( i+ii+iii)** | **152,500.79** | **5,085.87** | **0** | **157,586.66** |
| **B** | **Change in Indebtedness during the finanacial year** | | | | |
| i) | **Additions** | | | | |
| a) | Principal | 118,576.41 | 815.75 | 0 | 119,392.16 |
| b) | Interest | 28,788.79 | 746.40 | 0 | 29,535.19 |
| ii) | **Reductions** | | | | |
| a) | Principal | 96,992.68 | 3,585.13 | 0 | 100,577.81 |
| b) | Interest | 25,433.31 | 467.00 | 0 | 25,900.31 |

| SL.No. | Particulars | Secured loans excluding deposits | Unsecured loans | Deposits | Total Indebtedness |
|---|---|---|---|---|---|
| | **Net Change** | | | | |
| | Principal | 21,583.73 | (2,769.38) | 0 | 18,814.35 |
| | Interest | 3,355.48 | 279.40 | 0 | 3,634.88 |
| C | **Indebtedness at the end of the financial year** | | | | |
| i) | Principal Amount | 167,008.93 | 2,315.75 | 0 | 169,324.68 |
| ii) | Interest due but not paid | 3,689.61 | 0 | 0 | 3,689.61 |
| iii) | Interest accrued but not due | 6,741.46 | 280.14 | 0 | 7,021.60 |
| | **Total( i+ii+iii)** | **177,440.00** | **2,595.89** | **0** | **180,035.89** |

## VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole time director and/or Manager (in ₹):

| S.No | Particulars of Remuneration | Name of the MD/WTD/Manager | | | Total amount |
|---|---|---|---|---|---|
| 1 | **Gross salary** | **Shri Pradeep Kumar Jain** | **Shri Sanjeev Kumar Jain** | **Dr. Rajeev Jain** | |
| | | **Chairman** | **Managing Director and CEO** | **Director (Marketing)** | |
| | (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act,1961. | - | - | - | - |
| | (b) Value of perquisites under section 17(2) of the Income Tax Act, 1961 | - | - | - | - |
| | (c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961 | - | - | - | - |
| 2 | Stock option | - | - | - | - |
| 3 | Sweat Equity | - | - | - | - |
| 4 | Commission | - | - | - | - |
| | : as % of profit | - | - | - | - |
| | : others (specify) | - | - | - | - |
| 5 | Others, please specify | - | - | - | - |
| | **Total (A)** | **-** | **-** | **-** | **-** |
| | **Ceiling as per the Act** | **-** | **-** | **-** | **-** |

Note : The Company has not paid any Managerial Remuneration during the year.

**B. Remuneration to other directors (in ₹):**

| S.No | Particulars of Remuneration | Name of the Directors | | | | Total Amount (in ₹) |
|---|---|---|---|---|---|---|
| 1 | Independent Directors | **Shri Ashok Kumar** | **Dr. Pritam Singh** | **Ms. Deepa Gupta** | **Shri Mahendra Nath Verma** | |
| | (a) Fee for attending board committee meetings | 510,000 | 300,000 | 420,000 | 480,000 | **1,710,000** |
| | (b) Commission | 0 | 0 | 0 | 0 | **0** |
| | (c) Others, please specify | 0 | 0 | 0 | 0 | **0** |
| | **Total (1)** | **510,000** | **300,000** | **420,000** | **480,000** | **1,710,000** |
| 2 | Other Non Executive Directors | N.A. | | | | |
| | (a) Fee for attending board committee meetings | 0 | 0 | 0 | 0 | **0** |
| | (b) Commission | 0 | 0 | 0 | 0 | **0** |
| | (c) Others, please specify | 0 | 0 | 0 | 0 | **0** |
| | **Total (2)** | **0** | **0** | **0** | **0** | **0** |
| | **Total (B)=(1+2)** | **510,000** | **300,000** | **420,000** | **480,000** | **1,710,000** |
| | **Total Managerial Remuneration (A+B)** | | | | | **1,710,000** |
| | **Overall Ceiling as per the Act** | **Refer Note below** | | | | |

Note : The Non-Executive, Independent Directors were being paid only sitting fee, for attending each meeting of the Board of Directors or Committees thereof. The sitting fee so paid by the Company for each meeting is within the limits prescribed under the Act.

## C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD (in ₹)

| S. No. | Particulars of Remuneration | Key Managerial Personnel | | |
|---|---|---|---|---|
| 1 | **Gross Salary** | **Shri.V.Mohan (Company Secretary)** | **Shri M.C.Jain (Group CFO)** | **Total (in ₹)** |
| | (a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961. | 4,561,046 | 4,865,979 | **9,427,025** |
| | (b) Value of perquisites under section 17(2) of the Income Tax Act, 1961 | 32,400 | 39,600 | **72,000** |
| | (c) Profits in lieu of salary under Section 17(3) of the Income Tax Act, 1961 | 0 | 0 | **0** |
| 2 | Stock Option | 0 | 0 | **0** |
| 3 | Sweat Equity | 0 | 0 | **0** |
| 4 | Commission | 0 | 0 | **0** |
| | :as % of profit | 0 | 0 | **0** |
| | :others, specify | 0 | 0 | **0** |
| 5 | Others, please specify | 0 | 0 | |
| | **Total** | **4,593,446** | **4,905,579** | **9,499,025** |

## VII PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

| Type | Section of the Companies Act | Brief Description | Details of Penalty/ Punishment/Compounding fees imposed | Authority(RD/ NCLT/Court) | Appeal made if any (give details) |
|---|---|---|---|---|---|
| | | | | | |
| **A. COMPANY** | | | | | |
| | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| | | | | | |
| **B. DIRECTORS** | | | | | |
| | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |
| | | | | | |
| **C. OTHER OFFICERS IN DEFAULT** | | | | | |
| | | | | | |
| Penalty | | | | | |
| Punishment | | | | | |
| Compounding | | | | | |

# MANAGEMENT DISCUSSION AND ANALYSIS

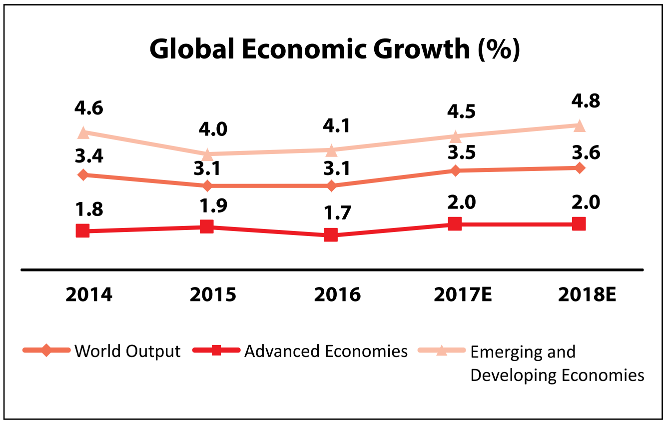
## 1. MACRO-ECONOMY OVERVIEW

### a. Global Economy

The global economic growth declined from 3.4% in 2015 to 3.1% in 2016 as per the International Monetary Fund's World Economic Outlook report. All the major economies of the world such as USA, Euro Zone, China, Japan and India experienced a declining growth in 2016 majorly due to slowdown in trade, structural problems in many economies, unwinding of accommodating monetary policies by many major central banks, mild recovery in commodity prices and continued industrial overcapacity leading to weak investment climate.

Only Germany, Canada and Italy among the G7 countries experienced an acceleration in GDP growth in 2016 vis-à-vis 2015. Hence, in 2016, the economic output across the advanced economies increased at a slower pace of 1.7% as against 2.1% in 2015. United States economy grew at 1.6% in 2016, which is the slowest rate since 2011, largely on account of negligible labor productivity growth, weak investment spending, and low confidence in future income growth. These negative factors overshadowed the positive ones such as 2.7% increase in consumer spending over previous year, 4.9% Y-o-Y growth in annual housing starts, and decline in headline unemployment rate from 5% at the end of 2015 to 4.7% in December 2016. Weak global business climate and rising protectionist tendencies impacted other developed countries as well, with Japan slowing down to 1% GDP growth from 1.2% and the Euro area to 1.7% from 2% in the previous year.

The emerging market and developing economies as a whole continued their slowdown and grew at 4.1% in 2016 as against 4.2% in 2015. Rebalancing of China towards domestic consumption, debt overhang, weak trade have contributed largely towards declining economic activity in many leading emerging economies including China. As world's second-biggest importer, China's slowdown has had a contagion effect on the commodity prices, and impacted performance of all major commodity exporters since 2015. There was a mild recovery in commodity prices in 2016, and hence many commodity exporters such as Brazil, Russia, Middle Eastern countries have been able to arrest the pace of deceleration. Major five countries of ASEAN also performed well with growth going up by 100 basis points from 4.8% in 2015.

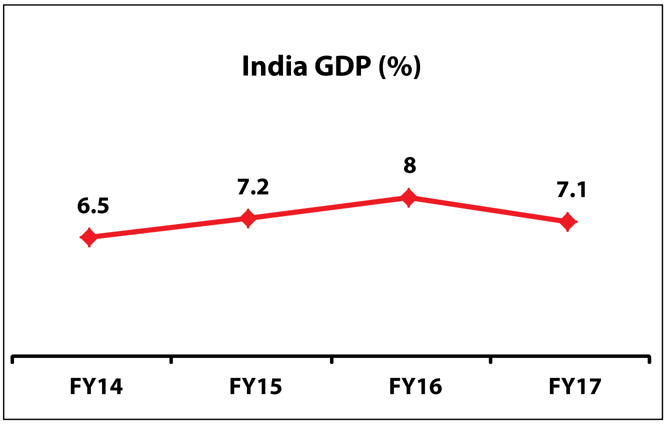



*Source: International Monetary Fund (IMF)*

The year 2016 however ended with the business environment gaining momentum with cyclical recovery in investment and manufacturing on account of higher consumer confidence, increasing commodity prices, expected recovery in United States due to pro-business policy stance of the newly elected President Donald Trump administration, buoyancy in financial markets, among other factors. There are however noticeable downside risks to the world economy such as specter of protectionist policies leading to trade wars, tighter financial conditions due to hawkish monetary policies and major structural problems, for e.g. poor productivity growth, income inequality and debt overhang on investment sentiments. IMF predicts that the world economy will grow by 3.5% in 2017 with advanced economies upping the growth rate to 2% and emerging countries to 4.5%.

### b. Indian Economy

India continued to be the fastest growing major economy in the world in FY2016-17, marginally ahead of China. However, the GDP growth slumped from 8% in FY2015-16 to 7.1% in FY2016-17. Continued weak investment climate due to stressed corporate balance sheets and lending squeeze was a major reason that held back the economy in the first half of the financial year. And the second half performance was further hit by a surprise demonetization of high denomination notes that badly hit the cash-based economy due to massive cash crunch. Despite having a normal monsoon after two consecutive years of deficient rain, the consumer demand slumped after demonetization, impacted farmer's ability to get good prices for their Kharif produce and delayed purchase of seeds and fertilizers for the Rabi season. Demonetization also impacted the unorganized manufacturing units and labor participation. Hence, Agriculture and Industry growth slowed down to 5.2% and 3.1% respectively in the last quarter of FY2016-17




*Source: Central Statistical Office (CSO)*

from 6.9% and 6.2% respectively in the previous quarter.

Macro fundamentals however continued to remain strong with:

1) Average CPI rate slowing down to 4.97% in 2016 vs. 5.88% in 2015

2) Fiscal deficit narrowed from 3.9% of GDP in FY2015-16 to 3.5% in FY2016-17

3) Revenue deficit declining during same period coming down from 2.5% to 2.02%

4) Current Account Deficit was reduced to 0.7% in FY2016-17 from 1.1% in FY2015-16 due to contraction in trade deficit

These fundamentals also reflected in the expansion of Capital Account Surplus with Gross FDI inflows going up 8.3% from USD 55.6 billion to USD 60.2 billion in FY2016-17 and portfolio investment recording a net inflow of USD 7.6 billion vs. net outflow of USD 4.5 billion in FY2015-16.

For the FY 2017-18, major institutions have projected the GDP to grow between 7% - 7.6%, with the Government projecting the growth at the higher end of the range. Nearly completing remonetization, the government's reform push including GST implementation, new bankruptcy code, subsidy reform, public sector divestment thrust and others, and better global economic scenario are likely to be the major growth drivers for the Indian economy. Country is expected to receive normal rainfall. Key downside risks include persistent banking sector weakness, farm loan waivers due to farmer agitations, GST rollout issues and pull back in Government spending to maintain fiscal consolidation roadmap.

## 2. INDIAN REAL ESTATE SECTOR

Across the world, the real estate sector is considered as a key barometer for consumer and business confidence, and an important employment generator. The Indian real estate sector is also similarly viewed and is currently the second largest employer in the country after agriculture. The sector can be said to be divided into four sub sectors - Housing, Commercial, Retail and Hospitality & Economic Services (for e.g. Schools, Hospitals). While the housing sub-sector itself contributes 5 – 6% of the GDP, overall the real estate sector accounts for around 9% of the total GDP. The housing demand from urban and semi-urban locations and corporate demand for office space are the traditional and most important demand drivers for the sector. Commercial & office market in particular has witnessed positive momentum in last couple of years owing to Infrastructure development across major cities along with growing prominence of smaller cities for corporates. In recent times, many specialized needs related to Retail Formats, Hotels, Hospitals, Logistics Parks, etc. are also creating demand for the construction industry. Market size of the industry is expected to go up from US$ 126 billion in 2015 to an estimated US$ 853 billion by 2028 growing at a CAGR of 15.8% (Source: IBEF.org).

From the financial point of view, the FY2016-17 was a mixed bag for the companies due to return of growth momentum in the Commercial sub-sector and the Residential segment continuing to be hampered by the residual issues. Major problems dogging the residential segment such as high inventory levels, diminished demand from consumers, limited liquidity of developers, increasing prices of raw materials, high cost of debt, huge time lag in delivery of projects and unavailability of skilled workers continued to be an issue. However, there was a noticeable silver lining with the affordable housing segment continuing to see demand uptick.

From a long term point of view FY2016-17 will be looked at as a watershed year in the sector's history. The measures taken by the Government over the last few years that have been realized in FY2016-17 and some new initiatives during the year have seen the confidence of investors return to the sector. Total Private Equity investments in the sector went up to US$ 7.86 billion in FY2016-17 with the total investments in the fourth quarter (immediately after demonetization) going up 2.7 times the figure for same quarter of previous year to US$ 3.41 billion. These policy changes will go a long way in bringing transparency, formalization, consolidation and normalization (favoring end user vs. speculators) to the sector.

### a. Residential segment

**Overview**

The launch of new projects in Residential segment across key markets in India saw major drop due to unsold inventory pile up in the segment over the last 4-5 years. In addition to the inability of the income levels to keep pace with the increase in property prices, coupled with higher interest rates, the market was experiencing a visible mismatch between the demand and supply of the type of housing units, in terms of price and configurations. The project launches were also delayed during the reported year in anticipation of RERA Act that came into effect from May 1, 2017. Demonetization impacted the segment majorly even though the impact was temporary. The monthly average housing sales across top 9 cities saw a drop of nearly 40% due to expectation of price reduction post demonetization.

**Market Dynamics - Demand & Supply**

Based on the report published by Prop Tiger covering the top 9 markets in the country, the number of new residential project launches in FY2016-17 increased by 10.4% at 1,83,119 units compared to 1,65,912 units in FY2015-16. The residential units in these 9 cities sold stood at 2,05,448 units compared to 2,11,228 units sold in FY 2015-16, which is a drop of 2.7%. The number of launches continued to be lower than the number of units sold for the third consecutive year, however the gap between number of units launched and number of units sold, which had increased to 21.5% in the previous year, has come down to 10.9%. The average inventory overhang however remained steady from 38 days in the last quarter of FY2015-16 to 39 days at the end of Q4 FY2016-17. The segment attracted private equity investments of US$ 690 million in the fourth quarter of FY2016-17 (Source: Venture Intelligence).

**Growth Drivers**

➢ Housing Shortage: As of 2012, there was a shortage of 18.8 million urban homes across India, of which more than 95% were needed in the Economically Weaker Section (EWS) or the Low Income Group (LIG) category (Source: Report of the Technical Group on Urban Housing Shortage for the Twelfth Five Year Plan). The estimated rural housing shortage was 43.3 million houses for 2012 as per the report by the working group on rural housing for the Twelfth Five Year Plan, which was later revised to 62 million houses based on updated numbers and improved methodology. This presents a tremendous opportunity for developers of residential real estate.

➢ Urbanization: India is projected to add 404 million people to its urban population between 2014 and 2050. The annual growth in urban population in India between 2010 and 2015 was 1.1% – the highest among the major economies. (Source: UN World Urbanisation Prospects Report, 2014). India's urban population constituted around 31.16% of the total population as seen in 2011 census, and it is expected to rise to 40.8% by 2030 as per UN State of the World Population Report, 2007. This will lead to a higher demand for new houses to settle in urban areas in the ensuing years.

➢ Rising Living Standards: The per capita income in real terms (at 2011-12 prices) during FY2016-17 was Rs. 82,269 as compared to Rs. 77,803 for the FY2015-16. The growth rate in per capita income was 5.7%, as against 6.8% in the previous year (Source: Ministry of Statistics and Programme Implementation).

**Delhi-NCR**

The Delhi-NCR market continued to have a high level unsold inventory with Proptiger estimating the inventory overhang for Gurgaon at 120 months and Noida at 61 months at the end of Q4 FY2016-17. This impacted the new launches significantly and the numbers continued to decline for the consecutive year with the units launched declining nearly by half from ~23,000 level to ~11,500 level during calender year 2016 (Source: Cushman & Wakefield). The transaction volumes in both primary and secondary markets were subdued. The mid-segment and affordable housing properties dominated the launches.

**Outlook**

While the implementation of RERA Act will impact the performance of the residential segment of the real estate sector, overall reforms and bounce back of end users after demonetization are expected to help the sector. Decreasing mismatch between demand and supply of the type of houses, is also likely to help push sales. Reserve Bank of India (RBI) has been slow in reducing the interest rates, however with another good monsoon predicted across the country and inflation inching downwards, there is a good chance of RBI biting the bait. This will improve the buyer sentiments by reducing their monthly EMI outgo. Turnaround in sales velocity will help developers reduce the debt or turnaround the capital faster.

Affordable housing demand is likely to gather traction with the infrastructure status to the sector allowing developers to access long term funds at lower costs. Government support through various schemes is also likely to push for larger housing stock creation to eliminate the shortage by 2022.

**b. Commercial segment Overview**

The Commercial real estate segment has seen consistent outperformance since the year 2014 as corporates continued to expand operations. 2016 continued with the trend on the back of India's consistently high economic growth and increasing investor confidence due to the transparency ushered in by Government policies. While the shift towards automation, disruptive new technologies and protectionism in its major markets are clouding the employment scenario for the IT/ITeS sector which leads in the absorption of commercial spaces, there were counterbalancing trends that led to minimal impact on the space requirements of the sector in 2016. These include the demand for manpower with new skills, continued start-up boom, mushrooming of co-working spaces and contained impact of protectionism on business model. Other sectors such as banking, financial services, consulting and research, continued to see growth in the country. In light of the consistent growth in demand for quality office spaces, vacancy rates continued to trend below the long term averages, especially in markets such as Bengaluru and Pune.

**Market Dynamics - Demand & Supply**

During 2016, approximately 3.15 million sq. mt. (33.9 million sq. ft.) of office space was absorbed across the country as per Cushman & Wakefield. The absorption rate was higher than the 2.79 million sq. mt. (30 million sq. ft.) mark for the 3rd straight year, even though it was marginally lower than the rate in 2015. The IT/ITeS sector continued to retain 50% – 55% share in the leasing market. As per a January, 2017 report from Colliers International, the gross office leasing transactions in 2016 covered 3.9 million sq. mt. (41.6 million sq. ft.) across 7 major metros, which was a modest increase of 3.5% over 2015. The technology sector continued to drive the market with a 58% share of total leasing volume. Share of major micro-markets were 31% for Bengaluru (Bangalore), 18% for Delhi-NCR, 14% for Mumbai, Hyderabad and Chennai at 13% each, Pune at 9% and Kolkata with 2%.

Supply of 2.53 million sq. mt. (27.2 million sq. ft.) of new office space was released into the market in 2016. This included 0.90 million sq. mt. (9.7 million sq. ft.) from Bangalore, 0.47 million sq. mt. (5.1 million sq. ft.) in Mumbai, 0.37 million sq. mt. (4 million sq. ft.) in Delhi-NCR, 0.30 million sq. mt. (3.2 million sq. ft.) at Kolkata, 0.21 million sq. mt. (2.3 million sq. ft.) in Hyderabad, 0.18 million sq. mt. (1.9 million sq. ft). from Chennai and 0.09 million sq. mt. (1 million sq. ft.) in Pune. This indicates that the absorption rates in these major metros is higher than the supply being created, leading to lowering of vacancy levels and increasing rentals. The continued demand and supply mismatch in terms of quality and location of available office spaces, however resulted in a stubborn part of vacancy rate that may persist.

**Growth Drivers**

Technology & BFSI Segment: Expansion and relocation needs will drive the leasing demand from Technology and BFSI segment. While Technology segment dominates due to the sheer size of its contribution to the absorption rate, BFSI sector is expected to increase its share on account of high growth in the sector. Growth in savings and deposits, government push for financial inclusion, expansion by new full-fledged banks and payment banks and continued growth of private insurance industry is likely to see BFSI sector gain higher share in the leasing market.

Real Estate Investment Trusts (REIT) & Regulatory Changes: Given the growth prospects of the Indian economy, international institutional investors looking for steady returns have been investing actively in Grade A income yielding leased commercial assets in 2016. While large funds like Blackstone pioneered this trend, many others such as Canada Pension Plan Investment Board (CPPIB), Maple Tree, Tishman Speyer and Morgan Stanley have followed suit. With the state level implementation of RERA, introduction of modified guidelines for REITs, permission for 100% FDI under automatic route in completed projects and push back against informal economy through demonetization and launch of GST, the regulatory initiatives has helped the sector, especially the commercial segment, by bringing transparency. REITs will not only make long term funding available to the sector, they will also have a transformational impact on developers by pushing them towards corporatization and consolidation.

Economic Growth: Increasing economic activity and improved business sentiments are driving expansion of Indian corporates and attracting new global entrants to the country. With the burgeoning working population, the world is looking to India to fulfill the skill and labor shortage in many developed countries. This is a huge factor for the companies to look at setting up operations in India apart from one of the largest domestic markets in the world. Reliance of the economy on the Services sector vis-à-vis Agriculture and Manufacturing, is a key demand driver for office space in India.

**Delhi- NCR**

While lower costs are attracting many corporates away from Delhi, the leasing market remained healthy in 2016 on account of demand from the BFSI and Manufacturing sector. The city witnessed a jump of 14% in the gross absorption on a y-o-y basis to 94,758 sq. mt. (1 million sq. ft.). Shares of Financial Services, Manufacturing and Information Technology sectors in the leasing demand during 2016 were 38%, 25% and 16% respectively on a volume basis. On the supply front about 48,309 sq. mt. (0.5 million sq. ft.) area was added to the total stock in 2016.

On the other hand, in Gurgaon, which is an Information Technology driven market, the gross absorption fell by 30% vis-à-vis 2015 to 3,59,534 sq. mt. (3.87 million sq. ft.). Share of Information Technology sector fell from 64% in 2015 to 32% in 2016, whereas Financial Services and Manufacturing sector saw the shares jump to 20% and 11% respectively. Cumulative supply of 1,48,644 sq. mt. (1.6 million sq. ft.) was added with major part of the addition on Golf Course Road.

Momentum in Noida's commercial space market maintained its momentum with a 3.4% increase in gross absorption to 2,51,770 sq. mt. (2.7 million sq. ft.) in 2016. Technology firms and Manufacturing constituted major share of the absorption volume at 60% and 29% respectively. High vacancy levels lead to only 73,420 sq. mt. (0.8 million sq. ft.) supply addition in 2016.

(Source: Colliers International Report, Jan 2017)

**Outlook**

The outlook for commercial real estate will continue to be strong in 2017. JLL expects an addition of 38-40 million sq. ft. of supply across the country during the year. Similar estimate from Colliers International for the 7 major markets is 35.1 million sq. ft. against an expected gross absorption of 42.6 million sq. ft. in 2017. High pre-commitment levels for the new supply to existing tenants, especially in Technology sector driven markets such as Bangalore, Pune and Hyderabad, would mean that demand from new occupiers for Grade A properties will lead to an upward pressure on rents. Coworking or Community Working will continue gain traction not only with start-ups or SMEs, but also with large corporates looking for flexible workspaces in low concentration locations.

**c. Retail segment Overview**

The retail sector in India continues to be in the throes of transformation since the turn of the century. From the departmental store chains to super markets to hyper markets to shopping malls to e-tailing, the evolution has been a constant and presently all the formats have established their niche within the overall industry and are collectively increasing the share of organized players. Omni-channel presence and Retail-tainment are some of the key trends driving the sector. These trends have a direct bearing on the Retail Real Estate segment through the need to create physical spaces that weave the market imperatives from these trends.

**Market Size**

The overall Indian retail market was estimated to be US$ 622 billion in 2015, of which, the organized retail contribution was estimated to be around 10% of the total market between US$ 50 – 60 billion. (Source: BCG Report - Retail transformation: Changing Your Performance Trajectory). E-commerce industry in India grew only by 12% to reach US$ 14.5 billion in revenue in 2016 as against US$ 13 billion in 2015 (Source: RedSeer Consulting).

CBRE's India Retail Market View report covering seven major cities, concluded that the supply of organised retail space fell by 5 per cent to 3,15,870.34 sq. mt. (3.4 million sq. ft.) in 2016 from 3,34,450.94 sq. mt. (3.6 million sq. ft.) of supply in 2015. As reported by JLL, the overall retail stock declined 27,870.91 sq. mt. (0.3 million sq. ft.) in 2016 on account of mall closures whereas the overall absorption was 2,50,838.21 sq. mt. (2.7 million sq. ft.) in the top six cities. The vacancy rates hence came down to 15% levels from the 17% – 18% levels seen in 2015. 2016 saw the entry of 19 new global brands into the country and a majority of the supply that entered the market in 2016 was concentrated in the National Capital Region (NCR), Bengaluru and Mumbai.

The retail segment in the real estate sector attracted an investment of over US$700 million in 2016 by PE firms and wealth funds according to property consultant CBRE. Institutional investors and PE players are showing interest in retail malls for the same reason as their interest in office spaces, yield based income. They are interest in both tier I and tier II cities, where several deals were reported.

**Growth Drivers**

Demographic Growth & Urbanization: The growth in population with increasing spending power is the major driver for growth of Retail industry. With higher levels of urbanization, which leads to nuclearisation of family, reduction of community spaces for entertainment and consumption driven lifestyle, this shift will be increasingly towards organized retail.

Digital Commerce & Payments: Retailers in today's world are competing for time and that is one of the biggest driver for e-commerce growth apart from the discounts. The ability of e-commerce websites to offer the customer choice of anywhere, anytime shopping with all information at the tip of her hand have led to the supercharged expansion of the sector. Customers not only purchase online, but also consume lot of marketing messages on the internet. Around 150 million consumers were digitally influenced in 2015 for retail purchases, of which around 90 million bought products online. Digital payments in the form of Credit/ Debit cards and e-wallets are another convenience which drive up consumption due to ease of transaction and availability of credit.

Retail Market Growth: As the size of India's retail sector expands, the need for quality real estate is naturally going to rise. With the omni-channel approach gaining traction, the physical retail spaces are not going away anywhere. Customers are increasingly looking at Retail spaces as a one-stop shop for their entertainment, shopping and dining needs. Allotment of space for the Food-Entertainment-Cinema (FEC) components has increased remarkably in major malls in recent times to cater to this need and drive traffic. Cross-selling opportunities through this strategy are immense.

Capital Availability: FDI and PE investments in Retail Real Estate sector are showing an increasing trend as illustrated before. This demonstrates attractiveness of the segment for institutional investors due to its steady income streams. Given the attractiveness of Indian market and the reforms brought in by the Government, availability of institutional capital to the sector is expected to significantly go up. This will push development of more and more retail properties across the prime cities.

### Outlook

The retail sector is projected to grow by an overall CAGR of 11.6% and modern retail by CAGR of 21% over the five year period from 2015 to 2020. Hence, by 2020, the retail market is expected to be around US$ 1077 billion, of which modern retail market could be between US$ 165-180 billion (Source: BCG Report - Retail transformation: Changing Your Performance Trajectory). The year 2017 is expected to be no exception to this secular trend. Looking at the major micro-markets, a report from Knight Frank India has stated that organized retail is projected to grow twice its current size within three years to Rs 1,71,800 crore across the top six retail markets of the country. Consequently, the current 19% penetration levels for modern retail will go up to 24% in that period. Penetration for major markets such as Bangalore and NCR could be in the 50% range. The number of digital influenced retail customers is projected to be around 350-400 million by 2020, out of which 200-250 million would purchase online. e-Commerce industry is expected to grow to US$ 80 billion by 2020 and the growth for 2017 are expected to be much higher than 2016 on account of 100% FDI permitted in Online retail through the marketplace model and industry consolidation. Private Equity investments in the Retail Real Estate sector have been estimated to rise by 20% in 2017 by CBRE.

## d. Special Economic Zones Overview

Special Economic Zones (SEZs) have the prime objective to enhance foreign investment, and provide an internationally competitive and hassle free environment for exports. The Government of India instituted the SEZ policy in India on April 1, 2000 and since then many developers have set-up SEZs approved by the state governments and are doing exports. SEZs have been recognized as an important policy tool for trade and investment promotion, creation of infrastructure, employment generation, increase in foreign exchange earnings, improving export competitiveness and transfer of skills and technology. The SEZ Act, 2005 now governs the SEZ development and Unit operations. Four types of SEZ development models are prevalent in India, viz. Industrial Parks, Fully Integrated, Outsourced Facility and Shared Infrastructure. Fully Integrated development model is most popular in India.

### Market Size

The number of SEZs notified till date are 347, against formal approvals for 436. 199 SEZs are currently operational (March 2015). The exports from the SEZ units were Rs. 4.68 lakh crore in FY2015-16 and these rose by 12% to Rs. 5.24 lakh crore in FY2016-17. Overall export growth during the same period was higher at 16.23%. The performance of the SEZs has lagged in recent times, and this has prompted experts to request the Government to take steps to boost exports from SEZs. As of March 31, 2017, SEZs have attracted Rs 4.23 lakh crore of investments and offered employment for 17.31 lakh people. SEZs and Export Oriented Units (EOUs) account for 33% of country's total exports. (Source: moneycontrol.com)

### Outlook

The outlook for SEZs in the country is currently clouded on account of underperformance of SEZs with respect to the overall export performance and underlying economic conditions related to global trade. Till March 31, 2017, 109 SEZ developers had sought cancellation of their projects in some states as they found the projects economically unviable in the changed economic situation. As many as 28 zones were cancelled in Maharashtra, followed by 14 in Telengana and 10 in Tamil Nadu. On the other hand, Rs. 56,418 crore tax incentive was given to SEZ units and developers during the first nine months of the FY2016-17 as against duty exemptions worth Rs. 52,216 crore in the entire FY2015-16. Given the loss of tax credit by companies during the tenure of the SEZ benefit because of smaller gap between the tax rate under MAT and normal provisions, the FY2017-18 budget proposed to extend the time limit for utilization of MAT credit to 15 years from existing 10 years. Hence, the Government is likely to push for measures to improve SEZ viability and export performance.

## e. Hospitality segment Overview

Indian Hospitality industry showed signs of recovery in FY2016-17 with improved operational performance across the country. This was on the back of growth in domestic air traffic by 23.3% in 2016 (Source: IATA), highest in the world, and 10.7% increase in inbound tourist arrivals to 8.9 million. The visitor spending increased at a faster pace to Rs. 1.56 trillion representing a growth of 15.1% over previous year. In addition, the turnaround in business momentum and 15.5% growth in domestic tourist visits have further enhanced the occupancy levels at hotels and boosted revenue (Source: Ministry of Tourism). Reduction in supply growth has also played an important role in the segments' performance.

### Market Dynamics – Demand & Supply

Demand growth was 8.5% and supply grew by 3.4% in the top eleven markets. Demand growth was higher than the supply growth for the first time since 2008. These markets also saw an occupancy growth of 3% points, Average Daily Rates (ADR) increase by 2.6% and Revenue Per Available Room (RevPAR) by 7.6% on a y-o-y basis. There were no notable M&A transactions in the sector during the year 2016 with the deal volume dropping to Rs. 712.9 crore from the 2015 high of Rs. 1,842.9 crore (Source: JLL).

### Outlook

The Hospitality sector will continue to be driven by both, the business and tourism segments. Expected boost in office space absorptions on account of improving economy and sectoral reforms is a good indicator of robust corporate demand for branded hotels. Similarly, on account of tourism promotion initiatives by the Government of India such as e-Visa program, promotional activities and Atithi Devo Bhava program, both inbound and domestic tourism are likely to get further boost. Updates to the e-Visa program to increase the number of approved countries, introduction of e-Business and e-Medical visa and increase in approved stay from 30 days to 60 days will further popularize this option and improve the adoption rates.

Based on announcements, ICRA has pegged supply growth at 8% annually over FY17-FY20, and the actual supply growth would fall to ~6% assuming the typical delays in projects and final approvals. ICRA projects RevPar to increase by 8-9 percent in FY18 for the Indian Hotel industry, aided by stronger demand and better pricing power in most markets. The segment is also expected to witness many transactions in existing and brownfield assets in 2017. The acquisition of Sarovar Hotels by The Louvre Hotel Group in January 2017 is the first major transaction in the sector. Technology will play a major role in the sector not only from the perspective of increasing share from online bookings, but also from a business model point of view with multiple approaches taken by new economy players in the sector such as Oyo, Treebo and Fab Hotels.

## 3. COMPANY OVERVIEW

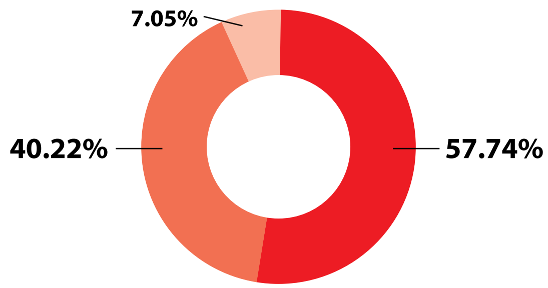
The Parsvnath Group, is a leading name in the real estate sector with nearly three decades of experience and presence in 41 cities across 15 states. The Company has established its credentials in multiple segments of the sector and has successfully executed many Integrated Townships, Group Housing, Commercial, Retail, DMRC Station Development, Hotel, IT Park and SEZ and Third Party Contracting projects. Within each vertical, the Company has an enviable track record of delivering different types of formats addressing varied customer needs.

The total developable area across all real estate verticals as on June 30, 2017 was 94,49,359 sq. mt. (101.71 million sq. ft.). The Company has executed 65 projects till date, with an area of 26,27,924 sq.mt. (28.29 million sq. ft.) and the number of ongoing projects that are under construction is 42, correspond to 50,75,035 sq. mt. (54.63 million sq. ft.) of developed area.

**Total area under Construction as on 30.06.2017**

| Sr. No. | Segments | No of Projects | Area in sq. mtrs. | Area in mn. sq. ft. |
|---|---|---|---|---|
| 1 | Group Housing | 16 | 20,40,822 | 21.97 |
| 2 | Integrated Townships | 13 | 26,77,052 | 28.81 |
| 3 | Commercial/Retail & IT Parks | 13 | 3,57,161 | 3.84 |
| | | **42** | **50,75,035** | **54.63** |

**Total Area under Construction (30.06.2017)**




- Integrated Townships (28.81 Million Sq Ft)
- Group Housing (21.97 Million Sq Ft)
- Commercial/Retail & IT Parks (3.84 Million Sq Ft)

In FY2016-17 the overall sector continued to be under weather and this also reflected in the performance of the Company. The operating revenue of the Company on a consolidated basis stood at Rs. 278.90 crore as against Rs. 405.94 crore in the previous financial year. EBITDA for the year was Rs. 100.38 crore corresponding to EBITDA margin of 36% as compared to Rs. 124.69 crore EBITDA and 30.7% EBITDA margin in FY2015-16. The consolidated loss after Exceptional items, Tax & Minority Interest was Rs. 148.87 crore in FY2016-17 as compared to Rs. 49.36 crore in FY2015-16.

### a. Operational Highlights – During (2016-17)

- The Company received bookings for 60,920 sq. mt. (0.66 million sq. ft.) of real estate at Rs. 11,404 lakhs, which is distributed in residential group housing (9% at 5,119 sq. mt. or 0.06 million sq. ft.), residential plots (88% at 53,885 sq. mt. or 0.58 million sq. ft.) and commercial property (3 % at 1,916 sq. mt. or 0.02 million sq. ft.).
- Possession was offered or construction completed of 493 units in total, measuring 79,066 sq. mt. (0.85 million sq. ft.) of saleable/ leasable area; of which, 40% was residential group housing (31,747 sq. mt. or 0.34 million sq. ft.), 56% residential plot (44,401 sq. mt. or 0.48 million sq. ft.) and 4% was commercial/ retail property (2,918 sq. mt. or 0.03 million sq. ft.).

### b. Business Segment Review including Segment Highlights

**Group Housing Segment (As on 30.06.2017)**

The Company has a strong brand presence in the Group Housing segment, especially in North India. High-rise apartment blocks, row houses and group housing are its major offerings in this segment. The Company has successfully finished and handed over possession of 20 (Partly/Fully) group housing projects totaling to 9,69,420 sq. mt. (10.43 million sq. ft.) of total developable area. 16 existing projects are ongoing across the country with a total developable area of 20,40,822 sq. mt. (21.97 million sq. ft.), which are expected to be completed over the span of next 3-4 years.

Segment Highlights, 2016-17

- In the reported financial year, possession for 231 units covering developed area of 31,747 sq. mt. (0.34 million sq. ft.) was offered
- Sale realization of Rs. 1,621 Lakhs from group housing project sales translating into 5,119 sq. mt. (0.06 million sq. ft.) of area

**Integrated Townships (As on 30.06.2017)**

Parsvnath's integrated township portfolio includes 13 projects spread over 13 cities and an area of 26,77,052 sq. mt. (28.81 million sq. ft.). The townships include various types of projects such as residential plots, houses, villas, apartments, school, hospital and commercial units in different configurations. The Company has developed 13,10,171 sq. mt. (14.10 mn. sq. ft.) of projects in these townships.

Segment Highlights 2016-17

- In the reported financial year, possession was handed over for 187 units covering developed area of 44,401 sq. mt. (0.48 million sq. ft.)
- Sale realization of Rs. 8,965 Lakhs from integrated township project sales translating into 53,885 sq. mt. (0.58 million sq. ft.) of area

**Commercial Segment (As on 30.06.2017)**

The commercial segment is an important area for the Company. As on 30.06.2017, 15 commercial projects across 9 cities covering 86,237 sq. mt. (0.93 million sq. ft.) of leasable/ saleable area were developed by Parsvnath. Similarly, 11 projects of 2,44,414 sq. mt. (2.63 million sq. ft.) of commercial leasable/ saleable area are under construction and expected completion is over a period of 3-4 years. Commercial projects form an important revenue stream for a company from stability and liquidity point of view.

Segment Highlights, 2016-17

- In the reported financial year, developed 75 units covering an area of 2,918 sq. mt. (0.03 million sq. ft.) for commercial use
- Project sales covering 1,916 sq. mt. (0.02 million sq. ft.) of commercial projects spread across 7 cities were accomplished, generating Rs. 818 lakhs.

**DMRC Malls**

Delhi Metro Rail Corporation Limited (DMRC) selected Parsvnath through competitive bidding for award of 'Concession' for 12 or 30 years for commercial development of incremental land pockets available with DMRC or integrated property development at MRTS stations for many of the projects. The agreement is on a Build-operate-transfer (BOT) basis. As on June 30, 2017, the Company has completed construction of 11 malls aggregating 90,750 sq. mt. (0.98 million sq. ft.) of developable area.

**Special Economic Zones**

Parsvnath operates in the SEZ segment through Parsvnath Infra Limited (PIL), subsidiary company, in which Parsvnath Developers Limited holds 94.87% equity. PIL is currently focusing on a Biotechnology SEZ at Hyderabad, Andhra Pradesh and a Private Integrated IT/ Hitech Park at Kochi.

**Hospitality segment**

A hotel property at Shirdi through a 100% subsidiary, Parsvnath Hotels Limited (PHL), is the major play that the Company has in the Hospitality segment. This hotel, which has got three certification, will cater to the affordable quality hospitality segment and will be managed by a leading national hotel chain on completion. The status of the project at the end of June 30, 2017 is under construction.

**THIRD PARTY CONTRACTS**

PDL undertakes third party construction projects for private as well government clients. Parsvnath has delivered 6 third party construction projects till date encompassing 1,71,346 sq. mt. (1.85 million sq. ft.) of built-up area for project value worth Rs.311.71 crore. As on date, there are no currently running third party contracts, however, these have remained an important part of PDL's business and the Company is focusing again to resume working on this segment and take up new projects.

**Awards & Recognitions**

During FY 2016-17, Parsvnath won prestigious recognition for its commercial project Red Fort Capital Parsvnath Towers' which was featured amongst best Real Estate Projects in the 8th Anniversary Issue of 'Construction Week India' magazine in November 2016.

c. **SWOT**

| **Strengths** | **Weakness** |
|---|---|
| * Well recognized and established track record of nearly three decades in executing real estate projects across India<br>* Diversity of presence across segments, markets and revenue streams<br>* Large land bank in Delhi NCR with well executed plans<br>* Sharp focus on project execution, and strategy to deleverage the balance sheet<br>* Excellent talent pool managed by competent and driven leadership<br>* Consumer trust and goodwill | * High interest outgo on account of the size of debt on the balance sheet<br>* Long term projects with longer payback periods |
| **Opportunities** | **Threats** |
| * Huge potential in the housing market especially with demand for affordable housing, which may get infrastructure status allowing the sector to access cheaper and long term capital<br>* REIT norms revision leading to wider acceptance of REITs, and an additional source of capital especially for commercial segment<br>* Boost in demand for commercial spaces on account of economic revival<br>* Dovish monetary policy stance leading to lower interest rates can lead to higher sales, especially in the residential segment<br>* Increasing popularity of integrated townships and the importance of supporting urban infrastructure by the Government<br>* Shortage of hotel rooms in the context of increasing business travel and tourism growth, thus leading to expansion of hospitality industry<br>* Newer micro-markets<br>* Formalization of sector through regulatory overhaul (Benami Property Bill, RERA, etc.) and fight against black money will work in favor of established players | * Regulatory overhaul is likely to cause short to medium term disruption in the sector<br>* Overall real estate sector is not given industry status and the status is unlikely to change in the near future<br>* Increasing cost and non-availability of labor could impact project execution<br>* Increase in the cost of borrowing could worsen the impact of interest outgo on the balance sheet |

d. **Company Outlook**

The Company's focus in the coming financial year is on project completion and it is determined to speed up construction, draw up detailed project development and execution roadmap and avoiding regulatory delays in order to offer significant number of possession in its Residential segment. The management is driven to make these efforts a success and help improve sales and revenue realizations in order to bring down debt, and return to profitability.

With the expected turnaround in the real estate sector especially with the jump in demand for affordable housing, uptick in commercial sector and improving long term prospects, the Company is at a critical juncture. The situation is likely to improve on the capital front with increased interest from foreign institutional investors, REIT norms finalization and expectations of interest rate reduction also generating the necessary tailwinds for the sector. The Company is positive about its strengths and capabilities to leverage the positive environment in the sector and turn the sales story around. Its understanding of the customer needs, diverse presence in the market, wide range of high quality, value for money product portfolio and sales & marketing strategies have a wide appeal in the market to help the Company succeed.

Other strategic choices made by the Company include monetization of non-core assets through divestment and switching to long term capital, in order to reduce debt and interest outgo. The company will also de-risk its revenue stream by increasing the contribution of regular income yielding assets in the revenue mix from commercial and other segments. Third party contracts and Government projects will be other area of focus.

## 4. SUBSIDIARIES AND ASSOCIATE COMPANIES

- Parsvnath Infra Limited (PIL)

  Parsvnath operates in the SEZ segment through PIL, in which Parsvnath Developers Limited holds 94.87% equity. PIL is currently focusing on a Biotechnology SEZ at Hyderabad, Andhra Pradesh and a Private Integrated IT/ Hi-tech Park at Kochi.

- Parsvnath MIDC Pharma SEZ Private Limited (PMPSPL)

  PMPSPL, a subsidiary of PIL, was incorporated to implement a pharmaceutical SEZ project in Maharashtra. However, consequent upon surrender of the project during 2014-15 as a result of unviability, options are being explored for taking up suitable business activity in PMPSPL.

- Parsvnath Landmark Developers Private Limited (PLDPL)

  Construction of the premium residential project “La Tropicana” at Civil Lines, Delhi, is in progress. The project is part-funded by Sterling Pathway, Mauritius, part of Sankaty Advisors LLC.

- Parsvnath Hotels Limited (PHL)

  The Company is developing a hotel project at Shirdi which is under construction.

- Primetime Realtors Private Limited (PRPL)

  The construction of a state of the art commercial building on a plot of land measuring 0.49 hectares situated at 27, Kasturba Gandhi Marg, New Delhi- 110001, is in progress.

- Parsvnath Estate Developers Private Limited (PEDPL)

  The Company had tied up with Red Fort Capital (RFC), a leading international Private Equity Real Estate firm, to jointly develop “Red Fort Capital Parsvnath Towers”, a modern state of- the-art office-cum-commercial complex of international standards, located adjacent to Connaught Place on Bhai Veer Singh Marg, New Delhi. The building (Part A) has been leased out to various leading corporates such as Aditya Birla Group, Axis Bank, State Bank of India, Facebook, WHO, etc. The construction of Part B is in progress. Pursuant to the acquisition of securities held by Red Fort Capital (RFC), RFC has exited from the Project and PEDPL has become a wholly owned subsidiary of the Company. Consequently, the building has been renamed as ‘Parsvnath Capital Tower’.

- Parsvnath Promoters and Developers Private Limited (PPDPL)

  PPDPL was initially selected to implement a residential project on land to be leased by Rail Land Development Authority (RLDA) near Rani Jhansi Road, Delhi. However, subsequently at RLDA’s instance, the project was assigned and transferred to Parsvnath Rail Land Project Pvt Ltd (PRLPPL). Investments made by foreign private equity investors and the promoters in this Company is proposed to be returned/ redeemed out of the proceeds to be received from PRLPPL (against the consideration for the assignment of the RLDA project) on completion of the arbitration proceedings between PRLPPL and RLDA.

- Parsvnath Rail Land Project Private Limited (PRLPPL)

  PRLPPL was incorporated for implementing the residential project near Rani Jhansi Road, Delhi, on land leased by Rail Land Development Authority (RLDA). Your Company had tied up with Red Fort Capital Group, international private equity investors, for investment in the project. However, as a result of various factors including inability to achieve financial closure due to delay in approval of building plans, PRLPPL has surrendered the project and is awaiting refund of the amounts deposited towards land premium. This is being disputed by RLDA and as such, matter has been referred to Arbitration by both the parties and the same is pending for decision.

- Parsvnath Hessa Developers Private Limited (PHDPL)

  PHDPL, a wholly owned subsidiary of the Company, is developing a part of the premium luxury residential project “Parsvnath Exotica” at Gurgaon, Haryana. Possession of the flats to the customers was offered in a few towers with fit outs pending receipt of completion certificate for the project.

- Parsvnath Buildwell Private Limited (PBPL)

  PBPL is a special purpose vehicle (SPV) implementing a premium residential project “Parsvnath Exotica - Ghaziabad” in Ghaziabad District, Uttar Pradesh, spread over an area of approx. 12.55 hectares. Private equity firm SUN-Area Property Partners has invested in the project. The progress of construction is at a slow pace pending receipt of approval of revised building plans submitted with the Ghaziabad Development Authority and certain disputes with the land owners.

- Parsvnath Realcon Private Limited (PRPL)

  PRPL, a subsidiary of PBPL, is a SPV developing a luxury residential project at Subhash Nagar in West Delhi on land acquired from DMRC. The progress of construction has been hampered due to non-receipt of approval for revised building plans by South Delhi Municipal Corporation and the matter is pending before the Appellate Tribunal. MCD (ATMCD) for adjudication. It is anticipated that the matter will get resolved in the near future.

- Parsvnath HB Projects Private Limited (PHBPL)

  PHBPL, a subsidiary of your Company and a joint venture with HB Estate Developers Ltd., is a SPV developing a Hotel-cum- Multiplex-cum Shopping Mall Project viz., Parsvnath Mall Matrix at Mohali in Punjab. Pursuant to certain disputes with the Punjab Small Industries Export Corporation from whom the plot of land was acquired, the matter is under arbitration.

- Parsvnath Film City Limited (PFCL)

  The Arbitral Tribunal vide its order dated March 10, 2012 had decided the matter in favour of PFCL and against Chandigarh Administration (CA) and awarded refund of Rs. 4,919 lakhs towards the earnest money paid and other expenses incurred by PFCL along with interest @ 12% per annum. Subsequently, the CA filed a petition before the Additional District Judge at Chandigarh challenging the award under Section 34 of The Arbitration and Conciliation Act, 1996. The said petition was dismissed by the Hon'ble District Judge vide his order dated 7th May, 2015.

  The Hon'ble Judge vide his judgement had decided the matter in favour of the Company and stated that the Arbitration Award was final and that there was no occasion to set aside the Award of the Arbitrator. Subsequently, on an appeal filed by CA, the Punjab & Haryana High Court at Chandigarh decided the matter in favour of CA. PFCL has filed an SLP before the Supreme Court which has been admitted and stay has been granted against the decision of the Punjab & Haryana High Court. The matter will be listed for hearing in due course.

- Parsvnath Telecom Private Limited (PTPL)

  The Company has still not ventured into telecommunication related business and is still in the process of exploring the possibilities, if any, to undertake this business. The Company shall venture into this arena as and when suitable opportunities are identified.

- PDL Assets Limited (PAL)

  PAL is a SPV being used for developing the Azadpur Project in terms of the concession agreement executed with Delhi Metro Rail Corporation Limited ("DMRC"). The Company has received in-principle approval from DMRC for transferring the Property Development Rights to PAL.

- Parsvnath Realty Ventures Limited (PRVL)

  PRVL is a SPV for developing the Akshardham Project in terms of the concession agreement executed with DMRC. The Company has received necessary approval from DMRC for transferring the Property Development Rights to PRVL.

- Vasavi PDL Ventures Private Limited (VPVPL)

  Pursuant to the joint venture agreement with Vasavi Nirmaan Private Limited, VPVPL was incorporated as a subsidiary company by subscribing to 51% of the paid up capital, to develop the multi-complex on the land situated at Kukatpally, Hyderabad.

- Amazon India Limited (AIL)

  AIL in collaboration with the Company has successfully developed a group housing project at Sohna Road, Gurgaon whereat possession of all flats have been handed over.

- Homelife Real Estate Private Limited (Home Life)

  Home Life has developed part of a residential colony in Rajpura (Punjab) and balance part is currently under development.

- Vardaan Buildtech Private Limited (Vardaan)

  Vardaan owns a plot of land at Sonepat for building a commercial complex and construction of which will commence in due course.

## 5. HUMAN RESOURCES

Our people are the biggest asset of Parsvnath because they drive the customer experience not only as face of the Company, but also through their commitment to complete projects on time with the best quality. We believe that a motivated and capable workforce is the foundation of our efforts to differentiate ourselves in the tough marketplace. Hence, sound human resource management practices are followed by the Company to keep our employees engaged and empowered.

As of March 31, 2017, the number of full-time employees on Company rolls stood at 462

## 6. MANAGING BUSINESS UNCERTAINITIES

Managing uncertainty arising from risks is an integral challenge of running a business. This section outlines the major internal and external risks that the Company is exposed to, and mitigates them by implementing a robust integrated risk management framework covering all the steps from identification, assessment, management and monitoring.

### a. Economic Risk

Macroeconomic factors such as GDP growth, consumer and business sentiments, fiscal and monetary policies, inflation impact the demand in the real estate market and also affect the factors of production such as manpower availability, ease and cost of funding, and raw material cost. Cyclicality is also an inherent characteristic of the real estate market.

Mitigation Approach

- Diversification: Comprehensive portfolio of offerings across various segments of the realty sector – Housing, Commercial, Hospitality and Retail. Also, geographical diversification through pan-India presence helps mitigate risks from demand volatility in micro-markets.

- Low volatility segments: Focus on some of the segments such as mid-income and affordable housing segment, and third party contracting where demand is less volatile and risks are lower.

**b. Execution Risk**

Project costs and completion can be impacted by unforeseen factors, which can lead to lower profits and loss of reputation.

**Mitigation Approach**

- Project Management Capabilities: Strengthen the HR competencies for efficient and effective project management to complete the projects within time and cost budgets. Leverage external capabilities when facing such shortages internally, and hence outsource when necessary. Plan for uncertainties by keeping reasonable buffer in budgets. Separation of execution and monitoring responsibilities to keep teams focused on the goals.
- Long Term Supplier Relationships: Long term supplier relationships to ensure predictable procurement of quality raw materials at reasonable rates.

**c. Capital Risk**

Non-availability of capital on a timely basis can delay the project execution, which will in turn delay the money to be received from customers. Hence, this can lead to a negative reinforcement cycle jeopardizing the project/ Company's viability by increasing the cost of borrowing and limiting the Company's ability to refinance existing debt.

**Mitigation Approach**

- Asset Light Revenue Streams: Focus on third-party contracting segment to generate fee-based income and avoid dependence on capital.
- Annuity Revenue Streams: Commercial and BOT projects to generate recurring revenue stream for liquidity.
- Debt Reduction: By raising long term capital and divesting assets including land to reduce capital locked in non-core activities

**d. Statutory Risks**

Indian realty sector is heavily regulated and the projects have to comply with a number of laws and regulations, and seek multitude of approvals at various stages. These compliances vary from state to state and any delay in obtaining approvals could result in project delays or deferments.

**Mitigation Approach**

- Dedicated Project Compliance Teams: Institutionalize regulatory compliance framework within the organization and develop dedicated capabilities to manage project level regulatory approvals and compliances separate from the corporate Legal department.

## 7. INTERNAL CONTROLS AND SYSTEMS

The Company's Internal Audit Department follows established processes for audits to ensure adequate internal controls across departments to ensure operational efficiency, regulatory and policy compliance, protection of resources and assets and accurate reporting of financial transactions. The internal audits are supplemented by extensive and established system of management reviews, to ensure reliability of financial performance and achievement of objectives. Also, in order to further strengthen our Internal Audit systems, an independent firm of Chartered Accountants has been appointed to carry out the internal audit of various project sites, commercial and other functions of the Company.

The Management Information Systems implemented by the Company capture all the important parameters on a timely basis and accurately. On a quarterly basis, the Audit Committee and/or the Board of Directors are apprised by the internal and external auditors with reference to significant risk areas, and adequacy of internal controls and steps taken to mitigate various risks.

***FORWARD LOOKING STATEMENT***

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

# CORPORATE GOVERNANCE REPORT

## 1. Company's Philosophy on Corporate Governance

The welfare of the stakeholders of the Company forms the cornerstone of the Company's Corporate Governance Policy. The Company's philosophy strives to ensure that its business strategies and plans prioritise the welfare of all stakeholders, while at the same time, maximising shareholders' value on a sustained basis.

The Board of Directors, Management and Employees of the Company consistently envisage attainment of the highest level of transparency, integrity and equity in all facets of the operations of the Company and also in its interactions with the stakeholders. The Company is committed to benchmark itself with the best standards of Corporate Governance, not only in form but also in spirit. Our Company is in compliance with the Corporate Governance guidelines as stipulated under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"). A report on the matters mentioned in the said Regulations and the practices followed by the Company is detailed below.

## 2. Board of Directors

### A. Composition & Category

As on March 31, 2017, there were 7 (Seven) Directors on the Board including 4 (Four) Non-Executive Directors in compliance with the prescribed combination of Executive and Non-Executive Directors on the Board. As regards the presence of Independent Directors, the Company requires at least half of the Board to be represented by Independent Directors, since the Board of Directors of the Company is headed by an Executive Chairman. All the 4 (Four) Non-Executive Directors of the Company are Independent and thereby, the composition of the Board of Directors is in compliance with the parameters prescribed under Regulation 17(1) of Listing Regulations. The detailed composition of the Board is represented in Table 1 below.

**Table 1: Composition of the Board of Directors as on March 31, 2017**

| S. No. | Name & Category of the Director | DIN | Designation | Number of Directorship (s) in other Public Limited Companies# | Number of Membership(s)/ Chairmanship(s) held in Committees of Public Limited Companies* | |
|---|---|---|---|---|---|---|
| | | | | | Membership(s) | Chairmanship(s) |
| **Executive Directors – Promoter and Promoter Group** | | | | | | |
| 1 | Shri Pradeep Kumar Jain | 00333486 | Chairman | 4 | 0 | 0 |
| 2 | Shri Sanjeev Kumar Jain | 00333881 | Managing Director & CEO | 1 | 2 | 0 |
| 3 | Dr. Rajeev Jain | 00433463 | Director (Marketing) | 4 | 1 | 0 |
| **Non-Executive Independent Directors** | | | | | | |
| 4 | Shri Ashok Kumar | 00138677 | Director | 1 | 1 | 1 |
| 5 | Dr. Pritam Singh | 00057377 | Director | 2 | 3 | 1 |
| 6 | Ms. Deepa Gupta | 02411637 | Director | 0 | 1 | 0 |
| 7 | Shri Mahendra Nath Verma | 02931269 | Director | 0 | 0 | 1 |

# Excludes Private Companies, Foreign Companies and Companies registered under Section 8 of the Companies Act, 2013 for the purpose of considering the limit prescribed under Regulation 26(1) (a) of the Listing Regulations.

* For the purpose of reckoning the limit of the Committees on which a Director can serve, the Chairmanship/Membership of the Audit Committee and the Stakeholders Relationship Committee of all listed and/or unlisted Public Limited Companies only have been considered as prescribed under Regulation 26(1) (b) of the Listing Regulations.

The maximum tenure of the independent directors is in compliance with the provisions of Companies Act, 2013 ("the Act") and Rules made thereunder, from time to time. All the Independent Directors have confirmed that they meet the criteria as mentioned in Regulation 16(1)(b) of the Listing Regulations and Section 149 of the Act. The terms and conditions of appointment of the independent directors are disclosed on the website of the Company and can be accessed at http://www.parsvnath.com/terms-conditions-of-appointment-of-independent-directors/.

As per the declarations received by the Company, none of the Directors is disqualified under Section 164 of the Act. None of the Directors of the Company is a member of more than ten Committees or acts as a Chairman of more than five Committees across all Public Limited Companies in which he holds the directorship. The Company is notified by the Directors, from time to time, regarding the status of Committee positions they occupy in other companies. The Independent Directors of the Company are not serving as Independent Director in more than 7 Listed Companies.

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

The Board met 8 (Eight) times on May 11, 2016; May 24, 2016; August 12, 2016; August 20, 2016; September 10, 2016; September 29, 2016; December 2, 2016 and February 11, 2017 during the financial year ended March 31, 2017. The attendance of each Director at the Board Meetings and at the last Annual General Meeting (AGM) held on September 29, 2016 is set out in Table 2 below:

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

| S. No. | Name of the Directors | Number of Board Meetings attended | Attendance at AGM held on September 29, 2016 |
|---|---|---|---|
| 1 | Shri Pradeep Kumar Jain | 8 | Y |
| 2 | Shri Sanjeev Kumar Jain | 8 | Y |
| 3 | Dr. Rajeev Jain | 8 | Y |
| 4 | Shri Ashok Kumar | 7 | N |
| 5 | Dr. Pritam Singh | 5 | Y |
| 6 | Ms. Deepa Gupta | 7 | Y |
| 7 | Shri Mahendra Nath Verma | 8 | Y |

## C. Relationship Between Directors

Shri Pradeep Kumar Jain, Shri Sanjeev Kumar Jain and Dr. Rajeev Jain are related to each other as brothers. Apart from this, none of the other Directors is inter-se related to each other.

## D. Separate Meeting of Independent Directors

A separate meeting of the Independent Directors was held on May 18, 2017, *inter-alia*, to review the performance of Non-Independent Directors and the Board as a whole, review the performance of the Chairperson of the Company, taking into account the views of Executive Directors and Non-Executive Directors and to assess the quality, quantity and timeliness of flow of information between the Company's management and the Board, that is necessary for the Board to effectively and reasonably perform its duties.

## E. Details of Equity Shares held by the Non- Executive Directors

The details of the Equity Shares held by the Non-Executive Directors as on March 31, 2017 is given in Table 3 below:

**Table 3: Details of Equity Shares held by Non-Executive Directors as on March 31, 2017**

| S. No. | Name of the Director | No. of Shares held |
|---|---|---|
| 1 | Shri Ashok Kumar | 2,000 |

## F. Familiarisation Programmes for Board Members

The Board Members are provided with necessary documents and policies to enable them to familiarize themselves with the Company's procedures and practices. Periodic presentations are made to the Board on business and performance of the Company. The details of such familiarization programmes for Independent Directors of the Company are posted on the website of the Company and can be accessed at http://www.parsvnath.com/investors/iulr/familiarization-programs-for-independent-directors/.

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

The Board of Directors has complete access to accurate, relevant and timely information. The agenda notes prepared for the meetings of the Board of Directors cover all items specified in Secretarial Standard on Board Meetings (SS-1) and Regulation 17(7) read with Part A of Schedule II to the Listing Regulations to the extent applicable to the Company. In addition, the following items are also provided and reviewed by the Board of Directors on a regular basis:

a) Report on statutory compliance with all applicable laws by the Company, as well as steps taken by the Company to rectify instances of non-compliance, if any;

b) Minutes of the meetings of the Board of Directors of all the unlisted subsidiary companies of the Company; and

c) Statement of all significant transactions and arrangements entered into by/with the unlisted subsidiary companies.

## 3. Audit Committee

(i) The Audit Committee of the Board of Directors of the Company is constituted in line with the provisions of Regulation 18 of the Listing Regulations read with Section 177 of the Act.

(ii) The terms of reference of the Committee, *inter -alia*, include the following:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
2. Recommendation for appointment, remuneration and terms of appointment of Auditors of the Company;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
   a. Matters required to be included in the Directors' Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of Section 134 of Act;
   b. Changes, if any, in accounting policies and practices and reasons for the same;
   c. Major accounting entries involving estimates based on the exercise of judgment by management;
   d. Significant adjustments made in the financial statements arising out of audit findings;
   e. Compliance with listing and other legal requirements relating to financial statements;
   f. Disclosure of any related party transactions;
   g. Modified opinion(s), if any in the draft audit report;
5. Reviewing, with the management, the quarterly financial statements before submission to the board for approval;
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the Company with related parties;
9. Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the Company, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing with the management, performance of statutory and internal auditors and adequacy of the internal control systems;
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
14. Discussion with internal auditors of any significant findings and follow up there on;

15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
18. Establish a vigil mechanism for directors and employees to report genuine concerns in such manner as may be prescribed;
19. To review the functioning of the Whistle Blower mechanism/vigil mechanism;
20. Approval of appointment of CFO after assessing the qualifications, experience and background etc. of the candidate;
21. The Audit Committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statements before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the Company;
22. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.
23. To mandatorily review the following information:
    - ➢ Management discussion and analysis of financial condition and results of operations;
    - ➢ Statement of significant related party transactions (as defined by the audit committee), submitted by management;
    - ➢ Management letters / letters of internal control weaknesses issued by the statutory auditors;
    - ➢ Internal audit reports relating to internal control weaknesses;
    - ➢ The appointment, removal and terms of remuneration of the chief internal auditor; and
    - ➢ Statement of deviations, in terms of Regulation 32 of the Listing Regulations:
        - (i) Quarterly Statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s);
        - (ii) Annual Statement of funds utilized for purposes other than those stated in the offer document/prospectus/ notices.

(iii) Composition and Meeting Details of the Audit Committee:

As on March 31, 2017, the Audit Committee comprised of Shri Mahendra Nath Verma (Chairman), Shri Sanjeev Kumar Jain, Shri Ashok Kumar, Dr. Pritam Singh and Ms. Deepa Gupta. All members except Shri Sanjeev Kumar Jain are Non-Executive Independent Directors of the Company. All the members of the Audit Committee possess sound knowledge of accounts, audit, taxation etc.

The Committee invites Group Chief Financial Officer, head of the Internal Audit Department and representative(s) of the Statutory Auditors and External Internal Auditors to attend the meetings of the Audit Committee on a regular basis.Shri V. Mohan, Sr. Vice President (Legal) & Company Secretary acts as the Secretary to the Audit Committee.

(iv) The Committee met 8 (Eight) times with adequate quorum on May 11, 2016; May 24, 2016; August 12, 2016; August 20, 2016, September 10, 2016; September 29, 2016; December 2, 2016 and February 11, 2017 during the financial year ended March 31, 2017.The gap between two meetings did not exceed one hundred and twenty days. The attendance of each member thereat is set out in Table 4 below:

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

| S. No. | Name of the Member | Category | Number of Audit Committee Meetings attended |
|---|---|---|---|
| 1 | Shri Mahendra Nath Verma | Non- Executive, Independent | 8 |
| 2 | Shri Sanjeev Kumar Jain | Managing Director & CEO | 8 |
| 3 | Shri Ashok Kumar | Non- Executive, Independent | 7 |
| 4 | Dr. Pritam Singh | Non- Executive, Independent | 5 |
| 5 | Ms. Deepa Gupta | Non- Executive, Independent | 7 |

## 4. Nomination and Remuneration Committee

(i) The Board of Directors has constituted Nomination and Remuneration Committee, pursuant to the requirements of Section 178 of the Act read with rules made thereunder and Regulation 19 of the Listing Regulations. The Committee's composition and terms of reference meet with the requirements of the above mentioned provisions.

(ii) In accordance with Section 178 of the Act and Regulation 19 read with Part D of Schedule II of the Listing Regulations, the terms of Reference of the Committee, *inter-alia*, include the following:

1. To formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
2. To identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria to be formulated by the Committee, recommend to the Board their appointment and removal and carry out evaluation of every director's performance including Independent Directors.
3. To ensure the following, while formulating the policy:
   (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
   (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
   (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals:
4. To devise a policy on Board diversity;
5. To identify whether to extend or continue the term of appointment of independent directors, on the basis of the report of performance evaluation of independent directors;
6. To disclose remuneration policy and the evaluation criteria in the Annual Report of the Company.

(iii) Composition and Meeting Details of the Committee:

As on March 31, 2017, the Committee comprised of Dr. Pritam Singh (Chairman), Shri Ashok Kumar and Shri Mahendra Nath Verma, all being Non-Executive Independent Directors.

Subsequently, the Committee was re-constituted by induction of Ms. Deepa Gupta as a member of the Committee at the Board Meeting held on May 29, 2017.

Shri V. Mohan, Sr. Vice President (Legal) & Company Secretary acts as the Secretary to the Nomination and Remuneration Committee.

A meeting of the Committee was held on May 18, 2017 and the attendance of each Member thereat is set out in Table 5 below:

**Table 5: Attendance of the Members at the Nomination and Remuneration Committee Meetings**

| S. No. | Name of the Member | Category | Number of Meetings attended |
|---|---|---|---|
| 1 | Dr. Pritam Singh | Non- Executive, Independent | 1 |
| 2 | Shri Ashok Kumar | Non- Executive, Independent | 1 |
| 3 | Shri Mahendra Nath Verma | Non- Executive, Independent | 1 |
| 4 | Ms Deepa Gupta* | Non- Executive, Independent | N.A. |

*Inducted with effect from May 29, 2017

(iv) Performance Evaluation

In terms of provisions of Section 178 (2) of the Companies Act, 2013 read with Part D of Schedule II of Listing Regulations, Role of Nomination and Remuneration Committee shall, *inter-alia*, include the formulation of criteria for evaluation of performance of independent directors and the board of directors. Securities and Exchange Board of India (SEBI) vide its circular dated January 5, 2017 has issued a Guidance Note on Board Evaluation, to educate the listed entities and their Board of Directors about various aspects involved in the Board Evaluation process and improve performance as well as corporate governance standards to benefit all stakeholders. The Board of Directors has carried out an annual evaluation of its own performance and that of its committees and individual Directors, pursuant to the provisions of the Act, based on the criteria recommended by the Nomination and Remuneration Committee.

## 5. Remuneration of Directors

(i) The remuneration of Executive Directors is decided after taking into consideration a number of factors including industry trend, remuneration package in other comparable corporates, job responsibilities and key performance areas, Company's performance etc. The remuneration policy is directed towards rewarding performance, based on review of achievements on a periodical basis.

The remuneration paid to the Executive Directors is subject to the limits laid down under Sections 197, 198 and all other applicable provisions, if any, of the Act read with Rules made thereunder and Schedule V to the Act and in accordance with the terms of appointment approved by the Members of the Company.

During the financial year 2016-17, the Company paid sitting fees of ₹ 30,000 (Rupees Thirty Thousand only) per meeting to each Non – Executive Director for attending meetings of the Board and meetings of Committees of the Board.

Subsequent to the year under review, the sitting fee has been raised to ₹ 50,000 (Rupees Fifty Thousand only) per meeting to each Non – Executive Director for attending the Board Meetings, by the Board of Directors on the recommendation of Nomination and Remuneration Committee.

The Executive Directors are not being paid any sitting fees for attending the meetings of the Board of Directors and/or Committees thereof.

The Nomination and Remuneration Policy including therein the criteria for payment to Independent Directors/Non–Executive Directors is attached to the Board's Report as Annexure I.

(ii) Remuneration to Executive/ Non-Executive Directors

The below mentioned Table 6 gives the details of remuneration paid to Directors for the year ended March 31, 2017.

**Table 6: Remuneration paid to the Directors of the Company during Financial Year 2016-17**

| S. No. | Name of the Director | No. of Shares held | Salary & Perquisites (₹/Lacs) | Sitting Fees (₹/Lacs) | Total Amount (₹/Lacs) |
|---|---|---|---|---|---|
| 1 | Shri Pradeep Kumar Jain | 11,71,56,162 | NIL | - | NIL |
| 2 | Shri Sanjeev Kumar Jain | 21,600 | NIL | - | NIL |
| 3 | Dr. Rajeev Jain | 16,000 | NIL | - | NIL |
| 4 | Shri Ashok Kumar | 2,000 | - | 5.10 | 5.10 |
| 5 | Dr. Pritam Singh | - | - | 3.00 | 3.00 |
| 6 | Ms. Deepa Gupta | - | - | 4.20 | 4.20 |
| 7 | Shri Mahendra Nath Verma | - | - | 4.80 | 4.80 |

**Notes:**

1. Shareholding figures are as on March 31, 2017. The Company has not issued any instruments that can be converted into equity shares. No Stock option has been granted to any of the Directors of the Company.
2. Shri Pradeep Kumar Jain, Shri Sanjeev Kumar Jain and Dr. Rajeev Jain were re-appointed as Whole-time Directors of the Company for a period with effect from March 1, 2016 to March 31, 2019. The term of office of the Whole-time Directors shall remain valid for the said period, which may be terminated by giving prior notice of six months in writing by either side. No severance fee is payable.
3. The remuneration, by way of salary & perquisites, does not include leave encashment, gratuity and other retirement benefits.
4. The Company pays rentals to Shri Pradeep Kumar Jain and Smt. Nutan Jain, wife of Shri Pradeep Kumar Jain, for the Car Parking Spaces/office flats taken on rent.
5. During the year, the Non-Executive Directors of the Company had no pecuniary relationship or transactions with the Company, apart from receiving director's remuneration.

## 6. Stakeholders Relationship Committee

(i) The Board of Directors has constituted Stakeholders Relationship Committee, pursuant to the requirements of Section 178 of the Act read with rules made thereunder and Regulation 20 of the Listing Regulations.

(ii) The Committee addresses issues relating to the redressal of grievances of shareholders including complaints related to transfer of shares, non-receipt of annual report, non- receipt of declared dividends and other related issues etc. Besides, the Committee also approves transfer of shares, issuance of Duplicate share certificates and re-materialization/split/consolidation of share certificates. In order to provide timely and efficient service to the shareholders, the Board of Directors has delegated the power to approve share transfers to Shri V. Mohan, Sr. Vice President (Legal) & Company Secretary.

(iii) Composition and Meeting Details of the Committee:

As on March 31, 2017, the Committee comprised of three Members including two Executive Directors viz. Shri Sanjeev Kumar Jain and Dr. Rajeev Jain and one Non-Executive Independent Director viz. Shri Ashok Kumar, who is the Chairman of the Committee and Shri V. Mohan, Sr. Vice President (Legal) & Company Secretary acts as the Secretary to the Committee and is the Compliance Officer.

During the financial year ended March 31, 2017, the Stakeholders Relationship Committee met 3 (Three) times with adequate quorum on May 24, 2016; December 2, 2016 and February 11, 2017.The attendance of each member thereat is set out in Table 7 below:

**Table 7: Attendance of the Members at the Stakeholders Relationship Committee Meetings**

| S. No. | Name of the Member | Number of Stakeholders Relationship Committee Meetings attended |
|---|---|---|
| 1 | Shri Ashok Kumar | 3 |
| 2 | Shri Sanjeev Kumar Jain | 3 |
| 3 | Dr. Rajeev Jain | 3 |

During the year under review, the Company has received 3 (three) complaints and same were properly resolved and/or replied by the Company/ Registrar & Share Transfer Agent (RTA), out of which one investor complaint each was received through SCORES, BSE and NSE.

## 7. Other Committees

### A. Corporate Social Responsibility Committee

In accordance with Section 135 of the Act read with rules made thereunder, the Board of Directors of the Company has constituted the Corporate Social Responsibility Committee which comprises five directors including two Executive Directors viz. Shri Pradeep Kumar Jain and Shri Sanjeev Kumar Jain and three Non-Executive Independent Directors viz. Shri Ashok Kumar (Chairman), Ms. Deepa Gupta and Shri Mahendra Nath Verma. Shri V. Mohan, Sr. Vice President (Legal) & Company Secretary acts as the Secretary to the Committee.

Terms of Reference of the Committee, *inter alia*, include the following:

1. Formulation of Corporate Social Responsibility (CSR) policy which shall indicate the activities to be undertaken by the Company.
2. Recommendation of the amount of expenditure to be incurred on the aforesaid activities.
3. Monitor the CSR Policy of the Company, from time to time.
4. Approval of annual report on Corporate Social Responsibility initiatives for inclusion in the Board's Report.
5. Perform such functions as may be detailed in the Companies Act, 2013 and the relevant Rules made thereunder and any other applicable legislation and as directed by Board, from time to time.

### B. Shares Committee

The Board of Directors has constituted Shares Committee comprising of three members viz. Shri Pradeep Kumar Jain, Shri Sanjeev Kumar Jain and Dr. Rajeev Jain. Shri Pradeep Kumar Jain is the Chairman of the Committee and Shri V. Mohan, Sr. Vice President (Legal) & Company Secretary acts as the Secretary to the Committee and is the Compliance Officer. It exercises the powers relating to approval of re-materialisation/split/consolidation of share certificates, delegated to it by the Board for the sake of operational convenience. The Committee would perform such other functions as may be delegated by the Board, from time to time. Subsequent to year end, the powers of the Committee were enlarged to include granting approval for transfer of shares.

During the financial year ended March 31, 2017, Shares Committee met 6 (Six) times with adequate quorum on April 22, 2016; June 30, 2016; August 10, 2016; November 7, 2016; December 28, 2016 and March 9, 2017. The attendance of each member thereat is set out in Table 9 below:

**Table 8: Attendance of the Members at the Shares Committee Meetings**

| S. No. | Name of the Member | Number of Shares Committee Meetings attended |
|---|---|---|
| 1 | Shri Pradeep Kumar Jain | 6 |
| 2 | Shri Sanjeev Kumar Jain | 6 |
| 3 | Dr. Rajeev Jain | 6 |

## 8. General Body Meetings

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

The date, time and location of the last three AGMs of the Company and the Special Resolutions passed by the Shareholders in these AGMs are set out in Table 9 and Table 10 respectively:

**Table 9: Particulars of last three AGMs of the Company**

| Year | Location | Date | Time |
|---|---|---|---|
| 2015-16 | Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi 110003 | 29.09.2016 | 3:30 P.M. |
| 2014-15 | Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi 110003 | 30.09.2015 | 3:30 P.M. |
| 2013-14 | Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi 110003 | 23.09.2014 | 3:00 P.M. |

**Table 10: Special Resolutions passed in the last three AGMs of the Company**

| Date of Meeting | Nature of Resolutions |
|---|---|
| 29.09.2016 | Approval for re-appointment and Remuneration of Shri Pradeep Kumar Jain, as a Whole-time Director designated as Chairman of the Company |
| 29.09.2016 | Approval for re-appointment and Remuneration of Shri Sanjeev Kumar Jain, as a Whole-time Director designated as Managing Director and Chief Executive Officer (CEO) of the Company |
| 29.09.2016 | Approval for re-appointment and Remuneration of Dr. Rajeev Jain, as a Whole-time Director designated as Director (Marketing) of the Company |
| 29.09.2016 | Approval for Private Placement of Non-Convertible Debentures |
| 29.09.2016 | Approval for Material Transactions with Related Parties |
| 30.09.2015 | Approval for payment of remuneration to Shri Pradeep Kumar Jain, Whole-time Director designated as Chairman of the Company |
| 30.09.2015 | Approval for payment of remuneration to Shri Sanjeev Kumar Jain, Managing Director & CEO of the Company |
| 30.09.2015 | Approval for payment of remuneration to Dr. Rajeev Jain, Whole-time Director designated as Director (Marketing) of the Company |
| 30.09.2015 | Approval for Private Placement of Non-Convertible Debentures |
| 30.09.2015 | Approval for material transactions with Related Parties |
| 23.09.2014 | Borrowing by the Company for a sum not exceeding ₹ 5,000 Crores under Section 180(1)(c) of the Companies Act, 2013 |
| 23.09.2014 | Creation of Charges on movable and immovable properties of the Company, both present and future, in connection with the borrowings of the Company for a sum not exceeding ₹ 5,000 Crores under Section 180 (1) (a) of the Companies Act, 2013 |
| 23.09.2014 | Approval for Private Placement of Non-Convertible Debentures |

### B. Postal Ballot Exercise

During the year under review, the Company has not passed any resolution through the postal ballot exercise. None of the items to be transacted at the ensuing meeting is required to be passed by postal ballot.

## 9. Means of Communication

In accordance with Regulation 46 of the Listing Regulations, the Company has maintained a functional website i.e. www.parsvnath.com containing information about the Company viz., details of its business, terms and conditions of appointment of independent directors, composition of various committees of board of directors, code of conduct of board of directors and senior management personnel, details of establishment of vigil mechanism/ Whistle Blower policy, policy on dealing with related party transactions, policy for determining 'material' subsidiaries, details of familiarization programmes imparted to independent directors, email address for grievance redressal and other relevant details, contact information of the designated officials of the company who are responsible for assisting and handling investor grievances, annual reports, shareholding patterns, etc. The contents of the said website are updated from time to time.

The notice of Board Meetings, quarterly and annual financial results of the Company are normally published in The Financial Express (English/Daily) and Jansatta (Hindi/Daily). The same are also posted on the website of the Company (www.parsvnath.com). The official news releases are also posted on the website of the Company.

Further, in support of the "Green Initiative in the Corporate Governance" announced by The Ministry of Corporate Affairs (MCA), the Company sends all documents such as Notices for General Meetings, Annual Reports containing, *inter-alia*, Board's Report, Auditors' Report etc. in electronic form.

## 10. General Shareholder Information

### A. Annual General Meeting

**Day** : Wednesday

**Date** : September 27, 2017

**Time** : 3:30 p.m.

**Venue** : Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi – 110003

### B. Financial Calendar

The tentative financial calendar for the ongoing financial year i.e. April 01, 2017 to March 31, 2018 is set out in Table 11 below:

**Table 11: Tentative schedule for the Financial Year 2017-18**

| Activity | Schedule |
|---|---|
| Financial Reporting for the Quarter ended June 30, 2017 | August 12, 2017 |
| Financial Reporting for the Quarter/ Half Year ending September 30, 2017 | On or before November 14, 2017 |
| Financial Reporting for the Quarter ending December 31, 2017 | On or before February 14, 2018 |
| Financial Reporting for the Quarter/Year ending March 31, 2018 | On or before May 30, 2018 |

### C. Date of Book Closure

The period of book closure is from Thursday, September 21, 2017 to Wednesday, September 27, 2017 (both days inclusive).

### D. Dividend Payment Date

For the financial year 2016-17, no dividend was recommended by the Board of Directors of the Company.

### E. Listing on Stock Exchanges

The equity shares of the Company are listed on following Stock Exchanges:

| | |
|---|---|
| National Stock Exchange of India Limited (NSE)<br>"Exchange Plaza"<br>Bandra-Kurla Complex, Bandra (E),<br>Mumbai – 400051 | BSE Limited (BSE)<br>Phiroze Jeejeebhoy Tower<br>Dalal Street,<br>Mumbai – 400001 |

The Company has paid the annual listing fee for the financial year 2017-18 to both NSE and BSE.

## F. Stock Code

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

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

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

## G. Market Price Data

The monthly high and low prices of the Company's equity shares traded at BSE and NSE, as also the high and low of S& P BSE Sensex and Nifty 50 for the financial year 2016-17 are set out in Table 13 & 14 below:

**Table 13: High/Low Price of the equity shares of the Company at BSE vis-à-vis S&P BSE Sensex**

| Month/Year | HIGH | | LOW | |
|---|---|---|---|---|
| | Price (₹) | S&P BSE Sensex | Price (₹) | S&P BSE Sensex |
| April, 2016 | 21.70 | 26,100.54 | 17.90 | 24,523.20 |
| May, 2016 | 19.80 | 26,837.20 | 17.25 | 25,057.93 |
| June, 2016 | 20.70 | 27,105.41 | 17.70 | 25,911.33 |
| July, 2016 | 24.80 | 28,240.20 | 19.50 | 27,034.14 |
| August, 2016 | 24.05 | 28,532.25 | 16.20 | 27,627.97 |
| September, 2016 | 18.40 | 29,077.28 | 12.90 | 27,716.78 |
| October, 2016 | 14.80 | 28,477.65 | 13.38 | 27,488.30 |
| November, 2016 | 14.30 | 28,029.80 | 10.90 | 25,717.93 |
| December, 2016 | 13.30 | 26,803.76 | 12.10 | 25,753.74 |
| January, 2017 | 14.37 | 27,980.39 | 11.88 | 26,447.06 |
| February, 2017 | 14.65 | 29,065.31 | 12.60 | 27,590.10 |
| March, 2017 | 13.80 | 29,824.62 | 12.12 | 28,716.21 |

**Table 14: High/Low Price of the equity shares of the Company at NSE vis-à-vis Nifty 50**

| Month/Year | HIGH | | LOW | |
|---|---|---|---|---|
| | Price (₹) | Nifty 50 | Price (₹) | Nifty 50 |
| April, 2016 | 21.75 | 7,992.00 | 17.50 | 7,516.85 |
| May, 2016 | 19.80 | 8,213.60 | 17.30 | 7,678.35 |
| June, 2016 | 20.75 | 8,308.15 | 17.50 | 7,927.05 |
| July, 2016 | 24.75 | 8,674.70 | 19.65 | 8,287.55 |
| August, 2016 | 23.95 | 8,819.20 | 16.10 | 8,518.15 |
| September, 2016 | 18.30 | 8,968.70 | 12.90 | 8,555.20 |
| October, 2016 | 14.80 | 8,806.95 | 13.45 | 8,506.15 |
| November, 2016 | 14.30 | 8,669.60 | 10.95 | 7,916.40 |
| December, 2016 | 13.25 | 8,274.95 | 12.10 | 7,893.80 |
| January, 2017 | 14.60 | 8,672.70 | 12.95 | 8,133.80 |
| February, 2017 | 14.70 | 8,982.15 | 12.75 | 8,537.50 |
| March, 2017 | 13.90 | 9,218.40 | 12.25 | 8,860.10 |

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

Link Intime India Private Limited (Unit: Parsvnath Developers Limited)
44, Community Centre, 2nd Floor,
Naraina Industrial Area, Phase- I, Near PVR Naraina
New Delhi-110028
Phone No.: 011-41410592/93/94, Fax No.: 011-41410591,
e-mail: delhi@linkintime.co.in

## I. Share Transfer System

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

Pursuant to Regulation 40(9) of the Listing Regulations, certificates issued by the Practising Company Secretary for due compliance of share transfer formalities have been furnished by the Company to the Stock Exchanges on half yearly basis.

## J. Distribution of Shareholding

Table 15 and 16 list the shareholding pattern and distribution of the shareholding of the equity shares of the Company, in terms of categories of shareholders and size of holding respectively:

**Table 15: Shareholding Pattern as on March 31, 2017**

| Category of Shareholders | Mode of Holding Shares | | Total Shareholding | |
|---|---|---|---|---|
| | Physical | Demat | Number | % |
| Promoters | 0 | 309,495,811 | 309,495,811 | 71.12 |
| Bodies Corporate | 0 | 51,254,480 | 51,254,480 | 11.78 |
| Financial Institutions/Banks | 0 | 816,884 | 816,884 | 0.19 |
| Mutual Funds | 0 | 0 | 0 | 0 |
| Foreign Institutional Investors | 0 | 30,661,264 | 30,661,264 | 7.05 |
| NRIs | 0 | 695,971 | 695,971 | 0.16 |
| Individuals | 43,621 | 40,050,260 | 40,093,881 | 9.21 |
| Others | 0 | 2,162,879 | 2,162,879 | 0.49 |
| **Total** | **43,621** | **435,137,549** | **435,181,170** | **100** |

**Table 16: Distribution of Shareholding as on March 31, 2017**

| Range of Shareholding | Shareholders | | Shareholding | |
|---|---|---|---|---|
| | Number | % | Number | % |
| Upto 500 | 185,370 | 93.44 | 15,037,095 | 3.46 |
| From 501 to 1000 | 7,028 | 3.54 | 5,489,037 | 1.26 |
| From 1001 to 2000 | 3,126 | 1.58 | 4,746,742 | 1.09 |
| From 2001 to 3000 | 1,003 | 0.51 | 2,576,398 | 0.59 |
| From 3001 to 4000 | 461 | 0.23 | 1,667,260 | 0.38 |
| From 4001 to 5000 | 352 | 0.18 | 1,660,821 | 0.38 |
| From 5001 to 10,000 | 557 | 0.28 | 4,097,319 | 0.94 |
| From 10,001 and above | 485 | 0.24 | 399,906,498 | 91.89 |
| **Total** | **198,382** | **100** | **435,181,170** | **100** |

### K. Dematerialization of shares

Table 17 lists the number of equity shares of the Company held in dematerialised mode through National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on March 31, 2017:

**Table 17: Shares in Dematerialised mode as on March 31, 2017**

| NSDL | | CDSL | | Total | |
|---|---|---|---|---|---|
| No. of Shares | % of Capital | No. of Shares | % of Capital | No. of Shares | % of Capital |
| 363,863,826 | 83.61 | 71,273,723 | 16.38 | 435,137,549 | 99.99 |

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

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

### M. Plant Location

As the Company is engaged in the business of real estate activities, there is no plant location.

### N. Address for correspondence

| Company | Registrar & Share Transfer Agent (RTA) |
|---|---|
| Shri V. Mohan<br>Sr. Vice President (Legal) & Company Secretary<br>Parsvnath Developers Limited<br>Parsvnath Tower,<br>Near Shahdara Metro Station,<br>Shahdara,<br>Delhi -110032.<br>CIN: L45201DL1990PLC040945<br>Phone No.: 011- 43050100/43010500<br>Fax No.: 011- 43050468/43050473<br>e-mail: investors@parsvnath.com<br>Website: www.parsvnath.com | Link Intime India Private Limited<br>(Unit: Parsvnath Developers Limited)<br>44, Community Centre, 2nd Floor,<br>Naraina Industrial Area, Phase- I,<br>Near PVR Naraina,<br>New Delhi -110 028.<br>Phone No.: 011- 41410592/93/94<br>Fax No.: 011- 41410591<br>e-mail: delhi@linkintime.co.in<br>Website: www.linkintime.co.in |

## 11. Other Disclosures

### A. Materially Significant Related Party Transactions, i.e. the Company's transactions that are of material nature, with its Promoters, Directors and the management, their relatives or subsidiaries, among others that may have potential conflict with the Company's interests at large:

During the year under review, there were no Materially Significant Related Party Transactions, i.e. the Company's transactions that are of material nature, with its Promoters, Directors and the management, their relatives or subsidiaries, among others that may have potential conflict with the Company's interests at large.

As per Section 188 of the Companies Act, 2013 read with applicable Accounting Standards, the transactions entered into by the Company with its 'Related Parties' during the financial year 2016-17 are detailed in the Notes to Accounts of the financial statements. All Related Party Transactions were on an arm's length basis and in the ordinary course of business. The Related Party Transactions Policy as approved by the Board of Directors may be accessed on the Company's website at the link:http://www.parsvnath.com/investors/iulr/related-party-transaction-policy/.

### B. Non-compliance/strictures/penalties:

There were no instances of non-compliance by the Company on any matter related to capital markets and therefore, no penalties and/or strictures have been imposed on the Company or the Board of Directors by any Stock Exchange or SEBI or any statutory authority during the last three years.

### C. Vigil Mechanism/Whistle Blower Policy:

The Company promotes ethical behaviour in all its business activities and has put in place a mechanism for reporting illegal or unethical behaviour. The Company has a Vigil Mechanism / Whistle Blower Policy under which the Directors and employees are free to report violations of applicable laws and regulations. During the year under review, no Director and employee was denied access to the Chairperson of the Audit Committee. However, the Company has not received any complaint under the aforesaid mechanism.

**D. Subsidiary Companies**

The Company had 17 subsidiary companies as on March 31, 2017, including one overseas subsidiary viz. Parsvnath Developers Pte. Ltd., incorporated in Singapore.

As at March 31, 2017, there is no "material non-listed Indian subsidiary" as defined under Regulation 16(1)(c) of the Listing Regulations.

The Audit Committee reviews the consolidated financial statements of the Company and the investments, if any, made by its unlisted subsidiary companies. The minutes of the board meetings alongwith details of significant transactions and arrangements, if any, entered into by the unlisted subsidiary companies are periodically placed before the Board of Directors of the Company.

The Policy for determining material subsidiaries as approved by the Board of Directors may be accessed on the Company's website at the link: http://www.parsvnath.com/investors/iulr/policy-for-determining-material-subsidiaries/.

**E. Compliance with mandatory & non-mandatory requirements**

The Company complies with all the mandatory requirements as prescribed under Regulation 24(1) read with Part E of Schedule II to the Listing Regulations. The Company has adopted following non-mandatory requirements of the aforesaid Regulation:

a) The statutory financial statements of the Company, on standalone basis, are unqualified.

b) Shri Pradeep Kumar Jain is the Chairman of the Company and Shri Sanjeev Kumar Jain is the Managing Director & CEO of the Company. The Company has complied with the requirement of having separate persons on the post of Chairman and Managing Director & CEO.

c) The Internal Auditors of the Company directly report to the Audit Committee.

**F. Risk Management:**

Risk evaluation and management is an ongoing process. The Company has in place a risk management framework under which risks are identified across all business processes, on a continuous basis. Once identified, these risks are systematically categorized as strategic risks, business risks or reporting risks and thereafter, adequate steps are taken to mitigate the risks. The Company has in place a Risk Management Policy.

**G. Reconciliation of share capital audit:**

Pursuant to Regulation 55A of SEBI (Depositories and Participants) Regulations, 1996, a qualified practicing Company Secretary carries out a share capital audit quarterly to reconcile the total admitted equity share capital with the National Securities Depository Limited (NSDL) and the Central Depository Services (India) Limited (CDSL) and the total issued and listed equity share capital. The audit report(s) confirms that the total issued / paid-up capital is in agreement with the total number of shares in physical form and the total number of dematerialised shares held with NSDL and CDSL and that the requests for dematerialsation of shares are processed by the RTA within stipulated period of 21 days and uploaded with the concerned depositories.

**H. "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information"and "Code of Conduct to regulate, monitor and report trading by insiders under SEBI (Prohibition of Insider Trading) Regulations, 2015:**

In compliance with SEBI (Prohibition of Insider Trading) Regulations, 2015 and SEBI Circular No. CIR/ISD/01/2015 dated May 11, 2015, the Company has formulated and published on its official website i.e. www.parsvnath.com "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" and "Code of Conduct to regulate, monitor and report trading by insiders". Further, the Board of Directors has appointed Shri V. Mohan, Sr. Vice President (Legal) & Company Secretary as Compliance Officer who is responsible for setting forth policies and procedures for monitoring adherence to the aforesaid Codes under the overall supervision of the Board of Directors.

**I. Status of Unclaimed Shares:**

Pursuant to Regulation 39(4) read with Schedule VI to the Listing Regulations, the Company has opened a separate demat suspense account named as "Parsvnath Developers Limited – Unclaimed Securities Suspense Account" and credited the shares of the Company which are remaining unclaimed by the Shareholders under the Initial Public Offer (IPO).

The details of such unclaimed shares as on March 31, 2017 are set out in Table 18 below:

**Table 18: Unclaimed Shares***

| S. No. | Particulars | Number | |
|---|---|---|---|
| | | Shareholders | Shares |
| 1 | Aggregate Number of Shareholders and the outstanding shares in the aforesaid suspense account lying at the beginning of the year i.e. as at April 1, 2016 | 368 | 18,350 |
| 2 | Number of Shareholders who approached for transfer of shares from the said account during the year 2016-17 | 4 | 232 |
| 3 | Number of Shareholders to whom shares were transferred from the said account during the year 2016-17 | 4 | 232 |
| 4 | Aggregate Number of Shareholders and the outstanding shares in the said account lying at the end of the year i.e. as at March 31, 2017 | 364 | 18,118 |

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

Pursuant to the aforesaid provisions and Section 124(6) of the Act read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 (IEPF Rules), as amended from time to time, the Company is required to statutorily transfer the aforesaid shares to Investor Education and Protection Fund (IEPF). Accordingly, the Company had sent Notices by Registered Post to all such Shareholders, who have not so far received shares allotted to them in the IPO, to claim the aforesaid Shares. Notices were also published in the Newspapers on December 4, 2016 and May 6, 2017 requesting Shareholders to claim their Shares from the Company by providing the requisite documents.

However, if the said shares are not claimed within the due date to be published by the Ministry of Corporate Affairs in the near future, pursuant to the provision of various notifications issued by the Ministry of Corporate Affairs, the shares will be transferred to the designated demat account to be opened by IEPF Authority.

**J.** The compliance with respect to corporate governance requirements specified in Regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of Listing Regulations have been made.

## K. CEO AND CFO CERTIFICATION

The annual certificate, required under Regulation 17(8) read with Part B of Schedule II to the Listing Regulations, duly signed by the Managing Director & CEO and Group Chief Financial Officer on financial reporting and internal controls was placed before the Board of Directors, which has been duly taken on record.

The Managing Director & CEO and Group Chief Financial Officer also give quarterly certificate on financial results while placing the financial results before the Board in terms of Regulation 33(2) of the Listing Regulations.

**On behalf of the Board of Directors**

**Sd/-**
**PRADEEP KUMAR JAIN**
**Chairman**
**DIN 00333486**

Place: New Delhi
Date: August 12, 2017

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

## DECLARATION REGARDING COMPLIANCE WITH THE CODE OF CONDUCT FOR BOARD MEMBERS AND SENIOR MANAGEMENT PERSONNEL

I, Sanjeev Kumar Jain, Managing Director and Chief Executive Officer of Parsvnath Developers Limited ("the Company"), hereby declare that all the Board Members and Senior Management Personnel of the Company have affirmed compliance with the Company's Code of Conduct for Board Members and Senior Management Personnel, for the Financial Year ended March 31, 2017, as required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**Sd/-**
**(SANJEEV KUMAR JAIN)**
**Managing Director &**
**Chief Executive Officer**
**DIN: 00333881**

Place: New Delhi
Date: August 12, 2017

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## CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE UNDER LISTING REGULATIONS, 2015

**Parsvnath Developers Limited**
Parsvnath Tower
Near Shahdara Metro Station,
Shahdara, Delhi - 110032

We have examined all relevant records of Parsvnath Developers Limited (the Company) for the purpose of certifying all the conditions of Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 for the financial year ended March 31, 2017. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of certification.

The compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedures and implementation thereof. This certificate is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

On the basis of our examination of the records produced, explanations and information furnished, we certify that the Company has complied with the conditions of Corporate Governance under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

For Chandrasekaran Associates
Company Secretaries

Sd/-
Rupesh Agarwal
Partner
Membership No. ACS16302
Certificate of Practice No. 5673

Place: New Delhi
Date: August 12, 2017

# INDEPENDENT AUDITOR'S REPORT

**To The Members of**
**Parsvnath Developers Limited**

## Report on the Ind AS Financial Statements

We have audited the accompanying Indian Accounting Standards (Ind AS) financial statements of Parsvnath Developers Limited ("the Company"), which comprise the Balance Sheet as at 31 March 2017, and the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

## Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the financial position, financial performance including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Ind AS prescribed 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 the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

## Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

## Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India including the Ind AS, of the state of affairs of the Company as at 31 March 2017, and its loss ( including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

## Other Matter

The comparative financial information of the Company for the year ended 31 March 2016 and the transition date opening balance sheet as at 1 April 2015 included in these Ind AS financial statements, are based on the previously issued statutory financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31 March 2016 and 31 March 2015 dated 24 May 2016 and 25 May 2015 respectively expressed an unmodified opinion on those financial statements, as adjusted for the differences in the accounting principles adopted by the Company on transition to the Ind AS, which have been audited by us.

Our opinion is not modified in respect of this matter.

## Report on Other Legal and Regulatory Requirements

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

2. As required by Section 143(3) of the Act, based on our audit, we report, to the extent applicable, 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 Ind AS Financial Statements dealt with by this Report are in agreement with the books of account.

d) In our opinion, the Ind AS financial statements comply with the Indian Accounting Standards prescribed under section 133 of the Act.

e) On the basis of the written representations received from the directors as on March 31, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2017 from being appointed as a director in terms of Section 164(2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

g) 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 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

   i) The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 35 to the Ind AS financial statements;

   ii) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses – Refer Note 37 to the Ind AS financial statements;

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

   iv) The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management – Refer Note 15 to the Ind AS financial statement.

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

Sd/-
**Vinesh Jain**
Partner
Membership No.: 087701

Place: New Delhi
Date: 29 May, 2017

## 'Annexure A' to the Independent Auditor's Report

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of the Independent Auditor's Report of even date to the members of Parsvnath Developers Limited on the Ind AS financial statements as at and for the year ended 31 March 2017)

i. a. The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.

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

c. According to the information and explanations given to us and the records examined by us and based on the examination of the registered sale deed / transfer deed / conveyance deed provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and buildings that have been taken on lease and disclosed as fixed asset in the financial statements, the lease agreements are in the name of the Company, where the Company is the lessee in the agreement.

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

iii. According to the information and explanations given to us, the Company has granted loans, secured or unsecured, to companies covered in the register maintained under section 189 of the Companies Act, 2013, in respect of which:

a. The terms and conditions of the grant of such loans are, in our opinion, prima facie, not prejudicial to the Company's interest.

b. The schedule of repayment of principal and payment of interest has not been stipulated and in the absence of such schedule, we are unable to comment on the regularity of the repayments or receipts of principal amounts and interest.

c. There is no overdue amount remaining outstanding as at the balance sheet date.

iv. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Companies Act, 2013 in respect of grant of loans, making investments and providing guarantees and securities.

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

vi. The maintenance of cost records has been specified by the Central Government under section 148(1) of the Companies Act, 2013. We have broadly reviewed the cost records maintained by the Company pursuant to the Companies (Cost Records and Audit) Rules, 2014, as amended and prescribed by the Central Government under Section 148 (1) of the Companies Act, 2013, and are of the opinion that, *prima facie*, the prescribed cost records have been made and maintained. We have, however, not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

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

a. There have been significant delays in deposit of undisputed statutory dues in respect of Tax deducted at Source and delays in deposit of Provident Fund, Employees' State Insurance, Income-tax, Sales Tax, Service Tax, Value Added Tax, Cess and other material statutory dues applicable to it to the appropriate authorities.

We are informed that the Company's operations during the year, did not give rise to any liability for Customs Duty and Excise Duty.

b. There are no undisputed amounts payable in respect of Sales Tax, Service Tax, Value Added Tax, Cess and other material statutory dues in arrears as at March 31, 2017 for a period of more than six months from the date they became payable, other than for Tax deducted at source as given below:

| Nature of dues | Amount (Rs. in Lakhs) | Period of default |
|---|---|---|
| Tax deducted at source | 2402.00 | 2015-16 and 2016-17 |

We are informed that the Company's operations during the year, did not give rise to any liability for Customs Duty and Excise Duty.

Details of dues of Income-tax, Sales Tax and Value Added Tax which have not been deposited as on March 31, 2017 on account of disputes are given below:

| Name of statute | Nature of dues | Forum where the dispute is pending | Period to which the amount relates | Amount involved (Rs. in lakhs) |
|---|---|---|---|---|
| Bihar Value Added Tax Act, 2005 | Value Added Tax | Joint Commissioner (Appeals) | 2010-2011 | 217.48 |
| Haryana Value Added Tax Act, 2003 | Value Added Tax | Member Tribunal, Haryana | 2006-2007 and 2008-09 | 173.26 |
| Haryana Value Added Tax Act, 2003 | Value Added Tax | Joint Excise and Taxation Commissioner (Appeals), Faridabad | 2011-2012 to 2013-2014 | 343.35 |
| Income Tax Act, 1961 | Income Tax | Commissioner of Income Tax (Appeals) | 2005-06 to 2011-12 | 1,041.42 |
| UP Trade Tax | Trade Tax | Additional Commissioner (Appeal) | 2000-01 to 2013-14 | 885.08* |
| Mumbai VAT | VAT | | 2008-09 | 43.07 |
| Enter-tainment Tax | Tax | JT Commissioner (Appeals) | 1999-2003 | 9.07 |

Note: *Net of Rs. 352.93 lakhs paid under protest. There are no dues in respect of Service Tax which have not been deposited as on March 31, 2017 on account of any disputes. We are informed that the Company's operations during the year, did not give rise to any Customs Duty and Excise Duty.

viii. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings to financial institutions, banks and government and dues to debenture holders, except as below:

| Particulars | Amount of default of repayment (Rs. in lakhs) | | Period of default |
|---|---|---|---|
| | Principal | Interest | |
| Dues to financial institutions: | | | |
| LIC of India | 11,448.56 | 2644.20 | 1 to 1186 days |

ix. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments). In our opinion and according to the information and explanations given to us, the term loans have been applied by the Company during the year for the purpose for which they were raised, other than temporary deployment pending application.

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

xi. The Company has not paid any managerial remuneration during the year.

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

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

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

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

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

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

Sd/-
**Vinesh Jain**
Partner
Membership No.: 087701

Place: New Delhi
Date: 29 May, 2017

## 'Annexure B' to the Independent Auditor's Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of the Independent Auditor's Report of even date to the members of Parsvnath Developers Limited on the Ind AS financial statements as at and for the year ended 31 March 2017)

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

1. We have audited the internal financial controls over financial reporting of Parsvnath Developers Limited ("the Company") as of 31 March 2017 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

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

### Auditor's Responsibility

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

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

5. 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 over financial reporting.

### Meaning of Internal Financial Controls over Financial Reporting

6. A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Ind AS financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting 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 Ind AS 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 Ind AS financial statements.

### Inherent Limitations of Internal Financial Controls over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

**Vinesh Jain**
Partner
Membership No.: 087701

Place: New Delhi
Date: 29 May, 2017

# Balance Sheet as at 31 March, 2017

(₹ in lakhs)

| | | | Notes | As at 31-March-17 | As at 31-March-16 | As at 1-April-15 |
|---|---|---|---|---|---|---|
| **ASSETS** | | | | | | |
| **1** | **Non-current assets** | | | | | |
| | a. | Property, plant and equipment | 5 | 624.31 | 829.53 | 1,151.52 |
| | b. | Investment property | 6 | 1,659.33 | 1,690.19 | 1,731.46 |
| | c. | Other intangible assets | 7 | 15,972.73 | 8,775.26 | 8,562.40 |
| | d. | Intangible assets under development | 7 | 52,758.69 | 57,483.85 | 54,410.09 |
| | e. | Financial assets | | | | |
| | | i. Investments | 8 | 53,434.81 | 51,394.54 | 51,269.84 |
| | | ii. Loans | 9 | 10,194.08 | 8,759.16 | 3,804.26 |
| | | iii. Other financial assets | 10 | 3,689.24 | 3,649.73 | 3,625.96 |
| | f. | Deferred tax assets (net) | 11 | 5,051.65 | 3,942.60 | 9,524.88 |
| | g. | Other non-current assets | 12 | 35,851.89 | 37,254.83 | 42,617.40 |
| | **Total non-current assets** | | | **1,79,236.73** | **1,73,779.69** | **1,76,697.81** |
| **2** | **Current assets** | | | | | |
| | a. | Inventories | 13 | 2,62,896.72 | 2,37,301.41 | 2,23,111.29 |
| | b. | Financial assets | | | | |
| | | i. Trade receivables | 14 | 58,587.51 | 61,405.21 | 58,786.59 |
| | | ii. Cash and cash equivalents | 15 | 513.18 | 2,099.67 | 8,766.19 |
| | | iii. Bank balances other than (ii) above | 16 | 5,356.15 | 5,804.55 | 7,424.66 |
| | | iv. Loans | 9 | 532.67 | 3,179.73 | 7,605.00 |
| | | v. Other financial assets | 10 | 23,846.97 | 25,455.85 | 25,931.22 |
| | c. | Current tax assets (Net) | 17 | 1,770.34 | 1,819.11 | - |
| | d. | Other current assets | 12 | 39,451.28 | 28,561.44 | 26,726.99 |
| | **Total current assets** | | | **3,92,954.82** | **3,65,626.97** | **3,58,351.94** |
| | **Total assets** | | | **5,72,191.55** | **5,39,406.66** | **5,35,049.75** |
| **EQUITY AND LIABILITIES** | | | | | | |
| **1** | **Equity** | | | | | |
| | a. | Equity share capital | 18 | 21,759.06 | 21,759.06 | 21,759.06 |
| | b. | Other equity | 19 | 2,34,144.69 | 2,37,646.75 | 2,37,432.95 |
| | **Total Equity** | | | **2,55,903.75** | **2,59,405.81** | **2,59,192.01** |
| | **Liabilities** | | | | | |
| **2** | **Non-current liabilities** | | | | | |
| | a. | Financial liabilities | | | | |
| | | i. Borrowings | 20 | 1,09,564.49 | 95,503.98 | 75,269.50 |
| | | ii. Other financial liabilities | 21 | 8,365.10 | 8,727.25 | 9,065.71 |
| | b. | Provisions | 22 | 416.17 | 387.27 | 395.29 |
| | c. | Other non-current liabilities | 23 | 649.44 | 688.13 | 4,898.21 |
| | **Total non-current liabilities** | | | **1,18,995.20** | **1,05,306.63** | **89,628.71** |
| **3** | **Current liabilities** | | | | | |
| | a. | Financial liabilities | | | | |
| | | i. Borrowings | 24 | 40,576.25 | 35,788.78 | 36,830.28 |
| | | ii. Trade Payables | 25 | 63,309.36 | 63,209.48 | 59,291.43 |
| | | iii. Other financial liabilities | 21 | 62,749.37 | 40,421.95 | 42,796.85 |
| | b. | Provisions | 22 | 39.74 | 55.16 | 52.49 |
| | c. | Current tax liabilities (Net) | 17 | - | - | 4,943.18 |
| | d. | Other current liabilities | 23 | 30,617.88 | 35,218.85 | 42,314.80 |
| | **Total current liabilities** | | | **1,97,292.60** | **1,74,694.22** | **1,86,229.03** |
| | **Total liabilities** | | | **3,16,287.80** | **2,80,000.85** | **2,75,857.74** |
| | **Total equity and liabilities** | | | **5,72,191.55** | **5,39,406.66** | **5,35,049.75** |

See accompanying notes to the financial statements 1-69

In terms of our report attached

**For S. N. Dhawan & Co LLP**
(Formerly S. N. Dhawan & Co)
Chartered Accountants
(Registration No. 000050N/N500045)

Sd/-
**Vinesh Jain**
Partner
(Membership No. 087701)

Place: New Delhi
Date: 29 May, 2017

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

Sd/-
**Pradeep Kumar Jain**
Chairman
(DIN 00333486)

Sd/-
**Sanjeev Kumar Jain**
Managing Director & CEO
(DIN 00333881)

Sd/-
**M. C. Jain**
Group Chief Financial Officer

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

Place: New Delhi
Date: 29 May, 2017

# Statement of Profit and Loss
## for the year ended 31 March, 2017

(₹ in lakhs)

| | | Notes | Year ended 31 March, 2017 | Year ended 31 March, 2016 |
|---|---|---|---|---|
| | | | ₹ in lakhs | ₹ in lakhs |
| I | Revenue from operations | 26 | 24,942.30 | 30,594.09 |
| II | Other income | 27 | 2,525.97 | 4,022.65 |
| **III** | **Total income (I + II)** | | **27,468.27** | **34,616.74** |
| **IV** | **Expenses** | | | |
| | a. Cost of land / development rights | | 7,686.17 | 8,240.61 |
| | b. Cost of materials consumed | 28 | 5,289.70 | 2,860.85 |
| | c. Contract cost, labour and other charges | | 4,929.70 | 4,761.07 |
| | d. Changes in inventories of finished goods and work-in-progress | 29 | (7,445.70) | (505.91) |
| | e. Employee benefits expense | 30 | 2,939.06 | 3,499.00 |
| | f. Finance costs | 31 | 10,918.74 | 10,895.88 |
| | g. Depreciation and amortisation expense | 32 | 852.17 | 959.24 |
| | h. Other expenses | 33 | 6,476.05 | 7,023.26 |
| | **Total expenses (IV)** | | **31,645.89** | **37,734.00** |
| **V** | **Profit/(loss) before tax (III-IV)** | | **(4,177.62)** | **(3,117.26)** |
| **VI** | **Tax expense/(benefit):** | 34 | | |
| | a. Current tax | | - | - |
| | b. Tax adjustment for earlier years | | 406.11 | (2,440.50) |
| | c. Deferred tax | | (1,100.59) | (882.22) |
| | | | **(694.48)** | **(3,322.72)** |
| **VII** | **Profit/(loss) for the year (V - VI)** | | **(3,483.14)** | **205.46** |
| **VIII** | **Other comprehensive income** | | | |
| | A (i) Items that will not be reclassified to profit or loss | | | |
| | a. Remeasurements of the defined benefit plans | | (27.38) | 12.06 |
| | | | **(27.38)** | **12.06** |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | | (8.46) | 3.72 |
| | **Total other comprehensive income [ A(i-ii) ]** | | **(18.92)** | **8.34** |
| **IX** | **Total comprehensive income for the year (VII + VIII)** | | **(3,502.06)** | **213.80** |
| X | Earnings per equity share (face value ₹ 5 per share) | 59 | | |
| | a. Basic (in ₹) | | (0.80) | 0.05 |
| | b. Diluted (in ₹) | | (0.80) | 0.05 |

See accompanying notes to the financial statements 1-69

In terms of our report attached

**For S. N. Dhawan & Co LLP**
(Formerly S. N. Dhawan & Co)
Chartered Accountants
(Registration No. 000050N/N500045)

Sd/-
**Vinesh Jain**
Partner
(Membership No. 087701)

Place: New Delhi
Date: 29 May, 2017

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

Sd/-
**Pradeep Kumar Jain**
Chairman
(DIN 00333486)

Sd/-
**Sanjeev Kumar Jain**
Managing Director & CEO
(DIN 00333881)

Sd/-
**M. C. Jain**
Group Chief Financial Officer

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

Place: New Delhi
Date: 29 May, 2017

# Cash Flow Statement for the year ended 31 March, 2017

(₹ in lakhs)

| | | Year ended 31 March, 2017 | Year ended 31 March, 2016 |
|---|---|---|---|
| **A. Cash flow from operating activities** | | | |
| Profit/(loss) before tax (including OCI) | | (4,205.00) | (3,105.20) |
| Adjustments for: | | | - |
| Depreciation and amortisation expense | | 852.17 | 959.24 |
| Profit on sale of property, plant and equipment | | 4.61 | (315.11) |
| Profit on sale of non-current investments | | (134.13) | - |
| Finance costs | | 10,918.74 | 10,895.88 |
| Interest income | | (2,268.96) | (2,353.20) |
| Excess provisions written back | | - | (753.67) |
| Share of loss from joint venture | | 0.22 | 0.22 |
| Operating profit/(loss) before working capital changes | | **5,167.65** | **5,328.16** |
| Movement in working capital: | | | |
| Adjustments for (increase)/decrease in operating assets: | | | |
| Inventories | | (7,445.70) | (505.91) |
| Trade receivables | | 2,817.70 | (2,618.62) |
| Loans - current | | (1,434.92) | (4,954.90) |
| Loans - non current | | 2,647.06 | 4,425.27 |
| Other financial assets - current | | (456.96) | 455.16 |
| Other financial assets - non current | | (39.51) | (23.77) |
| Other assets - non current | | 1,402.94 | 7,963.66 |
| Other assets - current | | (10,889.84) | (1,834.45) |
| Adjustments for increase/(decrease) in operating liabilities: | | | |
| Trade payables | | 99.88 | 4,671.72 |
| Other financial liabilities - non current | | (362.15) | (338.46) |
| Other financial liabilities - current | | 18,441.53 | (1,012.83) |
| Other liabilities - non current | | (38.69) | (4,210.08) |
| Other liabilities - current | | (4,600.97) | (7,100.94) |
| Provisions - current | | (15.42) | 2.67 |
| Provisions - non current | | 28.90 | (8.02) |
| Cash generated from/(used in) operations | | **5,321.50** | **238.66** |
| Income taxes paid (net) | | (357.34) | (457.10) |
| **Net cash flow from/(used in) operating activities** | **(A)** | **4,964.16** | **(218.45)** |
| **B. Cash flow from investing activities** | | | |
| Payments for Property, Plant and Equipment, Investment Properties and intangible assets including under development | | (3,137.97) | (4,486.88) |
| Proceeds from sale of Property, Plant and Equipment and intangible assets | | 44.96 | 919.38 |

# Cash Flow Statement for the year ended 31 March, 2017

(₹ in lakhs)

| | | | Year ended 31 March, 2017 | Year ended 31 March, 2016 |
|---|---|---|---|---|
| | (Increase)/decrease in bank balances not considered as cash and cash equivalents | | | |
| | - Placed during the year | | (2,187.86) | (6,605.15) |
| | - Matured during the year | | 2,636.26 | 8,225.26 |
| | Purchase of non-current investments | | | |
| | - Subsidiaries | | (26,997.63) | - |
| | - Joint Venture | | 0.01 | (183.33) |
| | Redemption/sale of non-current investments | | | |
| | - Subsidiaries | | 25,091.26 | - |
| | - Others | | - | 58.41 |
| | Interest received | | 4,334.80 | 2,373.41 |
| | **Net cash flow from/(used in) investing activities** | **(B)** | **(216.17)** | **301.10** |
| **C.** | Cash flow from financing activities | | | |
| | Interest paid | | (25,148.83) | (17,690.43) |
| | Proceeds from / (repayment of) working capital borrowings | | (1,001.22) | (1,618.61) |
| | Proceeds from other short-term borrowings | | 22,358.00 | 15,995.58 |
| | Repayment of other short-term borrowings | | (16,569.31) | (15,418.47) |
| | Proceeds from long-term borrowings | | 97,034.00 | 30,207.61 |
| | Repayment of long-term borrowings | | (83,007.12) | (18,224.86) |
| | **Net cash flow used in financing activities -** | **( C )** | **(6,334.48)** | **(6,749.18)** |
| **D.** | Net increase/(decrease) in Cash and cash equivalents | **( A+B+C)** | (1,586.49) | (6,666.52) |
| **E.** | Cash and cash equivalents at the beginning of the year | | 2,099.67 | 8,766.19 |
| **F.** | **Cash and cash equivalents at the end of the year** | | **513.18** | **2,099.67** |

See accompanying notes to the financial statements 1-69

In terms of our report attached

**For S. N. Dhawan & Co LLP**
(Formerly S. N. Dhawan & Co)
Chartered Accountants
(Registration No. 000050N/N500045)

Sd/-
**Vinesh Jain**
Partner
(Membership No. 087701)

Place: New Delhi
Date: 29 May, 2017

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

Sd/-
**Pradeep Kumar Jain**
Chairman
(DIN 00333486)

Sd/-
**Sanjeev Kumar Jain**
Managing Director & CEO
(DIN 00333881)

Sd/-
**M. C. Jain**
Group Chief Financial Officer

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

Place: New Delhi
Date: 29 May, 2017

# Statement of Changes in Equity
## for the year ended 31 March, 2017

(₹ in lakhs)

| | | Amount |
|---|---|---|
| a. | **Equity Share Capital** | |
| | **Balance as at 1 April, 2015** | 21,759.06 |
| | Changes in equity share capital during the year | - |
| | Balance as at 31 March, 2016 | 21,759.06 |
| | Changes in equity share capital during the year | - |
| | Balance as at 31 March, 2017 | **21,759.06** |

**b. Other Equity**

(₹ in lakhs)

| | Reserves and Surplus | | | | OCI | Total |
|---|---|---|---|---|---|---|
| | Securities premium reserve | General Reserve | Debenture redemption reserve | Retained earnings | Remeasurment of defined benefit plan | Total |
| **Balance as at 1 April, 2015** | **1,40,711.41** | **7,960.00** | **1,500.00** | **87,181.23** | **80.31** | **2,37,432.95** |
| Profit for the year | - | - | - | 205.46 | - | **205.46** |
| Other comprehensive income for the year, net of income tax | - | - | - | - | 8.34 | **8.34** |
| **Total comprehensive income for the year** | **-** | **-** | **-** | **205.46** | **8.34** | **213.80** |
| **Balance as at 31 March, 2016** | **1,40,711.41** | **7,960.00** | **1,500.00** | **87,386.69** | **88.65** | **2,37,646.75** |
| Profit/(loss) for the year | - | - | - | (3,483.14) | - | **(3,483.14)** |
| Other comprehensive income for the year, net of income tax | - | - | - | - | (18.92) | **(18.92)** |
| **Total comprehensive income for the year** | **-** | **-** | **-** | **(3,483.14)** | **(18.92)** | **(3,502.06)** |
| Transferred from retained earnings | - | - | 7,802.50 | - | - | **7,802.50** |
| Transfer to Debenture redemption reserve | - | - | - | 7,802.50 | - | **7,802.50** |
| **Balance as at 31 March, 2017** | **1,40,711.41** | **7,960.00** | **9,302.50** | **76,101.05** | **69.73** | **2,34,144.69** |

See accompanying notes to the financial statements

In terms of our report attached

**For S. N. Dhawan & Co LLP**
(Formerly S. N. Dhawan & Co)
Chartered Accountants
(Registration No. 000050N/N500045)

Sd/-
**Vinesh Jain**
Partner
(Membership No. 087701)

Place: New Delhi
Date: 29 May, 2017

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

Sd/-
**Pradeep Kumar Jain**
Chairman
(DIN 00333486)

Sd/-
**Sanjeev Kumar Jain**
Managing Director & CEO
(DIN 00333881)

Sd/-
**M. C. Jain**
Group Chief Financial Officer

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

Place: New Delhi
Date: 29 May, 2017

# Notes to the financial statements

**for the year ended 31 March, 2017**

## 1. CORPORATE INFORMATION

Parsvnath Developers Limited ("the Company") was set up as a Company registered under the Companies Act, 1956. It was incorporated on 24 July, 1990. The Company is primarily engaged in the business of promotion, construction and development of integrated townships, residential and commercial complexes, multi-storeyed buildings, flats, houses, apartments, shopping malls, IT parks, hotels, SEZ, etc.

The Company is a public limited company incorporated and domiciled in India. The address of its corporate office is 6th Floor, Arunachal Building, 19, Barakhamba Road, New Delhi - 110 001. The Company is listed on the National Stock Exchange of India Limited. (NSE) and BSE Limited (BSE).

## 2. Significant accounting policies

### 2.1 Basis of preparation

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

Upto the year ended 31 March, 2016, the Company prepared its financial statements in accordance with accounting standards notified under the section 133 of the Companies Act, 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (hereinafter referred to as 'Previous GAAP'). These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1 April, 2015. The financial statements for the year ended 31 March, 2016 and the opening balance sheet as at 1st April, 2015 have been restated in accordance with Ind AS for comparative information. Refer Note 3 for the details of first-time adoption exemptions availed by the Company and note 67 for reconciliation and explanations of the effect of the transition from Previous GAAP to Ind AS on the Company's Balance Sheet, Statement of Profit and Loss and the Statement of Cash Flows.

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

### 2.2 Basis of measurement and presentation

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

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

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

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

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

The principal accounting policies are set out below.

### 2.3 Revenue recognition

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

i. Revenue from real estate projects is recognised when it is reasonable certain that ultimate collection will be made. Revenue from real estate project including integrated townships is recognised on transfer of all significant risks and rewards of ownership of such property, which generally coincides execution of agreement to sell/application form (containing salient features of agreement to sell).

   Revenue from constructed properties, where the Company still has obligations to perform substantial acts even after the transfer of all significant risk and rewards, is recognised by applying the percentage of completion method, provided following conditions are met as at the reporting date:

   a. all critical approvals necessary for commencement of the project have been obtained;

   b. the expenditure incurred on construction and development costs (excluding land and finance cost) is not less than 25 % of the total estimated construction and development costs;

   c. atleast 25% of the saleable project area is secured by contracts or agreements with buyers; and

   d. atleast 10% of the contract consideration as per the agreements of sale/application form are realised at

# Notes to the financial statements

**for the year ended 31 March, 2017**

the reporting date in respect of such agreement and it is reasonable to expect that parties to the agreement will comply with payment terms as defined in the agreement.

When the outcome of a real estate project can be estimated reliably and the above conditions are satisfied, revenue is recognised by following the 'Percentage of Completion Method' of accounting. Revenue is recognised, in relation to the sold areas only, on the basis of percentage of actual cost incurred thereon (including land) as against the total estimated cost of the project under execution. The estimates of saleable area and costs are revised periodically by the management. The effect of such changes to estimates is recognised in the period such changes are determined.

ii. 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 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

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

### a. As lessor

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

### b. As lessee

Payments for 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 the lessor's expected inflationary cost increases, lease expense is recognised as per the contractual terms. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

## 2.5 Borrowing costs

Borrowing costs directly attributable to the acquisition or construction of qualifying assets are capitalised/inventorised until the time all substantial activities necessary to prepare the qualifying assets for their intended use are complete.

# Notes to the financial statements

**for the year ended 31 March, 2017**

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

### a. Defined contribution plan

The Company's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

### b. Defined benefit plan

For defined benefit plan in the form of gratuity, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is not reclassified to profit or loss in subsequent periods. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost comprising current service costs, past service costs, gains and losses on curtailments and settlements;
- net interest expense or income; and
- remeasurement

### c. Short-term and other long-term 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.

Accumulated leaves expected to be carried forward beyond twelve months, are treated as long-term employee benefits. Liability for such long term benefit is provided based on the actuarial valuation using the projected unit credit method at year-end.

## 2.7 Taxation

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

**Current tax**

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

**Deferred tax**

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

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

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

**Current and deferred tax for the year**

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

**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

# Notes to the financial statements

**for the year ended 31 March, 2017**

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

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

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.

**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:

| Asset | Useful life |
|---|---|
| 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**

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

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

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

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

**2.12 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.

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

## 2.13 Inventories

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

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

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

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

## 2.14 Provisions

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

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

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

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

### 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.

## 2.15 Contingent liabilities

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

## 2.16 Cash and cash equivalents

Cash and cash equivalents for the purpose of Cash Flow Statement comprises cash on hand, cash at bank and short-

# Notes to the financial statements

**for the year ended 31 March, 2017**

term deposits with banks with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

**2.17 Unbilled receivables**

Unbilled receivables represent revenue recognised on 'Percentage of Completion Method' less amount due from customers as per payment plans adopted by them.

**2.18 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.

**2.19 Foreign currency translations**

The financial statements are presented in Indian Rupee, the functional 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.

**2.20 Current/non-current classification**

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

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period;
- Cash and cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current

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

All other liabilities are classified as non-current.

**2.21 Operating cycle**

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

**2.22 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.

**2.23 Financial assets**

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

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

**Classification of financial assets**

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

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

All other financial assets are subsequently measured at fair value.

**Effective interest method**

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

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

**Investments in equity instruments at FVTOCI**

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

A financial asset is held for trading if:

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

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

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

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

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

**Impairment of financial assets**

The Company applies the expected credit loss model for recognising impairment loss on financial assets measured at amortised cost, 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

# Notes to the financial statements

for the year ended 31 March, 2017

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 next12 months.

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

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

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

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

**Derecognition of financial assets**

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

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

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

**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.

### 2.24 Financial liabilities and equity instruments

#### Classification as debt or equity

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

#### Equity instruments

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

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

#### Financial liabilities

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

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

#### Financial liabilities at FVTPL

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

A financial liability is classified as held for trading if:

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

A financial liability other than a financial liability held for trading or contingent consideration recognised by the Company as an acquirer in a business combination to which Ind AS 103 applies, maybe 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

# Notes to the financial statements

**for the year ended 31 March, 2017**

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**

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.

## 3. First-time adoption - exceptions applied

### 3.1 Overall principle

Financial statements, for the year ended 31 March, 2017, have been prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2016, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). The Company's opening balance sheet has been prepared as at April 1, 2015, the date of transition to Ind AS.The Company has prepared the opening balance sheet as of April 1, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to certain exception and certain optional exemptions availed by the Company as detailed below.

### 3.2 Deemed cost for property, plant and equipment, investment property, and intangible assets

The Company has elected to continue with the carrying value for all of its property, plant and equipment as recognised in

# Notes to the financial statements

**for the year ended 31 March, 2017**

the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. Same exemption has been used for Intangible assets and Investment Property.

### 3.3 Investments in subsidiaries

The Company has availed the exemption provided in Ind AS 101 to measure all its investments in subsidiaries at the previous GAAP carrying amount at the date of transition to Ind AS.

### 3.4 Classification of debt instruments

The Company has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

## 4. 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.

### 4.1 Revenue recognition

Revenue is recognised by following percentage of completion method. The percentage of completion is measured by reference to percentage cost incurred till date to estimated total cost of the project. The Company estimates total cost of the project at the time of launch of the project. These are reviewed at each reporting date. Significant assumptions are required in determining the stage of completion and the estimated total contract cost. These estimates are based on events existing at the end of each reporting date.

### 4.2 Net realisable value of inventory

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

### 4.3 Deferred tax assets

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

### 4.4 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

# Notes to the financial statements

for the year ended 31 March, 2017

## 5 Property, plant and equipment

(₹ in lakhs)

| | As at 31-March-17 | As at 31-March-16 | As at 1-April-15 |
|---|---|---|---|
| **Carrying amounts of :** | | | |
| Land and building | | | |
| i. Own use | 72.81 | 74.35 | 75.94 |
| ii. Given under operating lease | 47.12 | 51.08 | 55.09 |
| Plant and equipment | 9.04 | 25.17 | 113.21 |
| Shuttering and scaffolding | - | 0.07 | 0.97 |
| Furniture and fixture | 5.02 | 10.08 | 83.08 |
| Vehicles | 472.79 | 632.62 | 793.65 |
| Office equipment | 13.46 | 31.41 | 28.34 |
| Computers | 4.07 | 4.75 | 1.24 |
| | **624.31** | **829.53** | **1,151.52** |

(₹ in lakhs)

| | Land and building | | Plant and equipment | Shuttering and scaffolding | Furniture and fixture | Vehicles | Office equipment | Computers | Total |
|---|---|---|---|---|---|---|---|---|---|
| | Own use | Given under operating lease | | | | | | | |
| **Deemed cost** | | | | | | | | | |
| Balance as at 1 April, 2015 | 75.94 | 55.09 | 113.21 | 0.97 | 83.08 | 793.65 | 28.34 | 1.24 | 1,151.52 |
| Additions | - | - | 1.84 | - | 0.06 | - | 12.14 | 6.02 | 20.06 |
| Disposals | - | - | - | - | - | 6.00 | - | - | 6.00 |
| **Balance as at 31 March, 2016** | **75.94** | **55.09** | **115.05** | **0.97** | **83.14** | **787.65** | **40.48** | **7.26** | **1,165.58** |
| Additions | - | - | - | - | - | - | 2.13 | 1.92 | 4.05 |
| Disposals | - | - | - | - | - | 54.50 | 0.38 | - | 54.88 |
| **Balance as at 31 March, 2017** | **75.94** | **55.09** | **115.05** | **0.97** | **83.14** | **733.15** | **42.23** | **9.18** | **1,114.75** |
| **Accumulated depreciation** | | | | | | | | | |
| **Balance as at 1 April, 2015** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** | **-** |
| Depreciation expense | 1.59 | 4.01 | 89.88 | 0.90 | 73.06 | 155.03 | 9.07 | 2.51 | 336.05 |
| Elimination on disposals of assets | - | - | - | - | - | - | - | - | - |
| **Balance as at 31 March, 2016** | **1.59** | **4.01** | **89.88** | **0.90** | **73.06** | **155.03** | **9.07** | **2.51** | **336.05** |
| Depreciation expense | 1.54 | 3.96 | 16.13 | 0.07 | 5.06 | 119.66 | 19.90 | 2.60 | 168.92 |
| Elimination on disposals of assets | - | - | - | - | - | 14.33 | 0.20 | - | 14.53 |
| **Balance as at 31 March, 2017** | **3.13** | **7.97** | **106.01** | **0.97** | **78.12** | **260.36** | **28.77** | **5.11** | **490.44** |
| **Carrying amount** | | | | | | | | | |
| **Balance as at 1 April, 2015** | 75.94 | 55.09 | 113.21 | 0.97 | 83.08 | 793.65 | 28.34 | 1.24 | 1,151.52 |
| Additions | - | - | 1.84 | - | 0.06 | - | 12.14 | 6.02 | 20.06 |
| Disposals | - | - | - | - | - | 6.00 | - | - | 6.00 |
| Depreciation expense | 1.59 | 4.01 | 89.88 | 0.90 | 73.06 | 155.03 | 9.07 | 2.51 | 336.05 |
| **Balance as at 31 March, 2016** | **74.35** | **51.08** | **25.17** | **0.07** | **10.08** | **632.62** | **31.41** | **4.75** | **829.53** |
| Additions | - | - | - | - | - | - | 2.13 | 1.92 | 4.05 |
| Disposals | - | - | - | - | - | 40.17 | 0.18 | - | 40.35 |
| Depreciation expense | 1.54 | 3.96 | 16.13 | 0.07 | 5.06 | 119.66 | 19.90 | 2.60 | 168.92 |
| **Balance as at 31 March, 2017** | **72.81** | **47.12** | **9.04** | **-** | **5.02** | **472.79** | **13.46** | **4.07** | **624.31** |

# Notes to the financial statements

**for the year ended 31 March, 2017**

**The information regarding gross block of assets and accumulated depreciation under previous GAAP is as follows:**

(₹ in lakhs)

| | Land and building | | Plant and equipment | Shuttering and scaffolding | Furniture and fixture | Vehicles | Office equipment | Computers | Total |
|---|---|---|---|---|---|---|---|---|---|
| | Own use | Given under operating lease | | | | | | | |
| As at 1 April , 2015 | | | | | | | | | |
| Gross block | 93.90 | 80.00 | 3,074.30 | 4,120.49 | 1,351.48 | 1,455.86 | 601.82 | 420.58 | 11,198.43 |
| Accumulated depreciation | 17.96 | 24.91 | 2,961.09 | 4,119.52 | 1,268.40 | 662.21 | 573.48 | 419.34 | 10,046.91 |
| **Net block** | **75.94** | **55.09** | **113.21** | **0.97** | **83.08** | **793.65** | **28.34** | **1.24** | **1,151.52** |
| As at 31 March, 2016 | | | | | | | | | |
| Gross block | 93.90 | 80.00 | 2,908.75 | 4,120.49 | 1,349.86 | 1,377.35 | 612.30 | 424.90 | 10,967.55 |
| Accumulated depreciation | 19.55 | 28.92 | 2,883.58 | 4,120.42 | 1,339.78 | 744.73 | 580.89 | 420.15 | 10,138.02 |
| **Net block** | **74.35** | **51.08** | **25.17** | **0.07** | **10.08** | **632.62** | **31.41** | **4.75** | **829.53** |

Notes:

i. The Company has elected to continue with the carrying value of all of its property, plant and equipment as at the transition date of 1 April 2015 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

ii. For details of assets charges as security, refer note 20 and 24

## 6 Investment property

(₹ in lakhs)

| Particulars | As at 31-March-17 | As at 31-March-16 | As at 1-April-15 |
|---|---|---|---|
| Freehold land | 32.81 | 32.81 | 32.81 |
| Buildings | 1,626.52 | 1,657.38 | 1,698.65 |
| **Completed investment properties** | **1,659.33** | **1,690.19** | **1,731.46** |

(₹ in lakhs)

| | Freehold land | | Buildings | | Total | |
|---|---|---|---|---|---|---|
| | Year ended 31 March, 2017 | Year ended 31 March, 2016 | Year ended 31 March, 2017 | Year ended 31 March, 2016 | Year ended 31 March, 2017 | Year ended 31 March, 2016 |
| **Cost or deemed Cost** | | | | | | |
| Balance at the beginning of the year | 32.81 | 32.81 | 1,688.32 | 1,698.65 | 1,721.13 | 1,731.46 |
| Additions | - | - | - | - | - | - |
| Disposals | - | - | - | 10.33 | - | 10.33 |
| **Balance at the end of the year** | **32.81** | **32.81** | **1,688.32** | **1,688.32** | **1,721.13** | **1,721.13** |
| **Accumulated depreciation** | | | | | | |
| Balance at the beginning of the year | - | - | 30.94 | | 30.94 | - |
| Disposals | - | - | - | | - | - |
| Depreciation expense | - | - | 30.86 | 30.94 | 30.86 | 30.94 |
| **Balance at the end of the year** | **-** | **-** | **61.80** | **30.94** | **61.80** | **30.94** |
| **Carrying amount** | | | | | | |
| Balance at the beginning of the year | 32.81 | 32.81 | 1,657.38 | 1,698.65 | 1,690.19 | 1,731.46 |
| Additions | - | - | - | - | - | - |
| Disposals | - | - | - | 10.33 | - | 10.33 |
| Depreciation expense | - | - | 30.86 | 30.94 | 30.86 | 30.94 |
| **Balance at the end of the year** | **32.81** | **32.81** | **1,626.52** | **1,657.38** | **1,659.33** | **1,690.19** |

# Notes to the financial statements

**for the year ended 31 March, 2017**

**The information regarding gross block of assets and accumulated depreciation under previous GAAP is as follows:**

(₹ in lakhs)

| | Freehold land Own Use | Buildings | Total |
|---|---|---|---|
| As at 1 April , 2015 | | | |
| Gross block | 32.81 | 1,994.22 | 2,027.03 |
| Accumulated depreciation | - | 295.57 | 295.57 |
| **Net block** | **32.81** | **1,698.65** | **1,731.46** |
| As at 31 March, 2016 | | | |
| Gross block | 32.81 | 1,982.47 | 2,015.28 |
| Accumulated depreciation | - | 325.09 | 325.09 |
| **Net block** | **32.81** | **1,657.38** | **1,690.19** |

**Fair Value of the Company's investment properties**

The investment properties consist of 83 No's commercial properties in India.

As at 31 March 2017, 31 March, 2016 and 1 April, 2015, the fair values of the properties are Rs. 2,621.13 lakhs, Rs. 2,460.00 lakhs and Rs. 2,448.16 lakhs lacs respectively. These valuations are based on valuations performed by Chartered Engineers, specialist in valuing these types of investment properties.

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Details of the investment properties and information about the fair value hierarchy as at 31 March, 2017, March 31, 2016 and April 1, 2015, are as follows

(₹ in lakhs)

| | Level 2 | Level 3 | As at 31-March-17 |
|---|---|---|---|
| Commercial Properties located in India | - | **2,621.13** | **2,621.13** |
| **Total** | - | **2,621.13** | **2,621.13** |
| | **Level 2** | **Level 3** | **As at 31-March-16** |
| Commercial Properties located in India | - | **2,460.00** | **2,460.00** |
| **Total** | - | **2,460.00** | **2,460.00** |
| | **Level 2** | **Level 3** | **As at 1 April, 2015** |
| Commercial Properties located in India | - | **2,448.16** | **2,448.16** |
| **Total** | - | **2,448.16** | **2,448.16** |

## 7 Other intangible assets

(₹ in lakhs)

| Particulars | As at 31-March-17 | As at 31-March-16 | As at 1-April-15 |
|---|---|---|---|
| **Carrying amounts of :** | | | |
| Assets on Build-operate-transfer (BOT) basis | 15,972.73 | 8,775.26 | 8,562.40 |
| **Total** | **15,972.73** | **8,775.26** | **8,562.40** |
| Intangible asserts under development | 52,758.69 | 57,483.85 | 54,410.09 |
| **Total** | **52,758.69** | **57,483.85** | **54,410.09** |

# Notes to the financial statements

**for the year ended 31 March, 2017**

(₹ in lakhs)

| Particulars | Assets on BOT basis | | |
|---|---|---|---|
| | Own use | Given under operating lease | Total |
| **Deemed cost** | | | |
| Balance as at 1 April, 2015 | - | 8,562.40 | **8,562.40** |
| Additions from internal developments | - | 1,393.05 | **1,393.05** |
| Disposals | - | 587.94 | **587.94** |
| **Balance as at 31 March, 2016** | **-** | **9,367.51** | **9,367.51** |
| Additions from internal developments | | 7,849.86 | **7,849.86** |
| Disposals | - | - | **-** |
| **Balance as at 31 March, 2017** | **-** | **17,217.37** | **17,217.37** |
| **Accumulated amortisation** | | | |
| **Balance as at 1 April, 2015** | - | - | **-** |
| Amortisation expense | - | 592.25 | **592.25** |
| Disposal | - | - | **-** |
| **Balance as at 31 March, 2016** | **-** | **592.25** | **592.25** |
| Amortisation expense | - | 652.39 | **652.39** |
| Disposal | - | - | **-** |
| **Balance as at 31 March, 2017** | **-** | **1,244.64** | **1,244.64** |

(₹ in lakhs)

| Particulars | Assets on BOT basis | | |
|---|---|---|---|
| | Own use | Given under operating lease | Total |
| **Carrying amount** | | | |
| **Balance as at 1 April, 2015** | - | 8,562.40 | **8,562.40** |
| Additions from internal developments | - | 1,393.05 | **1,393.05** |
| Disposals | - | 587.94 | **587.94** |
| Amortisation expense | - | 592.25 | **592.25** |
| **Balance as at 31 March, 2016** | **-** | **8,775.26** | **8,775.26** |
| Additions from internal developments | - | 7,849.86 | **7,849.86** |
| Disposals | - | - | **-** |
| Amortisation expense | - | 652.39 | **652.39** |
| **Balance as at 31 March, 2017** | **-** | **15,972.73** | **15,972.73** |

**Notes:**

i. The Company has elected to measure all its Intangible assets as the Previous GAAP carrying amounts as at 31 March, 2015 as its deemed cost on the date of transition to Ind AS on 1 April, 2015.

ii. The movement in gross block and carrying value of intangible assets as per Previous GAAP is as under:

# Notes to the financial statements

**for the year ended 31 March, 2017**

(₹ in lakhs)

| Particulars | Assets on BOT basis | | |
|---|---|---|---|
| | Own use | Given under ope rating lease | Total |
| As at 1 April , 2015 | | | |
| Gross block | - | 12,247.05 | 12,247.05 |
| Accumulated amortisation | - | 3,684.65 | 3,684.65 |
| **Net block** | **-** | **8,562.40** | **8,562.40** |
| As at 31 March, 2016 | | | |
| Gross block | - | 12,934.46 | 12,934.46 |
| Accumulated amortisation | | 4,159.20 | 4,159.20 |
| **Net block** | **-** | **8,775.26** | **8,775.26** |

iii. **Significant intangible assets**

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

Intangible assets comprises buildings constructed on 'Build-operate-Transfer' (BOT) basis. The company has unconditional right to use/lease such assets during the specified period. After expiry of specified period, these assets will get transferred to the lincesor 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.

b. **Intangible assets under development**

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

## 8 Investments - Non current

**(Unquoted)**

(₹ in lakhs)

| Particulars | As at 31-March-17 | As at 31-March-16 | As at 1-April-15 |
|---|---|---|---|
| A. Investments carried at cost | | | |
| i. Subsidiaries | | | |
| a. Equity instruments | 27,281.40 | 23,145.40 | 23,145.40 |
| b. Share warrants | - | 460.15 | 460.15 |
| c. Preference shares | 9,683.40 | 9,683.40 | 9,683.40 |
| d. Debentures/bonds | 14,316.06 | 15,951.41 | 15,951.41 |
| Total - subsidiaries | 51,280.86 | 49,240.36 | 49,240.36 |
| ii. Joint venture | 814.20 | 814.43 | 631.32 |
| iii. Associates | 291.60 | 291.60 | 291.60 |
| B. Investment at fair value through profit and loss | | | |
| i. Other entities | 1,048.15 | 1,048.15 | 1,106.56 |
| | **53,434. 81** | **51,394.54** | **51,269.84** |

**Details of investments:**

# Notes to the financial statements

**for the year ended 31 March, 2017**

| | Particulars | As at 31-March-17 | | As at 31-March-16 | | As at 1-April-15 | |
|---|---|---|---|---|---|---|---|
| | | Qty. | ₹ in lakhs | Qty. | ₹ in lakhs | Qty. | ₹ in lakhs |
| I | **Investments at cost** | | | | | | |
| | **A. Investments carried at cost - Subsidiaries** | | | | | | |
| | **(I) Equity instruments** | | | | | | |
| | a. Parsvnath Landmark Developers Private Limited $ Class 'A' Equity Shares of ₹ 10 each fully paid-up | 27,20,101 | 6,165.05 | 25,60,000 | 3,590.98 | 25,60,000 | 3,590.98 |
| | b. Parsvnath Landmark Developers Private Limited $ Class 'B' Equity Shares of ₹ 10 each fully paid-up | 5,61,951 | 1,432.98 | - | - | - | - |
| | c. Parsvnath Infra Limited Equity Shares of ₹ 10 each fully paid-up | 2,60,49,400 | 2,604.94 | 2,60,49,400 | 2,604.94 | 2,60,49,400 | 2,604.94 |
| | d. Parsvnath Film City Limited Equity Shares of ₹ 10 each fully paid-up | 17,50,000 | 175.00 | 17,50,000 | 175.00 | 17,50,000 | 175.00 |
| | e. PDL Assets Limited Equity Shares of ₹ 10 each fully paid-up | 60,000 | 6.00 | 60,000 | 6.00 | 60,000 | 6.00 |
| | f. Parsvnath Hotels Limited Equity Shares of ₹ 10 each fully paid-up | 54,00,000 | 1,350.00 | 5,400,000 | 1,350.00 | 54,00,000 | 1,350.00 |
| | g. Parsvnath Telecom Private Limited Equity Shares of ₹ 10 each fully paid-up | 10,30,000 | 103.00 | 1,030,000 | 103.00 | 10,30,000 | 103.00 |

| Particulars | As at 31-March-17 | | As at 31-March-16 | | As at 1-April-15 | |
|---|---|---|---|---|---|---|
| | Qty. | ₹ in lakhs | Qty. | ₹ in lakhs | Qty. | ₹ in lakhs |
| h. Parsvnath Developers Pte. Limited Equity Shares of SGD 1 each fully paid-up | 4,56,920 | 145.49 | 4,56,920 | 145.49 | 4,56,920 | 145.49 |
| i. Primetime Realtors Private Limited $ Equity Shares of ₹ 10 each fully paid-up | 10,000 | 1.00 | 10,000 | 1.00 | 10,000 | 1.00 |
| j. Parsvnath Hessa Developers Private Limited Equity Shares of ₹ 10 each fully paid-up | 49,60,040 | 11,755.90 | 49,60,040 | 11,755.90 | 49,60,040 | 11,755.90 |
| k. Parsvnath Promoters and Developers Private Limited * Equity Shares of ₹ 10 each fully paid-up | 1,69,326 | 1,657.99 | 169,326 | 1,657.99 | 1,69,326 | 1,657.99 |
| l. Parsvnath Estate Developers Private Limited @ Class 'A' Equity Shares of ₹ 10 each fully paid-up | 37,75,000 | 377.50 | 37,75,000 | 377.50 | 37,75,000 | 377.50 |

# Notes to the financial statements

for the year ended 31 March, 2017

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| m. | Parsvnath Estate Developers Private Limited @<br>Class 'B' Equity Shares of ₹ 10 each fully paid-up | 12,25,000 | 121.40 | - | - | - | - |
| n. | Parsvnath Buildwell Private Limited - Class 'A' *<br>Class 'A' Equity Shares of ₹ 10 each fully paid-up | 5,01,000 | 50.10 | 501,000 | 50.10 | 5,01,000 | 50.10 |
| o. | Parsvnath Buildwell Private Limited - - Class 'C' *<br>Class 'C' Equity Shares of ₹ 10 each fully paid-up | 90,000 | 180.00 | 90,000 | 180.00 | 90,000 | 180.00 |
| p. | Parsvnath Rail Land Project Private Limited # €<br>Equity Shares of ₹ 10 each fully paid-up | 1,20,000 | 1,145.00 | 1,20,000 | 1,145.00 | 120,000 | 1,145.00 |
| q. | Parsvnath HB Projects Private Limited<br>Equity Shares of ₹ 10 each fully paid-up | 25,000 | 2.50 | 25,000 | 2.50 | 25,000 | 2.50 |
| r. | Parsvnath Realty Ventures Limited<br>Equity Shares of ₹ 10 each fully paid-up | 50,000 | 5.00 | - | - | - | - |
| s. | Vasavi PDL Ventures Private Limited<br>Equity Shares of ₹ 10 each fully paid-up | 25,500 | 2.55 | - | - | - | - |
| | | | 27,281.40 | | 23,145.40 | | 23,145.40 |
| | **Particulars** | **As at 31-March-17** | | **As at 31-March-16** | | **As at 1-April-15** | |
| | | **Qty.** | **₹ in lakhs** | **Qty.** | **₹ in lakhs** | **Qty.** | **₹ in lakhs** |
| **B.** | **Investments carried at cost - subsidiaries** | | | | | | |
| **(I)** | **Share warrants** | | | | | | |
| a. | Parsvnath Estate Developers Private Limited | - | - | 46,01,500 | 460.15 | 46,01,500 | 460.15 |
| | Share Warrants of ₹ 10 each fully paid-up | | | | | | |
| | | | - | | 460.15 | | 460.15 |
| **(II)** | **Preference shares** | | | | | | |
| a. | Parsvnath Buildwell Private Limited | 4,84,170 | 9,683.40 | 4,84,170 | 9,683.40 | 4,84,170 | 9,683.40 |
| | 0.000001% Optionally Convertible Preference Shares of ₹ 100 each fully paid-up | | | | | | |
| | | | 9,683.40 | | 9,683.40 | | 9,683.40 |
| **(III)** | **Debenture/bonds** | | | | | | |
| a. | Parsvnath Promoters and Developers Private Limited | 9,34,30,096 | 9,343.01 | 9,34,30,096 | 9,343.01 | 93,430,096 | 9,343.01 |

# Notes to the financial statements

**for the year ended 31 March, 2017**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | 16.00% Optionally convertible Debentures of ₹ 10 each fully paid-up | | | | | | |
| b. | Parsvnath Estate Developers Private Limited | - | - | 1,63,53,500 | 1,635.35 | 1,63,53,500 | 1,635.35 |
| | 15.50% Optionally convertible Debentures of ₹ 10 each fully paid-up | | | | | | |
| c. | Parsvnath Buildwell Private Limited | 10,83,593 | 1,083.59 | 10,83,593 | 1,083.59 | 10,83,593 | 1,083.59 |
| | 15.50% Fully Convertible Debentures of ₹ 100 each fully paid-up | | | | | | |
| d. | Parsvnath Hessa Developers Private Limited | 45,00,000 | 669.27 | 45,00,000 | 669.27 | 45,00,000 | 669.27 |
| | 14.00% Fully Convertible Debentures of ₹ 100 each fully paid-up | | | | | | |
| e. | Parsvnath Rail Land Project Private Limited # | 3,09,634 | 3,220.19 | 3,09,634 | 3,220.19 | 3,09,634 | 3,220.19 |
| | 17.50% Series 'B' Optionally convertible Debentures of ₹ 1040 each fully paid-up | | | | | | |
| | | | 14,316.06 | | 15,951.41 | | 15,951.41 |
| **C.** | **Investments carried at cost - Joint Venture** | | | | | | |
| **(II)** | **Association of Persons (AOP)** | | | | | | |
| a. | Ratan Parsvnath Developers (AOP) | | 814.20 | | 814.43 | | 631.32 |
| | | | 814.20 | | 814.43 | | 631.32 |

| **Particulars** | | **As at 31-March-17** | | **As at 31-March-16** | | **As at 1-April-15** | |
|---|---|---|---|---|---|---|---|
| | | **Qty.** | **₹ in lakhs** | **Qty.** | **₹ in lakhs** | **Qty.** | **₹ in lakhs** |
| **D.** | **Investments carried at cost - Associates** | | | | | | |
| **(I)** | **Equity instruments** | | | | | | |
| a. | Amazon India Limited | 25,000 | 212.50 | 25,000 | 212.50 | 25,000 | 212.50 |
| | Equity Shares of ₹ 10 each fully paid-up | | | | | | |
| b. | Home Life Real Estate Private Limited | 7,75,000 | 77.50 | 7,75,000 | 77.50 | 7,75,000 | 77.50 |
| | Equity Shares of ₹ 10 each fully paid-up | | | | | | |
| c. | Vardaan Buildtech Private Limited | 16,000 | 1.60 | 16,000 | 1.60 | 16,000 | 1.60 |
| | Equity Shares of ₹ 10 each fully paid-up | | | | | | |
| | | | 291.60 | | 291.60 | | 291.60 |
| **E.** | **Investments at fair value through profit and loss** | | | | | | |
| | **Other entities** | | | | | | |
| **(I)** | **Equity instruments** | | | | | | |
| a. | Delhi Stock Exchange Limited | 14,96,500 | 1,047.55 | 14,96,500 | 1,047.55 | 14,96,500 | 1,047.55 |

# Notes to the financial statements

**for the year ended 31 March, 2017**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| | Equity Shares of Re. 1 each fully paid-up | | | | | | |
| b. | Nakshatra Residency Private Limited | 5,000 | 0.50 | 5,000 | 0.50 | 5,000 | 0.50 |
| | Equity Shares of ₹ 10 each fully paid-up | | | | | | |
| c. | Aadi Best Consortium Private Limited | 1,000 | 0.10 | 1,000 | 0.10 | 1,000 | 0.10 |
| | Equity Shares of ₹ 10 each fully paid-up | | | | | | |
| e. | Jaipur Stock Exchange Limited | - | - | - | - | 324,500 | 58.41 |
| | Equity Shares of Re. 1 each fully paid-up | | | | | | |
| | | | 1,048.15 | | 1,048.15 | | 1,106.56 |
| | **TOTAL INVESTMENTS CARRYING VALUE (A+B+C+D+E)** | | **53,434.81** | | **51,394.54** | | **51,269.84** |
| | **Aggregate book value of quoted investments** | | - | | - | | - |
| | **Aggregate market value of quoted investments** | | - | | - | | - |
| | **Aggregate carrying value of unquoted investments** | | **53,434.81** | | **51,394.54** | | **51,269.84** |

* Investment in these shares are subject to non disposal undertakings furnished in favour of Investors for investments made in the respective companies.

\# Parsvnath Rail Land project Private limited is considered as a Subsidiary on the basis of voting Power in the said Company.

@ 49% of the Equity Shares are pledged with NBFCs towards security for Term Loan.

€ 71,916 shares out of 1,20,000 are pledged with NBFC towards security for Term Loan.

$ The securities have been pledged non-banking financial companies / debenture trustees towards securities against loans taken / debentures issued.

**Details of subsidiaries, joint venture and associates**

Details of each of the Company's material subsidiary, joint venture and associates at the end of the year are as follows:

| Sr. no. | Name of Company | Principal activity | Place of incorporation and principal place of business | | Proportion of ownership interest / voting rights held by the Company | | |
|---|---|---|---|---|---|---|---|
| | | | | | As at 31-March-17 | As at 31-March-16 | As at 1-April-15 |
| **A.** | **SUBSIDIARIES** | | | | | | |
| 1 | Parsvnath Landmark Developers Private Limited | Real estate | Delhi | Delhi | 100% | 78% | 78% |
| 2 | Parsvnath Infra Limited | Infrastructure | Delhi | Pan India | 94.87% | 94.87% | 94.87% |
| 3 | Parsvnath Hotels Limited | Hotel | Delhi | Shirdi | 100% | 100% | 100% |
| 4 | Parsvnath Hessa Developers Private Limited | Real estate | Delhi | Gurgaon | 100% | 100% | 100% |
| 5 | Parsvnath Estate Developers Private Limited | Leasing | Delhi | Delhi | 100% | 75.50% | 75.50% |
| 6 | Parsvnath Promoters & Developers Private Limited | Real estate | Delhi | Delhi | 51% | 51% | 51% |
| 7 | Parsvnath Film City Limited | Non-operative | Delhi | N.A. | 100% | 100% | 100% |
| 8 | Parsvnath Telecom Private Limited | Non-operative | Delhi | N.A. | 100% | 100% | 100% |
| 9 | PDL Assets Limited | Non-operative | Delhi | N.A. | 100% | 100% | 100% |

# Notes to the financial statements

**for the year ended 31 March, 2017**

| | | | | | | | |
|---|---|---|---|---|---|---|---|
| 10 | Primetime Realtors Private Limited | Real estate | Delhi | Delhi | 100% | 100% | 100% |
| 11 | Parsvnath Buildwell Private Limited | Real estate | Delhi | Ghaziabad | 90.05% / 50.10% | 90.05% / 50.10% | 90.05% / 50.10% |
| 12 | Parsvnath Rail Land Project Private Limited* | Real estate | Delhi | Delhi | 28.30% / 85.10% | 28.30% / 85.10% | 28.30% / 85.10% |
| 13 | Parsvnath HB Projects Private Limited | Real estate | Delhi | Bhiwadi | 51% | 51% | 51% |
| 14 | Parsvnath Realty Ventures Limited | Real estate | Delhi | Delhi | 100% | - | - |
| 15 | Vasavi PDL Ventures Private Limited | Real estate | Hyderabad | Hyderabad | 51% | - | - |
| 16 | Parsvnath Developers Pte. Limited | Non-operative | Singapore | Singapore | 53.32% | 53.32% | 53.32% |
| **B.** | **Step down subsidiaries (Ownership interest of holding company)** | | | | | | |
| 1 | Parsvnath MIDC Pharma SEZ Private Limited (Subsidiary of Parsvnath Infra Limited) | Real estate | Delhi | Kochi | 94.87% | 94.87% | 94.87% |
| 2 | Parsvnath Realcon Private Limited (Subsidiary of Parsvnath Buildwell private Limited) | Real estate | Delhi | Delhi | 50.10% | 50.10% | 50.10% |
| **C.** | **JOINT VENTURES** | | | | | | |
| 1 | Ratan Parsvnath Developers (AOP) | Real estate | Delhi | Kanpur | 50% | 50% | 50% |
| 2 | Palakkad Infrastructure Private Limited | Real estate | Ernakulam | Ernakulam | - | - | 33.33% |
| **D.** | **ASSOCIATES** | | | | | | |
| 1 | Amazon India Limited | Non-operative | Delhi | N.A. | 48.30% | 48.30% | 48.30% |
| 2 | Home Life Real Estate Private Limited | Non-operative | Chandigarh | N.A. | 50.00% | 50.00% | 50.00% |
| 3 | Vardaan Buildtech Private Limited | Non-operative | Delhi | N.A. | 33.33% | 33.33% | 33.33% |

* Parsvnath Rail Land Project Private Limited is considered as subsidiaries on the basis of voting power in the said company.

## 9 Loans

(₹ in lakhs)

| Particulars | | As at 31-March-17 | As at 31-March-16 | As at 1-April-15 |
|---|---|---|---|---|
| **I** | **Non-Current** | | | |
| | **(unsecured, considered good)** | | | |
| | a. Loans to related parties | 10,194.08 | 8,759.16 | 3,804.26 |
| | | **10,194.08** | **8,759.16** | **3,804.26** |
| **II** | **Current** | | | |
| | **(unsecured, considered good)** | | | |
| | a. Loans to related parties | 513.59 | 2,820.24 | 7,412.66 |
| | b. Loans and advances to employees | 19.08 | 18.93 | 19.20 |
| | c. Loans to directors and other officers | - | 340.56 | 173.14 |
| | | **532.67** | **3,179.73** | **7,605.00** |

# Notes to the financial statements

for the year ended 31 March, 2017

## 10 Other financial assets

(₹ in lakhs)

| Particulars | | | As at 31-March-17 | As at 31-March-16 | As at 1-April-15 |
|---|---|---|---|---|---|
| I | Non-Current | | | | |
| | a. | Security deposits | 3,689.24 | 3,649.73 | 3,625.96 |
| | | | **3,689.24** | **3,649.73** | **3,625.96** |
| II | Current | | | | |
| | a. | Security deposits | 1,171.42 | 1,212.06 | 1,484.70 |
| | b. | Interest receivables :- | | | |
| | | i. Interest accrued on deposits with banks | 194.96 | 151.86 | 310.85 |
| | | ii. Interest accrued on investments | 6,265.35 | 8,057.08 | 8,235.51 |
| | | iii. Interest accrued on advances | - | 317.21 | - |
| | c. | Receivables on sale of Investments | 1,450.00 | 1,450.00 | 1,450.00 |
| | d. | Other receivables (refer note 42) | 14,765.24 | 14,267.64 | 14,450.16 |
| | | | **23,846.97** | **25,455.85** | **25,931.22** |

## 11 Deferred tax assets (net)

(₹ in lakhs)

| Particulars | As at 31-March-17 | As at 31-March-16 | As at 1-April-15 |
|---|---|---|---|
| | ₹ in lakhs | ₹ in lakhs | ₹ in lakhs |
| Deferred tax assets | 5,262.87 | 4,092.45 | 9,661.02 |
| Deferred tax liabilities | 211.22 | 149.85 | 136.15 |
| **Net deferred tax assets** | **5,051.65** | **3,942.60** | **9,524.87** |

(₹ in lakhs)

| | Opening Balance | Recognised in Profit or loss | Recognised in other comprehensive Income | Others (see note) | Closing balance |
|---|---|---|---|---|---|
| **Year ended 31 March, 2017** | | | | | |
| **Deferred tax assets/(liabilities) in relation to:** | | | | | |
| Property, plant and equipment | (149.85) | (61.37) | - | - | (211.22) |
| Defined benefit obligation | 217.01 | (20.24) | (8.46) | - | 205.23 |
| | 67.16 | (81.61) | (8.46) | - | (5.99) |
| Unabsorbed depreciation and tax losses | 3,875.44 | 1,182.20 | - | - | 5,057.64 |
| | **3,942.60** | **1,100.59** | **(8.46)** | **-** | **5,051.65** |

# Notes to the financial statements

for the year ended 31 March, 2017

(₹ in lakhs)

| | Opening Balance | Recognised in Profit or loss | Recognised in other comprehensive Income | Others (see note) | Closing balance |
|---|---|---|---|---|---|
| **Year ended 31 March, 2016** | | | | | |
| **Deferred tax assets/(liabilities) in relation to:** | | | | | |
| Property, Plant and equipment | (136.15) | (13.70) | - | - | (149.85) |
| Defined benefit obligation | 239.64 | (18.91) | (3.72) | - | 217.01 |
| | 103.49 | (32.61) | (3.72) | - | 67.16 |
| Unabsorbed depreciation and tax losses | 9,421.38 | 914.83 | - | (6,460.77) | 3,875.44 |
| | 9,524.87 | 882.22 | (3.72) | (6,460.77) | 3,942.60 |

**Notes:**

1 The Company has tax losses of ₹ 16,367.76 lakhs ( 31 March, 2016 - ₹ 12,541.87 lakhs, 1 April, 2015 - ₹ 9,581.26 lakhs) that are available for offsetting for eight years against future taxable income of the Company. The losses will expire as under:

(₹ in lakhs)

| | Amount |
|---|---|
| Year ending 31 March, 2023 | 9,581.26 |
| Year ending 31 March, 2024 | 2,960.61 |
| Year ending 31 March, 2025 | 3,825.89 |
| | **16,367.76** |

2 The Company has recognised deferred tax assets on its unabsorbed depreciation and business losses carried forward. The Company has executed flat / plot sale agreements with the customers against which the Company has also received advances, as disclosed in Note 23 of the financial statements. Revenue in respect of such sale agreements will get recognised in future years on percentage completion method. Based on these sale agreements, the Company has certainty as on the date of the balance sheet, that there will be sufficient taxable income available to realise such assets in the near future. Accordingly, the Company has created deferred tax assets on its carried forward unabsorbed depreciation and business losses.

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

## 12 Other assets

(₹ in lakhs)

| Particulars | | As at 31-March-17 | As at 31-March-16 | As at 1-April-15 |
|---|---|---|---|---|
| **I** | **Non-Current** | | | |
| a. | Advances for land purchase to related parties | 14,473.25 | 14,453.99 | 15,301.26 |
| b. | Advances for land purchase to others | 5,948.15 | 6,727.77 | 13,139.15 |
| c. | Upfront fee paid for projects (Unamortised) | 12,636.97 | 13,273.65 | 13,972.74 |
| d. | Prepaid expenses | 192.44 | 198.34 | 204.26 |
| e. | Mat credit entitlement | 2,601.08 | 2,601.08 | - |
| | | **35,851.89** | **37,254.83** | **42,617.41** |

# Notes to the financial statements

**for the year ended 31 March, 2017**

| | | | | | |
|---|---|---|---|---|---|
| **II** | **Current** | | | | |
| | a. | Advances for land purchase to others | 6,549.07 | 6,229.08 | 6,230.37 |
| | b. | Prepaid expenses | 1,361.53 | 1,211.65 | 1,143.40 |
| | c. | CENVAT credit receivable | 1,920.00 | 1,198.95 | 959.17 |
| | d. | Advances to suppliers | 4,062.29 | 1,610.43 | 1,758.83 |
| | e. | Unbilled receivables | 25,558.39 | 18,311.33 | 16,635.22 |
| | | | **39,451.28** | **28,561.44** | **26,726.99** |
| | | | **75,303.17** | **65,816.27** | **69,344.40** |

## 13 Inventories

(₹ in lakhs)

| **Particulars** | | **As at 31-March-17** | **As at 31-March-16** | **As at 1-April-15** |
|---|---|---|---|---|
| Inventories (lower of cost and net realisable value) | | | | |
| a. | Work-in-progress | 2,57,550.18 | 2,33,469.39 | 2,19,167.50 |
| b. | Finished flats/properties | 5,346.54 | 3,832.02 | 3,943.79 |
| | | **2,62,896.72** | **2,37,301.41** | **2,23,111.29** |

**Note:**

The Company has classified its inventory of work-in-progress and finished properties as current. Details of inventories expected to be realised after more than 12 months from the reporting date is as under:

| **Particulars** | **As at 31-March-17** | **As at 31-March-16** | **As at 1-April-15** |
|---|---|---|---|
| Less than 12 months | 25,000.00 | 17,500.00 | 20,000.00 |
| More than 12 months | 2,37,896.72 | 2,19,801.41 | 2,03,111.29 |
| | **2,62,896.72** | **2,37,301.41** | **2,23,111.29** |

## 14 Trade receivables

(₹ in lakhs)

| **Particulars** | **As at 31-March-17** | **As at 31-March-16** | **As at 1-April-15** |
|---|---|---|---|
| Unsecured, considered good | | | |
| Trade receivables | 58,587.51 | 61,405.21 | 58,786.59 |
| | **58,587.51** | **61,405.21** | **58,786.59** |

**Notes:**

1. The average credit period is 30 to 45 days. For payments, beyond credit period, interest is charged at 12% to 18% per annum on outstanding balances.
2 The real estate sales are made on the basis of cash down payment or construction linked payment plans. In case of construction linked payment plans, invoice is raised on the customer in accordance with milestones achieved as per the flat buyer agreement. The final possession of the property is offered to the customer subject to payment of full value of consideration. The possession of the property remains with the Company till full payment is realised. Accordingly, the Company does not expects any credit losses.

# Notes to the financial statements

**for the year ended 31 March, 2017**

## 15 Cash and cash equivalents

(₹ in lakhs)

| Particulars | | As at 31-March-17 | As at 31-March-16 | As at 1-April-15 |
|---|---|---|---|---|
| A. | Balances with banks:- | | | |
| | i. In current accounts | 484.60 | 1,785.50 | 8,002.08 |
| | ii. In deposit accounts | - | 254.59 | 670.00 |
| B. | Cheques, draft on hand | - | 1.27 | 6.50 |
| C. | Cash on hand | 28.58 | 58.31 | 87.61 |
| | | **513.18** | **2,099.67** | **8,766.19** |

**Specified Bank notes Disclosure (SBNs)**

In accordance with the MCA Notification G.S.R. 308 (E) dated 30 March, 2017, details of Specified Bank Notes (SBN) and Other Denomination Notes (ODN) held and transacted during the period from 8 November, 2016 to 30 December, 2016, is given below :

(₹ in lakhs)

| Particulars | | SBNs | ODNs | Total |
|---|---|---|---|---|
| | **Closing Cash on hand as on 8 November, 2016** | 232.88 | 27.01 | **259.89** |
| (+) | Permitted receipts | - | 43.76 | **43.76** |
| (-) | Permitted Payments | 1.45 | 60.89 | **62.34** |
| (-) | Amount Deposited in Banks | 231.43 | - | **231.43** |
| | **Closing Cash on hand as on 30 December, 2016** | **-** | **9.88** | **9.88** |

**Note:**

For the purposes of this note, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8 November, 2016.

## 16 Bank balances, other than Cash and cash equivalents

(₹ in lakhs)

| Particulars | | As at 31-March-17 | As at 31-March-16 | As at 1-April-15 |
|---|---|---|---|---|
| A. | Deposits with banks held as margin money or security against borrowings or guarantees | 5,356.15 | 5,804.55 | 7,401.09 |
| B. | Balances with banks in earmarked accounts | | | |
| | - Unpaid dividend accounts | - | - | 23.57 |
| | | **5,356.15** | **5,804.55** | **7,424.66** |

## 17 Current tax assets and liabilities

(₹ in lakhs)

| Particulars | | As at 31-March-17 | As at 31-March-16 | As at 1-April-15 |
|---|---|---|---|---|
| **I.** | **Current tax assets** | | | |
| | Tax refund receivables | 1,770.34 | 1,819.11 | - |
| | | **1,770.34** | **1,819.11** | **-** |
| **II.** | **Current tax liabilities** | | | |
| | Tax payable/provision | - | - | 4,943.18 |
| | | **-** | **-** | **4,943.18** |

# Notes to the financial statements

**for the year ended 31 March, 2017**

## 18 Equity share capital

| Particulars | As at 31-March-17 | | As at 31-March-16 | | As at 1-April-15 | |
|---|---|---|---|---|---|---|
| | Number of shares | ₹ in lakhs | Number of shares | ₹ in lakhs | Number of shares | ₹ in lakhs |
| **Authorised Share Capital** | | | | | | |
| i. Equity shares of ₹ 5 each | 60,00,00,000 | 30,000.00 | 60,00,00,000 | 30,000.00 | 60,00,00,000 | 30,000.00 |
| ii. Preference shares of ₹ 5 each | 5,00,00,000 | 5,000.00 | 50,000,000 | 5,000.00 | 50,000,000 | 5,000.00 |
| | **65,00,00,000** | **35,000.00** | **65,00,00,000** | **35,000.00** | **65,00,00,000** | **35,000.00** |
| **Issued, subscribed and fully paid-up capital** | | | | | | |
| i. Equity shares of ₹ 5 each | 43,51,81,170 | 21,759.06 | 43,51,81,170 | 21,759.06 | 43,51,81,170 | 21,759.06 |
| | **43,51,81,170** | **21,759.06** | **43,51,81,170** | **21,759.06** | **43,51,81,170** | **21,759.06** |

**Refer notes (i) to (iv) below:**

**(i) Rights, preferences and restrictions attached to equity shares:**

The Company has issued only one class of equity shares having a par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share held. The dividend, if any, proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(ii) Reconciliation of share capital:**

| Particulars | Number of Shares | Share Capital ₹/lakhs |
|---|---|---|
| Balance as at April 1st , 2015 | 4,35,181,170 | 21,759.06 |
| Movements during the year | - | - |
| Balance as at March 31st , 2016 | **4,35,181,170** | **21,759.06** |
| Movements during the year | - | - |
| Balance as at 31 March, 2017 | **4,35,181,170** | **21,759.06** |

**(iii) Details of shares held by each shareholder holding more than 5% of total share capital:**

| | Name of shareholder | As at 31 March, 2017 | | As at March 31, 2016 | | As at April 1, 2015 | |
|---|---|---|---|---|---|---|---|
| | | Number of shares held | % holding of equity shares | Number of shares held | % holding of equity shares | Number of shares held | % holding of equity shares |
| **Equity shares of ₹ 5 each, fully paid up:** | | | | | | | |
| i. | Pradeep Kumar Jain & Sons (HUF) | 10,01,57,571 | 23.02 | 10,04,06,571 | 23.07 | 11,20,16,571 | 25.74 |
| ii. | Pradeep Kumar Jain | 11,71,56,162 | 26.92 | 11,54,70,317 | 26.53 | 11,39,16,669 | 26.18 |
| iii. | Parasnath And Associates Private Limited | 4,71,86,992 | 10.84 | 4,62,77,992 | 10.63 | 4,72,77,992 | 10.86 |
| iv. | Nutan Jain | 4,49,11,886 | 10.32 | 4,50,45,974 | 10.35 | 4,50,45,974 | 10.35 |
| v. | Fidelity Securities Fund - Fidelity Blue Chip Growth Fund * | - | - | 2,17,71,340 | 5.00 | 2,17,71,340 | 5.00 |

* Equity holding reduced to 1,89,30,597 equity shares equivalent to 4.35% of total share capital as at 31 March, 2017.

# Notes to the financial statements

**for the year ended 31 March, 2017**

**(iv) The Company has not issued any preference share capital.**

## 19 Other equity

(₹ in lakhs)

| Particulars | As at 31-March-17 | As at 31-March-16 | As at 1-April-15 |
|---|---|---|---|
| | | | |
| General Reserve | 7,960.00 | 7,960.00 | 7,960.00 |
| Securities premium reserve | 1,40,711.41 | 1,40,711.41 | 1,40,711.41 |
| Debenture redemption reserve | 9,302.50 | 1,500.00 | 1,500.00 |
| Retained earnings | 76,101.05 | 87,386.69 | 87,261.54 |
| Other comprehensive income | 69.73 | 88.65 | - |
| | **2,34,144.69** | **2,37,646.75** | **2,37,432.95** |
| **General Reserve** | | | |
| Balance at the beginning of the year | 7,960.00 | 7,960.00 | 7,960.00 |
| **Balance at the end of the year** | **7,960.00** | **7,960.00** | **7,960.00** |
| **Securities premium Reserve** | | | |
| Balance at the beginning of the year | 1,40,711.41 | 1,40,711.41 | 1,40,711.41 |
| **Balance at the end of the year** | **1,40,711.41** | **1,40,711.41** | **1,40,711.41** |
| **Debenture Redemption Reserve** | | | |
| Balance at the beginning of the year | 1,500.00 | 1,500.00 | 1,500.00 |
| Add : Transferred from retained earnings | 7,802.50 | - | - |
| **Balance at the end of the year** | **9,302.50** | **1,500.00** | **1,500.00** |
| **Retained earnings** | | | |
| Balance at the beginning of the year | 87,386.69 | 87,181.23 | |
| Add: Profit for the year | (3,483.14) | 205.46 | |
| Less: Transferred to Debenture Redemption Reserve | 7,802.50 | - | |
| **Balance at the end of the year** | **76,101.05** | **87,386.69** | |
| **Other comprehensive income** | | | |
| Balance at the beginning of the year | 88.65 | 80.31 | |
| Add: Remeasurement of defined benefit obligation | (18.92) | 8.34 | |
| (net of income tax) | **69.73** | **88.65** | |

**Nature and purpose of reserves:**

a. General reserve - The Company has transferred a part of the net profit of the Company to general reserve in previous years.

b. Securities premium reserve - The amount received in excess of the face value of the equity shares issued by the Company is recognised in securities premium reserve.

c. Debenture redemption reserve - The amount has recognised debenture redemption reserve from its retained earnings. The amount of reserve is equivalent to 25% of the value of redeemable debentures issued by the Company. The reserve is to be utilised for the purpose of redemption of debentures.

d. Retained earnings - Retained earnings are profits of the Company earned till date less transfered to general reserve and debenture redemption reserve.

# Notes to the financial statements

for the year ended 31 March, 2017

## 20 Non-current borrowings

(₹ in lakhs)

| Particulars | As at 31-March-17 | | As at 31-March-16 | | As at 1-April-15 | |
|---|---|---|---|---|---|---|
| | Non Current | Current | Non Current | Current | Non Current | Current |
| **Secured - at amortised cost** | | | | | | |
| (i) Debentures | | | | | | |
| 18.00% Non-convertible redeemable debentures (Series XII) | - | - | - | - | - | 128.57 |
| 18.00% Non-convertible redeemable debentures (Series XIII) | - | - | - | - | - | 2,442.86 |
| 13.00% Non-convertible redeemable debentures (Series XIV) | 35,198.16 | - | 35,017.10 | - | 34,835.55 | - |
| 19.00% Non-convertible redeemable debentures (Series XV) | 615.56 | - | - | - | - | - |
| 19.00% Non-convertible redeemable debentures (Series XVI) | 1,093.22 | - | - | - | - | - |
| | 36,906.94 | | 35,017.10 | | 34,835.55 | 2,571.43 |
| (ii) Term loans | | | | | | |
| from banks (Refer note -- below | - | - | - | 3,488.01 | - | 10,497.84 |
| from financial institutions / other parties (Refer note 21) | 72,657.55 | 19,183.94 | 60,486.88 | 15,729.56 | 40,433.95 | 14,400.03 |
| **Total non-current borrowings** | **1,09,564.49** | **19,183.94** | **95,503.98** | **19,217.57** | **75,269.50** | **27,469.30** |
| Less amount disclosed under "other financial liabilities " (refer Note 21 (ii)) | - | 19,183.94 | - | 19,217.57 | - | 27,469.30 |
| | **1,09,564.49** | **-** | **95,503.98** | **-** | **75,269.50** | **-** |

# Notes to the financial statements

for the year ended 31 March, 2017

**Summary of Borrowings arrangements**

(i) The terms of borrowings are stated below:

**As at 31 March, 2017**

(₹ in lakhs)

| | Security details | Amount outstanding | Terms of repayment | Rate of Interest |
|---|---|---|---|---|
| | **Debentures :** | | | |
| a. | 13% NCDs of ₹ 35500 lakhs were issued during the year ended 31 March 2015. NCDs are secured by (a) Pledge of certain equity shares of the Company held by promotors group (b) first charge by way of mortgage over a property situated in Parsvnath City Dharuhera, Rahukhedi Indore (c) first charge by way of mortgage over Rohini project and land at Jodhpur (d) second charge on receivables of DMRC projects (i) Azadpur metro station (ii) games village metro station (iii) Seelampur metro station annexe (iv) Seelampur metro station box (v) Inderlok metro station annexe (vi) Inderlok metro station box (vii) Kashmere gate metro station box and (viii) Shahdara metro station. (e)Personal guarantee of Chairman. | 35,500.00 | These NCDs are redeemable in 4 quarterly instalments commencing from July, 2018. | 13.00% |
| b. | 19% NCDs of ₹616 lakhs were issued during the year ended 31 March 2017. The NCDs are secured by (a) 1st pari passu charge by way of Mortgage over development rights of Palacia Project situated in Greater Noida U.P. (b) Mortgage of Residential Plots at Gurgaon (c) charge on receivables of these projects and (d) personal guarantee of Chairman, Managing Director and a wholetime Director of the company. | 616.00 | These NCDs are redeemable in 2 quarterly instalments commencing from April, 2018. | 19.00% |
| c. | 19% NCDs of ₹616 lakhs were issued during the year ended 31 March 2017. The NCDs are secured by (a) 1st pari passu charge by way of Mortgage over development rights of Palacia Project situated in Greater Noida U.P. (b) Mortgage of Residential Plots at Gurgaon (c) charge on receivables of these projects and (d) personal guarantee of Chairman, Managing Director and a wholetime Director of the company. | 1,094.00 | These NCDs are redeemable in 11 quarterly instalments commencing from April, 2018. | 19% |
| d. | IND AS Adjustments | (303.06) | | |
| | | **36,906.94** | | |
| | **Term Loans :** | | | |
| a. | Term Loan from a non-banking finance company is secured by (a) mortgage & escrow of receivables of (1) project land at Sonepat, (2) project land at Kurukshetra, (3) over development rights of group housing project at Gurgaon , and all unsold units of the project by the company, Parsvnath Hessa Developers Pvt. Ltd.and Parsvnath Sharmistha Realtors Pvt. Ltd, (b) corporate guarantee of land owning companies (c) personal guarantee of Chairman. | 10,500.00 | The term loan is repayable in quarterly instalments commencing from November, 2018. | 13.00% |

# Notes to the financial statements

for the year ended 31 March, 2017

(₹ in lakhs)

| | Security details | Amount outstanding | Terms of repayment | Rate of Interest |
|---|---|---|---|---|
| | **Debentures :** | | | |
| b | Term loan from a financial institution is secured by mortgage of a project land at Indore, charge on receivables of project 'Pragati' Dharuhera and personal guarantee of Chairman. | 12491.13 | The term loan is repayable in 57 monthly instalments commencing from October, 2012. | 13.50% |
| c | Term loan from a financial institution is secured by pledge of certain equity shares of the company held by promoters group and mortgage of commercial land at Jodhpur and personal guarantee of Chairman, Managing Director and a wholetime Director of the company. | 276.52 | The term loan is repayable in 36 monthly instalments commencing from March 15. | 17.50% |
| d | Term loan from a non-banking finance company is secured by (1) mortgage of (a) commercial/other lands at New Delhi, (b) Commercial land at Derrabassi, (c) land in Rajpura (d) land of Royale Punchkula, (2) Charge on receivables of (a) commercial/other lands, New Delhi, (b) plots, floors and villas at Dharuhera, (c) Parsvnath Royale-Punchkula (d) commercial & plotted area at Derabassi (e) Rajpura ,(3) Cross Collaterization of the securities with other loans from the lender and (4) personal guarantee of Chairman, Managing Director and a wholetime Director of the company. | 31,755.00 | The term loan is repayable in monthly instalments commencing from May, 17. | 13.93 to 16.70% |
| e | Term loan from a non-banking finance company is secured by (1) extension of mortgage of (a)commercial/other lands at New Delhi, (b) Commercial land at Derrabassi, (c) land in Rajpura(d) land of Royale Punchkula and (2) Charge on receivables of (a) commercial/other lands, New Delhi, (b) plots, floors and villas at Dharuhera, (c) Parsvnath Royale-Punchkula (d) commercial & plotted area at Derabassi ,(3) Cross Collaterization of the securities with other loans from the lender and (4) personal guarantee of Chairman, Managing Director and a wholetime Director of the company. | 10,242.00 | The term loan is repayable in monthly instalments commencing from May 17. | 11.54 % to 19.41% |
| f | Term loan from a non-banking finance company is secured by (1) extension of mortgage of (a)commercial/other lands at New Delhi, (b) Commercial land at Derrabassi, (c) land in Rajpura(d) land of Royale Punchkula and (2) Charge on receivables of (a) commercial/other lands, New Delhi, (b) plots, floors and villas at Dharuhera, (c) Parsvnath Royale-Punchkula (d) commercial & plotted area at Derabassi ,(3) Cross Collaterization of the securities with other loans from the lender and (4) personal guarantee of Chairman, Managing Director and a wholetime Director of the company. | 22,000.00 | The term loan is repayable in monthly instalments commencing from January 18. | 13.77% |

# Notes to the financial statements

**for the year ended 31 March, 2017**

(₹ in lakhs)

| | Security details | Amount outstanding | Terms of repayment | Rate of Interest |
|---|---|---|---|---|
| | **Debentures :** | | | |
| g | Term loan from a non-banking finance company is secured by mortgage of project land at Greater Noida, hypothecation of present and future receivables of the said project and personal guarantee of Chairman. | 12,000.00 | The term loan is repayable in 4 quarterly instalments quarter commencing from September, 2019 | 13.00% |
| h | IND AS Adjustments | (7,423.15) | | |
| | | **91,841.49** | | |
| | **As at 31 March, 2016** | | | |
| a | 13% NCDs of ₹ 35500 lakhs were issued during the year ended 31 March 2015. The NCDs are secured by (a) Pledge of certain equity shares of the Company held by the promotors group (b) first charge by way of mortgage over a mortgage property situated in Parsvnath City Daruhera & Rahukhedi, Indore (c) first charge by way of mortgage over project land at Rohini & Jodhpur (d) second charges on receivables of project (i) Azadpur metro station (ii) games village metro station (iii) Seelampur metro station annexe (iv) Seelampur metro station box (v) Inderlok metro station annexe (vi) Inderlok metro station box (vii) Kashmere gate metro station box and (viii) Shahdara metro station and personal guarantee of Chairman. | 35,500.00 | These NCDs are redeemable in 4 quarterly instalments commencing from July,2018. | 13.00% |
| b. | IND AS Adjustments | (482.90) | | |
| | | **35,017.10** | | |
| | **Term Loans :** | | | |
| a | Term loan from a bank is secured by mortgage of project land at Greater Noida, hypothecation of present and future receivables of the said project and personal guarantee of Chairman. | 3,488.01 | The term loan is repayable in 6 quarterly instalments quarter commencing from November, 2014. | 15.10% |
| b | Term loan from a financial institution is secured by equitable mortgage of a project land at Indore, charge on receivables of project 'Pragati' Dharuhera and personal guarantee of Chairman. | 12,491.13 | The term loan is repayable in 57 monthly instalments commencing from October, 2012. | 13.50% |
| c | Term loan from a non-banking finance company is secured by (1) equitable mortgage of (a) commercial project land at New Delhi, (b) Group Housing & Commercial land at Derrabassi, (c) land at Alipur, New Delhi and (2) Charge on receivables of the projects through escrow mechanism at (a) commercial project land, New Delhi, (b) plotted area, floors and villas at Dharuhera, (c) land of Parsvnath Royale-Punchkula (d) Group Housing, commercial & plotted area at Derabassi (e) plotted area of township at Jaipur, (f) Plotted area at Panipat and (3) Cross Collaterization of the securities with other loans from the lender and personal guarantee of Chairman, Managing Director and a wholetime Director of the company. | 35,743.99 | The term loan is repayable in monthly instalments commencing from July 2014. | 16.20% |

# Notes to the financial statements

**for the year ended 31 March, 2017**

(₹ in lakhs)

| | Security details | Amount outstanding | Terms of repayment | Rate of Interest |
|---|---|---|---|---|
| | **Debentures :** | | | |
| d | Term loan from a financial institution is secured by pledge of equity shares of the company held by the promoters and pari-passu charge by way of euitable mortgage of commercial land at Jodhpur and personal guarantee of Chairman, Managing Director and a wholetime Director of the company. | 568.52 | The term loan is repayable in 36 monthly instalments commencing from March 2015. | 17.50% |
| e | Term loan from a non-banking finance company is secured by (1) extention of equitable mortgage of (a)commercial project land at New Delhi, (b) Group Housing & Commercial land at Derrabassi, (c) land at Alipur, New Delhi and (2) Charge on receivables of the projects through escrow mechanism at (a) commercial project land, New Delhi, (b) plotted area, floors and villas at Dharuhera, (c) Parsvnath Royale-Punchkula (d) Group Housing, commercial & plotted area at Derabassi (e) plotted area of township at Jaipur, (f) Plotted area at Panipat and (3) Cross Collaterization of the securities with other loans from the lender and personal guarantee of Chairman, Managing Director and a wholetime Director of the company. | 7,307.00 | The term loan is repayable in monthly instalments commencing from May 2017. | 11.83 to 19.41% |
| f | Term loan from a non-banking finance company is secured by (1) extention of equitable mortgage of (a)commercial project land at New Delhi, (b) Group Housing & Commercial land at Derrabassi, (c) land at Alipur, New Delhi and (2) Charge on receivables of the projects through escrow mechanism at (a) commercial project land, New Delhi, (b) plotted area, floors and villas at Dharuhera, (c) Parsvnath Royale-Punchkula (d) Group Housing, commercial & plotted area at Derabassi (e) plotted area of township at Jaipur, (f) Plotted area at Panipat and (3) Cross Collaterization of the securities with other loans from the lender and personal guarantee of Chairman, Managing Director and a wholetime Director of the company. | 19,700.00 | The term loan is repayable in monthly instalments commencing from May 2017. | 12.92% |
| g | Term Loan from a non-banking finance company is secured by (a) equitable mortgage of project land at Sonepat, (b) equitable mortgage of project land at Kurukshetra, (c) Registered Mortgage over development rights of group housing at Gurgaon Project, and all unsold units developed/being developed of the project by the company, Parsvnath Hessa Developers Pvt. Ltd.and Parsvnath Sharmistha Realtors Pvt. Ltd, (d) corporate guarantee of land owninig companies (e) charge on receivables of the said projects through escrow mechanism and personal guarantee of Chairman. | 10,500.00 | The term loan is repayable in quarterly instalments commencing from November, 2018. | 13.00% |
| h | IND AS Adjustments | (10,094.20) | | |
| | | **79,704.45** | | |

# Notes to the financial statements

**for the year ended 31 March, 2017**

(₹ in lakhs)

| | Security details | Amount outstanding | Terms of repayment | Rate of Interest |
|---|---|---|---|---|
| | **Debentures :** | | | |
| | **As at 1 April, 2015** | | | |
| a | 18% NCDs of ₹300 lakhs were issued during the year ended 31 March 2014. The NCDs are secured by 1st pari passu charge by way of Mortgage over development rights of Exotica Gurgaon Project, and all unsold units developed/being developed of the project by the company, Parsvnath Hessa Developers Pvt. Ltd.and Parsvnath Sharmistha Realtors Pvt. Ltd. and charge on receivables of the project and personal guarantee of Chairman, Managing Director and a wholetime Director of the company. | 128.57 | These NCDs are redeemable in 7 quarterly instalments commencing from June, 2014. | 18.00% |
| b | 18% NCDs of ₹5700 lakhs were issued during the year ended 31 March 2014. The NCDs are secured by 1st pari passu charge by way of Mortgage over development rights of Exotica Gurgaon Project, and all unsold units developed/being developed of the project by the company, Hessa Developers Pvt. Ltd. and Parsvnath Sharmistha Realtors Pvt. Ltd. and charge on receivables of the project and personal guarantee of Chairman, Managing Director and a wholetime Director of the company. | 2,442.86 | These NCDs are redeemable in 7 quarterly instalments commencing from June,2014. | 18.00% |
| c | 13% NCDs of ₹ 35500 lakhs were issued during the year ended 31 March 2015. The NCDs are secured by (a) Pledge of equity shares of the Company held by the promotors (b) first charge by way of mortgage over the mortgage property situated in Parsvnath City Daruhera & Rahukhedi, Indore (c) first charge by way of mortgage over project land at Rohini & Jodhpur (d) second charges on receivables of project (i) Azadpur metro station (ii) games village metro station (iii) Seelampur metro station annexe (iv) Seelampur metro station box (v) Inderlok metro station annexe (vi) Inderlok metro station box (vii) Kashmere gate metro station box and (viii) Shahdara metro station and personal guarantee of Chairman. | 35,500.00 | These NCDs are redeemable in 4 quarterly instalments commencing from July,2018. | 13.00% |
| d. | IND AS Adjustments | (664.45) | | |
| | | **37,406.98** | | |
| | **Term Loans :** | | | |
| a | Term loan from a bank is secured by mortgage of project land at Greater Noida, hypothecation of present and future receivables of the said project and personal guarantee of Chairman. | 10,497.84 | The term loan is repayable in 6 quarterly instalments commencing from November, 2014. | 16.50% |
| b | Term loan from a financial institution is secured by mortgage of project land at Indore and Kurukshetra, charge on receivables of project 'Pragati' Dharuhera and personal guarantee of Chairman. | 13,642.57 | The term loan is repayable in 57 monthly instalments commencing from October, 2012. | 13.50% |

# Notes to the financial statements

**for the year ended 31 March, 2017**

(₹ in lakhs)

| | Security details | Amount outstanding | Terms of repayment | Rate of Interest |
|---|---|---|---|---|
| | **Debentures :** | | | |
| c | Term loan from a non-banking finance company is secured by mortgage of property at Hauz Khas, pledge of 1.50 Crore (fixed) equity shares of the company held by promoters, cross default clause with other loans from the lender, personal guarantee of Chairman, Managing Director and a wholetime Director of the company and charge on receivables of project Sonepat Group Housing II through an escrow account. | 2,319.73 | The term loan is repayable in 30 monthly instalments commencing from August, 2013. | 19.97% |
| d | Term loan from a non-banking finance company is secured by (1) mortgage of (a) project land at K.G Marg, New Delhi, (b) Group Housing & Commercial land at Derrabassi, (c) land at Alipur, New Delhi and (2) Charge on receivables of the projects through escrow mechanism at (a) K. G. Marg, New Delhi, (b) Parsvnath City-Dharuhera, (c) Parsvnath Royale-Punchkula (d) Group Housing, commercial & plotted area at Derabassi (e) plotted area of Narain City- Jaipur, (f) Plotted area of Paliwal city-Panipat and (3) Cross Collaterization of the securities with other loans from the lender and personal guarantee of Chairman, Managing Director and a wholetime Director of the company. | 35,099.99 | The term loan is repayable in monthly instalments commencing from July 2014. | 16.20% |
| e | Term loan from a non-banking finance company is secured by(1) mortgage of (a) project land at Bohar, Rohtak (b) mortgage of project land at Rajpura, Patiala and (2) charge on receivables of both the projects through escrow mechanism and (3) cross-collaterizaion of the securites with others loans from the lender and personal guarantee of Chairman, Managing Director and a wholetime Director of the company. | 139.94 | The term loan is repayable in 57 monthly instalments commencing from November 2013. | 16.20% |
| f | Term loan from a financial institution is secured by pledge of certain equity shares of the company held by the promoters group and pari-passu charge by way of euitable mortgage of commercial land at Goa and Jodhpur and personal guarantee of Chairman, Managing Director and a wholetime Director of the company. | 1,945.00 | The term loan is repayable in 36 monthly instalments commencing from March 2015. | 17.50% |
| g | Term loan from a non-banking finance company is secured by (1) extention of mortgage of (a) project land at K.G Marg, New Delhi, (b) development rights of Group Housing at Sonepat (c) plots, commercial area and Group Housing land at Derabassi and (2) Charge on receivables of the projects through escrow mechanism at (a) K. G. Marg, New Delhi, (b) Parsvnath City-Dharuhera, (c) Parsvnath Royale-Punchkula (d) Group Housing, commercial & plotted area at Derabassi (e) plotted area of Narain City- Jaipur, (f) Plotted area of Paliwal city-Panipat (g) Rohtak (h) Rajpura and (3) Cross Collaterization of the securities with other loans from the lender and personal guarantee of Chairman, Managing Director and a wholetime Director of the company. | 5,630.00 | The term loan is repayable in monthly instalments commencing from May 2017. | 11.83 to 19.41% |
| h | IND AS Adjustments | (3,943.25) | | |
| | | **65,331.83** | | |

# Notes to the financial statements

**for the year ended 31 March, 2017**

(ii) **Loans guaranteed by directors**

(₹ in lakhs)

| | | As at 31-March-17 | As at 31-March-16 | As at 1-April-15 |
|---|---|---|---|---|
| a. | Debentures (net of Ind AS adjustment) | 36,906.94 | 35,017.10 | 37,406.98 |
| b. | Term loans from banks | | 3,488.01 | 10,497.84 |
| c. | Term loans from financial institutions/others (net of Ind AS adjustment) | 91,841.49 | 76,216.44 | 54,833.98 |
| | | **1,28,748.43** | **1,14,721.55** | **1,02,738.80** |

(iii) **There were some delays in repayment of principal and interest during the year which were regularised before the end of the year. The amount of defaults as at the year end are given below:**

**As at 31 March, 2017**

| | Name | Type | Nature of dues | Amount ₹ in lakhs | Delayed Days |
|---|---|---|---|---|---|
| 1 | LIC of India, Mumbai | Financial Institution | Principal | 4,200.00 | Upto 365 |
| | | | | 7,248.56 | Above 365 |
| 2 | LIC of India, Mumbai | Financial Institution | Interest | 557.39 | 1 to 89 |
| | | | | 550.62 | 92 to 179 |
| | | | | 1,536.19 | Above 180 |
| 3 | ECL Finance Limited | NBFC | Interest | 559.81 | 1 to 60 |
| 4 | Indiabulls Housing Finance Limited | NBFC | Interest | 146.58 | 1 to 30 |
| 5 | Indiabulls Commercial Credit Limited | NBFC | Interest | 15.93 | 1 to 30 |
| | | | | | |
| | **As at 31 March, 2016** | | | | |
| 1 | LIC of India, Mumbai | Financial Institution | Principal | 3,600.00 | upto 366 |
| | | | Principal | 3,798.56 | Above 366 |
| 2 | Punjab National Bank | Bank | Principal | 3,488.01 | 1 to 30 |
| 3 | LIC of India, Mumbai | Financial Institution | Interest | 508.77 | 1 to 89 |
| | | | Interest | 490.92 | 90 to 179 |
| | | | Interest | 274.56 | Above 180 |
| | | | | | |
| | **As at 1 April, 2015** | | | | |
| 1 | LIC of India, Mumbai | Financial Institution | Principal | 3,300.00 | upto 365 |
| | | | Principal | 1,650.00 | Above 365 |
| | | | Interest | 201.05 | 1 to 32 |

Note: The Company has requested LIC of India, Mumbai for reschedulement of outstanding loan.

# Notes to the financial statements

**for the year ended 31 March, 2017**

## 21 Other financial liabilities

(₹ in lakhs)

| Particulars | | | As at 31-March-17 | As at 31-March-16 | As at 1-April-15 |
|---|---|---|---|---|---|
| **I.** | **Non-Current** | | | | |
| | a. | Trade/security deposits received | 8,365.10 | 8,727.25 | 9,065.71 |
| | | | **8,365.10** | **8,727.25** | **9,065.71** |
| **II.** | **Current** | | | | |
| | a. | Current maturities of long term debt (Refer Note 20) | 19,183.94 | 19,217.57 | 27,469.30 |
| | b. | Interest accrued but not due on borrowings | 7,021.60 | 5,699.31 | 667.57 |
| | c. | Interest accrued and due on borrowings | 3,689.61 | 1,377.02 | 201.05 |
| | d. | Interest accrued but not due on others | 3,481.34 | 3,196.70 | 2,514.75 |
| | e. | Unclaimed dividends | - | - | 23.57 |
| | f. | Trade/security deposits received | 29,170.71 | 10,925.78 | 11,794.01 |
| | g. | Book overdraft - Banks | 202.17 | 5.57 | 126.60 |
| | | | **62,749.37** | **40,421.95** | **42,796.85** |

## 22 Provisions

(₹ in lakhs)

| Particulars | | As at 31-March-17 | As at 31-March-16 | As at 1-April-15 |
|---|---|---|---|---|
| Employee benefits | | 455.91 | 442.43 | 447.78 |
| | | **455.91** | **442.43** | **447.78** |
| i) | Non-Current | 416.17 | 387.27 | 395.29 |
| ii) | Current | 39.74 | 55.16 | 52.49 |
| | | **455.91** | **442.43** | **447.78** |

## 23 Other liabilities

(₹ in lakhs)

| Particulars | | As at 31-March-17 | As at 31-March-16 | As at 1-April-15 |
|---|---|---|---|---|
| **Non-current** | | | | |
| Advances from customers | | 649.44 | 688.13 | 4,898.21 |
| | | **649.44** | **688.13** | **4,898.21** |
| **Current** | | | | |
| a. | Advances from customers | 25,576.92 | 33,128.38 | 41,407.74 |
| b. | Statutory dues (Contributions to PF, Withholding Tax, Sales Tax, VAT, Service Tax, etc.) | 4,648.85 | 1,721.00 | 512.62 |
| c. | Rent received in advance | 392.11 | 369.47 | 394.44 |
| | | **30,617.88** | **35,218.85** | **42,314.80** |

# Notes to the financial statements

**for the year ended 31 March, 2017**

## 24 Current borrowings

(₹ in lakhs)

| Particulars | As at 31-March-17 | As at 31-March-16 | As at 1-April-15 |
|---|---|---|---|
| **I. Unsecured** | | | |
| a. Loans repayable on demand | | | |
| i. From banks (Bank Overdraft) | - | 585.13 | - |
| ii. From others | 2,315.75 | 1,500.00 | 483.98 |
| b. Loans from related parties | - | 3,000.00 | 649.57 |
| **II. Secured** | | | |
| a. Loans repayable on demand | | | |
| i. From banks (Cash credit) | 8,887.77 | 9,888.99 | 9,657.60 |
| ii. From banks (Bank Overdraft) | - | - | 1,850.00 |
| b. Short-term loans from banks | 1,750.00 | 2,000.00 | - |
| c. Loans from other parties | 27,547.88 | 18,666.61 | 23,776.10 |
| d. Other loans (against vehicles) | | | |
| i. From banks | 74.85 | 148.05 | 403.24 |
| ii. From others | - | - | 9.79 |
| | **40,576.25** | **35,788.78** | **36,830.28** |

| | Particulars | As at 31-March-17 | As at 31-March-16 | As at 1-April-15 | Effective interest rate |
|---|---|---|---|---|---|
| | | ₹ in lakhs | ₹ in lakhs | ₹ in lakhs | Percentage |
| **24.1** | **Details of securities provided in respect of short term borrowings from banks - cash credit are as under:** | | | | |
| a. | Cash Credit is secured by first pari passu charge over current assets of the company excluding those assets specifically charged to other Banks/FIs and mortgage of land & building at Moradabad and Greater Noida and personal guarantee of Chairman, Managing Director and a wholetime Director of the company. | 4,748.45 | 5,000.00 | 4,984.50 | 13.65 to 17.35% |
| b. | Cash Credit is secured by first pari-passu charge over current assets of the company excluding those assets specifically charged to other Banks/FIs, mortgage of commercial land at Panipat & Sonepat and personal guarantee of Chairman, Managing Director and a wholetime Director of the company. | 2,498.86 | 2,500.00 | 2,439.13 | 13.65 to 17.35% |
| c. | Cash Credit is secured by first pari-passu charge over current assets of the company excluding those assets specifically charged to other Banks/FIs, mortgage of commercial land at Karnal, personal guarantee of Chairman, Managing Director and a wholetime Director of the company and corporate guarantee of Land owning companies. | 645.27 | 1,388.99 | 1,355.36 | 13.65 to 17.35% |

# Notes to the financial statements

**for the year ended 31 March, 2017**

| | Particulars | As at 31-March-17 ₹ in lakhs | As at 31-March-16 ₹ in lakhs | As at 1-April-15 ₹ in lakhs | Effective interest rate Percentage |
|---|---|---|---|---|---|
| d. | Cash Credit is secured by first pari-passu charge over current assets of the company excluding those assets specifically charged to other Banks/FIs, mortgage of commercial plot at Rajpura and commercial space at Saharanpur, pledge of term deposit of ₹ 232 lakhs, personal guarantee of Chairman, Managing Director and a wholetime Director of the company and corporate guarantee of land owning company. | 995.19 | 1,000.00 | 878.61 | 13.65 to 17.35% |
| | | **8,887.77** | **9,888.99** | **9,657.60** | |
| **24.2** | **Details of securities provided in respect of overdraft from banks are as under:** | | | | |
| a. | The overdraft loan from bank is secured by way of pledge of fixed deposits with the bank. | - | - | 1,850.00 | 9% |
| | | **-** | **-** | **1,850.00** | |
| **24.3** | **Details of securities provided in respect of short term loans from banks are as under:** | | | | |
| a. | Term loan from a bank is secured by mortgage of commercial units/ spaces at Faridabad and personal guarantee of Chairman, Managing Director and a wholetime Director of the company. | 1,750.00 | 2,000.00 | - | 14.85% to 15.10% |
| | | **1,750.00** | **2,000.00** | **-** | |
| **24.4** | **Details of securities provided in respect of loans from financial institutions and others are as under:** | | | | |
| a. | Term loan from a financial institution is secured by pledge of certain equity shares of the company held by promoters group and mortgage of commercial land at Noida and receivables of the said land, personal guarantee of Chairman, Managing Director and a wholetime Director of the company and corporate guarantee of land owning companies. | 1,967.94 | 2,912.38 | 4,427.00 | 17.50% |
| b. | Term loan from a non-banking finance company is secured by pledge of certain equity shares of the company held by promoters group , mortgage of land at Sonepat and personal guarantee of Chairman and cross collateral clause with another term loan from the lender. | 2,969.36 | 2,969.36 | 2,969.36 | 17.25% |
| c. | Term loan from a financial institution is secured against keyman Insurance Policy taken by the company. | 962.29 | 962.29 | 801.84 | 9.00% |
| d. | Term loan from a non-banking financial company is secured by (1) pledge of certain equity shares of the company held by promoters group , (2) mortgage & escrow of receivables of (a) project land at Rohtak (b) commercial project at Bhiwadi & Sonepat, (c) land in Indore, Ujjain & Kochi (d) institutional land at Sonipat, (3) pledge of equity shares of land owing companies (4) charge on receivables from Avlon Bhiwadi project and (5) personal guarantee of Chairman. | 18,000.00 | 6,755.55 | 13,511.11 | 19.00% |

# Notes to the financial statements

**for the year ended 31 March, 2017**

| Particulars | | As at 31-March-17 ₹ in lakhs | As at 31-March-16 ₹ in lakhs | As at 1-April-15 ₹ in lakhs | Effective interest rate Percentage |
|---|---|---|---|---|---|
| e. | Term loan from a non-banking financial company is secured by mortgage of project at Pratibha plot No. 11, Moradabad, land at Sonepat and personal guarantee of Chairman and cross collateral clause with another term loan from the lender. | 2,648.29 | 4,067.03 | - | 16.95% |
| f. | Term loan from a non-banking financial companies are secured by pledge of certain equity shares of the company held by promoters group , mortgage of land at Sonepat and personal guarantee of Chairman. | 1,000.00 | 1,000.00 | - | 21.00% |
| g. | Term loan from a financial institution is secured by paripassu charge by way of mortgage of commercial land at Jodhpur and pledge of certain equity shares of the company held by the promotors group and personal guarantee of Chairman, Managing Director and a whole-time director of the Company. | - | - | 425.53 | 17.50% |
| h. | Term loan from a non-banking financial company is secured by mortgage of project land at Pratibha phase -I, Moradabad and charge on its receivables through escrow mechanism, personal guarantee of Chairman and cross collateral clause with another term loan from the same non-banking financial company. | - | - | 1,641.26 | 17.25% |
| | | **27,547.88** | **18,666.61** | **23,776.10** | |
| **24.5** | **Details of securities provided in respect of vehicle loans from banks and others are as under:** | | | | |
| a. | Loan taken from a bank for vehicles is secured by way of hypothecation of specific vehicles financed and personal guarantee of Chairman. | 74.85 | 148.05 | 403.24 | 10 to10.70% |
| b. | Loan taken from a non-banking financial company for a vehicle is secured by way of hypothetication of specific vehicle financed. | - | - | 9.79 | 10.15% |
| | | **74.85** | **148.05** | **413.03** | |
| **24.6** | **Details of short term borrowings guaranteed by some of the directors:** | | | | |
| | a. Loans repayable on demand from banks | 8,887.77 | 9,888.99 | 9,657.60 | |
| | b. Term loans from financial institutions, banks & others | 28,335.59 | 19,704.32 | 22,974.26 | |
| | c. Vehicle Loans from bank | 74.85 | 148.05 | 403.24 | |
| | | **37,298.21** | **29,741.36** | **33,035.10** | |

# Notes to the financial statements

**for the year ended 31 March, 2017**

**24.7 Details of Period and amount of default in loan repayment as at year end:**

**As at 31 March, 2017**

| | Name | Type | Nature of dues | Amount ₹ in lakhs | Delayed Days |
|---|---|---|---|---|---|
| 1 | SREI Infrastructure Finance Limited | NBFC | Principal | 267.94 | 1 to 60 |
| 2 | Religare Finvest Limited | NBFC | Principal | 282.10 | 1 to 60 |
| 3 | Religare Finvest Limited | NBFC | Interest | 181.64 | 1 to 60 |
| 4 | SREI Infrastructure Finance Limited | NBFC | Interest | 141.46 | 1 to 60 |

**As at 31 March, 2016**

| | Name | Type | Nature of dues | Amount ₹ in lakhs | Delayed Days |
|---|---|---|---|---|---|
| 1 | SREI Infrastructure Finance Limited | NBFC | Principal | 78.02 | 1 to 60 |
| 2 | Religare Finvest Limited | NBFC | Principal | 120.03 | 31 to 60 |
| 3 | Religare Finvest Limited | NBFC | Interest | 102.77 | 1 to 60 |

## 25 Trade Payables

(₹ in lakhs)

| Particulars | | As at 31-March-17 | As at 31-March-16 | As at 1-April-15 |
|---|---|---|---|---|
| a. | Total outstanding dues of creditors : | | | |
| | i. Trade payables for goods and services | 57,642.61 | 57,251.33 | 54,909.85 |
| | ii. Trade payables for land | 5,666.75 | 5,958.15 | 4,381.58 |
| | **Total** | **63,309.36** | **63,209.48** | **59,291.43** |
| **Notes:** | | | | |
| 1. | The disclosure of the amount outstanding to micro enterprises and small enterprises are as follows: | | | |
| a. | Amount of principal remaining unpaid to such suppliers | 48.21 | 54.12 | 67.42 |
| b. | Interest due thereon remaining unpaid | 34.60 | 25.33 | 14.60 |
| c. | Payments made to supplier beyond the appointed day along with Interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED), during the year | 5.81 | 13.30 | 89.39 |
| d. | Amount of interest due and payable for delay in payment (which have been paid beyond the appointed day during the year) but without adding interest specified under MSMED | 9.27 | 10.73 | 14.60 |
| e. | Amount of interest accrued and remaining unpaid | 34.60 | 25.33 | 14.60 |
| f. | Interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to such suppliers | 1.62 | 1.62 | 2.68 |

The above information is based on intimations received by the Company from its suppliers

# Notes to the financial statements

**for the year ended 31 March, 2017**

## 26 Revenue from operations

(₹ in lakhs)

| Particulars | | Year ended 31 March, 2017 | Year ended 31 March, 2016 |
|---|---|---|---|
| **a.** | **Revenue from sale of properties** | 22,476.21 | 28,328.43 |
| | | **22,476.21** | **28,328.43** |
| **b.** | **Sale of services** | | |
| | i. Licence fee income | 2,120.59 | 1,745.81 |
| | ii. Rent income | 63.88 | 63.28 |
| | iii. Maintenance charges income | 94.78 | 66.97 |
| | | **2,279.25** | **1,876.06** |
| **c.** | **Other operating revenue** | | |
| | i. Sale of scrap | 86.04 | 171.09 |
| | ii. Others | 100.80 | 218.51 |
| | | 186.84 | 389.60 |
| | | **24,942.30** | **30,594.09** |

## 27 Other income

(₹ in lakhs)

| Particulars | | Year ended 31 March, 2017 | Year ended 31 March, 2016 |
|---|---|---|---|
| a. | Interest Income: | | |
| | i. From bank deposits | 436.45 | 533.33 |
| | ii. From customers/others | 1,126.70 | 767.74 |
| | iii. From long term investments | 705.81 | 1,052.13 |
| b. | Excess provision written off | - | 753.67 |
| c. | Net gain on disposal of property, plant and equipment | - | 315.11 |
| d. | Net gain on disposal of investments | 134.13 | - |
| e. | Miscellaneous income | 122.88 | 600.67 |
| | | **2,525.97** | **4,022.65** |

## 28 Cost of materials consumed

(₹ in lakhs)

| Particulars | Year ended 31 March, 2017 | Year ended 31 March, 2016 |
|---|---|---|
| Construction material | 5,289.70 | 2,860.85 |
| | **5,289.70** | **2,860.85** |

# Notes to the financial statements

**for the year ended 31 March, 2017**

## 29 Changes in inventories of finished goods and work-in-progress

(₹ in lakhs)

| Particulars | | | Year ended 31 March, 2017 | Year ended 31 March, 2016 |
|---|---|---|---|---|
| a. | Inventories at the beginning of the year: | | | |
| | i | Work-in-progress (projects) | 2,33,469.39 | 2,19,167.50 |
| | ii | Finished flats | 3,832.02 | 3,943.79 |
| | | | **2,37,301.41** | **2,23,111.29** |
| b. | Add : Finance costs allocated to inventory of work-in-progress | | 18,149.61 | 13,684.21 |
| | (Refer note (i) to note 31) | | | |
| c. | Inventories at the end of the year: | | | |
| | i | Work-in-progress (projects) | 2,57,550.18 | 2,33,469.39 |
| | ii | Finished flats | 5,346.54 | 3,832.02 |
| | | | **2,62,896.72** | **2,37,301.41** |
| d. | Net (increase) /decrease (a+b-c) | | **(7,445.70)** | **(505.91)** |

## 30 Employee benefits expense

(₹ in lakhs)

| Particulars | | Year ended 31 March, 2017 | Year ended 31 March, 2016 |
|---|---|---|---|
| a. | Salaries and Wages | 2,816.80 | 3,351.22 |
| b. | Contribution to provident and other funds | 51.10 | 59.44 |
| c. | Staff Welfare expenses | 71.16 | 88.34 |
| | | **2,939.06** | **3,499.00** |

## 31 Finance costs

(₹ in lakhs)

| Particulars | | | Year ended 31 March, 2017 | Year ended 31 March, 2016 |
|---|---|---|---|---|
| a. | Interest costs: | | | |
| | i. | On borrowings | 25,437.25 | 20,511.26 |
| | ii. | To customers / others | 2,329.70 | 2,808.40 |
| | iii. | On delayed / deferred payment of statutory liabilities | 526.94 | 184.54 |
| | | | **28,293.89** | **23,504.20** |
| | Less: | | | |
| | i. | Interest cost allocated to inventory of work-in-progress | 18,149.61 | 13,684.21 |
| | | (Refer note (i) below) | | |
| | | | **10,144.28** | **9,819.99** |
| b. | Other borrowing cost | | 774.46 | 1,075.89 |
| | | | **774.46** | **1,075.89** |
| | | | **10,918.74** | **10,895.88** |

Note:

(i) Interest allocable to inventory of projects under progress (work-in-progress) has been segregated from finance cost and reflected under changes in inventories of work-in progress for better presentation (Also refer note 29).

# Notes to the financial statements

for the year ended 31 March, 2017

## 32 Depreciation and amortisation expense

(₹ in lakhs)

| Particulars | | Year ended 31 March, 2017 | Year ended 31 March, 2016 |
|---|---|---|---|
| a. | Depreciation of Property, plant and equipment | 168.92 | 336.05 |
| b. | Depreciation of investment property | 30.86 | 30.94 |
| c. | Amortisation of intangible assets | 652.39 | 592.25 |
| | | **852.17** | **959.24** |

## 33 Other expenses

(₹ in lakhs)

| Particulars | | | Year ended 31 March, 2017 | Year ended 31 March, 2016 |
|---|---|---|---|---|
| a. | Power and fuel | | 982.35 | 963.51 |
| b. | Rent including lease rentals | | 1,222.03 | 1,111.90 |
| c. | Repair and maintenance | | | |
| | - | Building | 80.49 | 142.02 |
| | - | Machinery | 30.15 | 20.08 |
| | - | Others | 425.12 | 513.71 |
| d. | Insurance | | 43.47 | 42.12 |
| e. | Rates and taxes | | 484.91 | 246.67 |
| f. | Postage and telegram | | 86.45 | 101.08 |
| g. | Travelling and conveyance | | 155.51 | 199.23 |
| h. | Printing and stationery | | 69.33 | 75.44 |
| i. | Advertisement and business promotion | | 151.85 | 216.17 |
| j. | Sales commission | | 50.09 | 239.15 |
| k. | Vehicle running and maintenance | | 79.69 | 75.57 |
| l. | Rebate and discount | | 327.47 | 633.16 |
| m. | Legal and professional charges | | 837.73 | 1,861.79 |
| n. | Payment to auditors (see note below) | | 58.48 | 74.24 |
| o. | Project consultancy fee | | 163.60 | 67.99 |
| p. | Share of loss from joint venture | | 0.22 | 0.22 |
| q. | Loss on sale of fixed assets | | 4.61 | - |
| r. | Compensation paid to customers | | 1,095.56 | 272.17 |
| s. | Miscellaneous expenses | | 126.94 | 167.04 |
| | | | **6,476.05** | **7,023.26** |
| Note: | | | | |
| **Payment to auditors comprise:** | | | | |
| **i.** | **To statutory auditors** | | | |
| | a. | Statutory audit fee | 15.00 | 33.00 |
| | b. | Tax audit fee | 2.00 | 3.00 |
| | c. | Limited reviews fee | 30.00 | 24.00 |
| | d. | Reimbursement of out-of-pocket expenses | - | 1.09 |
| | e. | Service tax on above | 7.05 | 8.76 |
| | | | **54.05** | **69.85** |
| **ii.** | **To cost auditor** | | 4.43 | 4.39 |
| | | | **58.48** | **74.24** |

# Notes to the financial statements

**for the year ended 31 March, 2017**

## 34 Income tax

(₹ in lakhs)

| Particulars | Year ended 31 March, 2017 | Year ended 31 March, 2016 |
|---|---|---|
| i. Income tax expense/(benefit) recognised in Statement of Profit and Loss | | |
| **Current tax** | | |
| In respect of the current year | - | - |
| Tax adjustment for earlier years | 406.11 | (2,440.50) |
| | 406.11 | (2,440.50) |
| **Deferred tax** | | |
| In respect of the current year | (1,100.59) | (882.22) |
| | (1,100.59) | (882.22) |
| **Total income tax expense recognised** | **(694.48)** | **(3,322.72)** |
| ii. Income tax expense/(benefit) reconciliation with effective tax rate on accounting profit: | | |
| Profit/(loss) before tax | (4,177.62) | (3,117.26) |
| Income tax expense calculated at 30.9% (2015-16: 30.9%) | (1,290.88) | (963.23) |
| Effect of expenses that are not deductible in determining taxable profit | 209.17 | 101.87 |
| Adjustments recognised in the current year in relation to the current tax of previous years | 406.11 | (2,440.50) |
| Others | (18.88) | (20.86) |
| Income tax expense/(benefit) recognised in statement of profit and loss | **(694.48)** | **(3,322.72)** |
| The tax rate used for the years 2016-2017 and 2015-2016 reconciliations above is the corporate tax rate of 30% plus education cess of 3% on corporate tax, payable by corporate entities in India on taxable profits under the Indian tax law | | |
| iii. Income tax recognised in other comprehensive income | | |
| Remeasurements of defined benefit obligation | (8.46) | 3.72 |
| **Total income tax recognised in other comprehensive income** | **(8.46)** | **3.72** |

## 35 Contingencies

(₹ in lakhs)

| Particulars | As at 31-March-17 | As at 31-March-16 | As at 1-April-15 |
|---|---|---|---|
| a. Claims against the Company not acknowledged as debts*: | | | |
| i. Demand for payment of stamp duty | 855.00 | 855.00 | 822.00 |
| ii. Customer complaints pending in courts | 13,403.55 | 14,347.14 | 11,131.52 |

# Notes to the financial statements

**for the year ended 31 March, 2017**

| Particulars | As at 31-March-17 | As at 31-March-16 | As at 1-April-15 |
|---|---|---|---|
| iii. Civil cases against the Company | 651.00 | 202.15 | 63.31 |
| iv. Income tax demand | 941.42 | 941.42 | 807.26 |
| v. Value Added Tax / Trade tax demand | 2,015.17 | 675.62 | 294.76 |
| vi. Entry Tax demand | - | 45.23 | - |
| vii. Licence fee to DMRC (see note 39) | 1,717.90 | 1,266.38 | 2,262.55 |
| viii. Others | 9.07 | 9.07 | 9.07 |
| b. Security / performance guarantees issued by the banks to Government authorities on behalf of a group company, for which the Company has provided counter guarantee | 723.47 | 51.47 | 51.47 |
| c. Corporate guarantees issued on behalf of subsidiary companies in respect of loans taken by them: | | | |
| i. Sanctioned amount | 1,21,968.00 | 41,768.00 | 36,268.00 |
| ii. Outstanding amount | 1,17,846.50 | 32,390.94 | 26,926.67 |

* It is not possible for the Company to estimate cash outflows. The extent to which an outflow of funds will be required is dependent on the pending resolution of the respective proceedings/legal cases and it is determinable on receipt of judgement/ decision pending with various forums/authorities/court.

**36 Commitments**

a. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)

| | | | |
|---|---|---|---|
| | 16,772.76 | 16,882.58 | 17,008.97 |

b. The Company has other commitments, for purchase orders which are issued after considering requirements as per the operating cycle for purchase of goods and services, in the normal course of business.

**37** The Company did not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.

**38** There were no amounts which were required to be transferred to the Investor Education and Protection Fund, during the year.

**39** The Company has entered into concession agreements with Delhi Metro Rail Corporation Limited (DMRC) for various projects on Build-Operate-Transfer (BOT) basis. In case of Tis Hazari project, the Company was unable to commercially utilise the properties due to lack of clarity between DMRC and Municipal Corporation of Delhi (MCD) with respect to authority for sanction of building plans. In view of the delay, the Company has sought concessions from DMRC and has invoked the Arbitration clause under the concession agreement in case of this project.

In case of another project, viz. Welcome Mall, construction activities had to be suspended as the property development area allotted to the Company was infringing the proposed line of Metro Station to be constructed by DMRC under phase III. Consequently, the construction activities could not be restarted due to DMRC's inability to provide necessary clarification regarding FAR availability on the property development area and final approved revised layout plan from MCD. The Company has invoked the Arbitration clause under the concession agreement and the proceedings are going on.

Pending arbitration award / necessary clarifications and documents, the Company has not provided for recurring licence fees amounting to Rs. 1,717.90 lakhs (previous year Rs. 1,266.38 lakhs) and has shown the same under contingent liabilities. However, the Company has continued to carry forward the advances / costs incurred on these projects after charging for amortisation / depreciation on periodical basis.

In case of another project, viz. Netaji Subhash Place, after the earlier arbitration award in favour the Company, a settlement deed was signed between DMRC and the Company. However, there was a dispute on deciding the first date of escalation of recurring payment. The Company has invoked the arbitration clause under the concession agreement and the proceedings are going on.

# Notes to the financial statements

**for the year ended 31 March, 2017**

In case of another project, viz. Seelampur Plot, the sanction of building plans by MCD got delayed for want of No Objection Certificate (NOC) from Government agencies. Accordingly, DMRC was approached to waive the recurring payment liability for the disputed period. Since an amicable resolution could not be reached out between the Company and DMRC, the Company invoked "Arbitration Clause" under the concession agreement for settlement of the matter.

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

a. The project shall be completed within the agreed completion schedule. Construction cost for completion of project shall not exceed the amount set out in the agreement and the project revenue from sold area shall be at least the amount set out in the agreement.

b. In case of delays in completion of the project, any penalties or compensation payable to customers shall be borne by the Company.

c. The Company shall not, directly or indirectly, create any encumbrance over or transfer any Equity securities held by it in PBPL during the lock in period (till completion of project) except for securing construction loan.

The project has been delayed due to non-receipt of approval for the revised building plans.

The collaborators (land owners) are seeking cancellation of the Development Agreement and other related agreements and have taken legal steps in this regard. The matter is under sub-judice before the Court and the arbitration proceedings are also expected to commence.

During the year the Company had entered into a Settlement Agreement with Investors for which Execution Petition for enforcement is pending before Delhi High Court.

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

a. It shall complete the project within the completion schedule and construction cost as set out in the Agreement.

b. The project revenues from the sold area shall be at least the amount set out in the Agreement

c In the event of construction cost overrun or revenue shortfall, the Company shall contribute such excess/shortfall amount against allotment of equity shares or other instruments at such premium as may be mutually determined by the parties.

The progress of the project had been hampered due to non-receipt of approval for revised building plans by South Delhi Municipal Corporation and the matter is pending before the tribunal for adjudication.

Resident Welfare Association has filed complaint against the Company and its Directors which is pending before the Delhi High Court.

**42** The Company had entered into a Development Agreement (DA) with Chandigarh Housing Board (CHB) for the development of an integrated project ('the project') at Chandigarh. Owing to various factors, disputes had arisen between the Company and CHB. Consequently, the Company had invoked the arbitration clause in the DA. Hon'ble Sole Arbitrator had pronounced the award in January, 2015 which was accepted by the Company and the CHB. Pursuant to the arbitration award, the project was discontinued and surrendered to CHB. The loss of ₹ 46,971.24 lakhs incurred on surrender of project was written off and was shown as 'Exceptional Item' in the statement of Profit and Loss during the financial year 2014-15.

Subsequent to the acceptance and implementation of the award, it was noticed that due to a computational error in the award, the

# Notes to the financial statements

**for the year ended 31 March, 2017**

awarded amount was deficient by approximately ₹ 14,602.00 lakhs. Consequently, the Company made an application to the Hon'ble Sole Arbitrator for correction of the computational error. However, the Sole Arbitrator in his findings, while admitting the error, stated that after acceptance and implementation of the award by both the parties he had become non-functionary and therefore rejected the claims made by the Company. The Company has since filed its objections under section 34 of the Arbitration and Conciliation Act, 1996 read with section 151 of Code of Civil Procedure (CPC) before the Additional District Judge cum MACT, Chandigarh and the Court has issued notice to CHB for filing its reply and has also called for the Arbitral Record from the Sole Arbitrator. Pending decision of the Additional District Judge, the amount of ₹ 14,045 lakhs (net of tax deducted at source) has been shown as recoverable and included under 'other financial assets' in Note 10.

**43** The Company had given an advance of ₹ 4,847.11 lakhs to one of its subsidiaries viz., Parsvnath Film City Limited (PFCL) for execution of Multimedia-cum-Film-City Project at Chandigarh. PFCL had deposited ₹ 4,775.00 lakhs with 'Chandigarh Administration' (CA) for acquiring development rights in respect of a plot of land admeasuring 30 acres from CA, under Development Agreement dated 2 March, 2007 for development of a "Multimedia-cum-Film City" Complex. Since CA could not handover the possession of the said land to PFCL in terms of the said Development Agreement. PFCL invoked the arbitration clause for seeking refund of the allotment money paid along with compensation, cost incurred and interest thereon.

The Arbitral Panel vide its order dated 10 March, 2012,had decided the matter in favour of PFCL and awarded refund of ₹ 4,919.00 lakhs towards the earnest money paid and other expenses incurred by PFCL along with interest @ 12 % per annum. Subsequently, the CA filed a petition before the Additional District Judge at Chandigarh challenging the award under section 34 of The Arbitration and Conciliation Act, 1996. The said petition was dismissed by the Hon'ble District Judge vide his order dated 07 May, 2015.

The Execution Petition was filed before Additional District Judge (ADJ), Chandigarh for the execution of the Arbitral Award by PFCL. In the meantime, CA filed an appeal under section 37 of the Arbitration and Conciliation Act, 1996 before the Punjab and Haryana High Court at Chandigarh against the orders of the ADJ, Chandigarh pertaining to the Award of Arbitral Tribunal. The Hon'ble High Court allowed the appeal filed by CA and set aside the arbitral award vide its orders dated 17 March, 2016. The Company has now filed a Special Leave Petition (SLP) before the Hon'ble Supreme Court of India.

**44** The Company had executed an 'Amended and Restated Investment and Security Holders' Agreement' dated 14 September, 2010 with one of its subsidiaries, Parsvnath Estate Developers Private Limited (PEDPL), two Overseas Investment Entities (Investors) and others for development of an office complex on a plot of land admeasuring 15,583.83 square meters situated at Bhai Veer Singh Marg, New Delhi, on the terms and conditions contained in the Agreement and as amended from time to time. The Rights in the said plot have been allotted on 'Build Operate Transfer' (BOT) basis to the Company by Delhi Metro Rail Corporation Ltd. (DMRC). These Rights have been assigned by the Company in favour of PEDPL for implementation of the Project on obtaining approval of DMRC.

PEDPL had completed phase I of the project and commenced its commercial operations during the financial year 2014-15. Phase II of the project is under construction/development.

The Company has acquired all the securities held by the Investors, and consequently, PEDPL had become a wholly owned subsidiary of the Company with effect from 24 May, 2016.

**45** The Company had executed a 'PDL Support Agreement' in favour of Parsvnath Landmark Developers Private Limited (PLDPL) and J.P. Morgan Advisors India Private Limited (JP Morgan) being the Security Trustees for the Term Loan of ₹ 14,000.00 lakhs given by JP Morgan to PLDPL. In terms of the said Agreement, the Company has given an undertaking for completion of construction of 'La Tropicana' Project, New Delhi, within the amount set out in the Agreement and within the Completion Schedule, as stated therein. Any escalation in the construction cost is to be funded by the Company. Further, the Company has also undertaken that it shall maintain at all times not less than 78% of the ownership interest and voting rights in PLDPL.

During the year, PLDPL has repaid the outstanding loan availed from JP Morgan out of a fresh issue of Non-convertible Debentures (NCDs) worth ₹ 20,000.00 lakhs issued on 13 October, 2016. Consequently, the PDL Support Agreement has become redundant. The Company also purchased the securities held by the overseas investors, and therefore, PLDPL became a wholly owned subsidiary of the Company with effect from 02 November, 2016.

**46** The Company was declared as the "Selected Bidder" for grant of lease for development of project on a plot of land at Sarai Rohilla, Kishanganj, Delhi by 'Rail Land Development Authority' (RLDA) vide its 'Letter of Acceptance' (LOA) dated 26 November, 2010. In

# Notes to the financial statements

**for the year ended 31 March, 2017**

terms of the LOA, the project was being implemented through a Special Purpose Vehicle (SPV), Parsvnath Promoters and Developers Private Limited (PPDPL). Subsequently, in terms of the requirements of RLDA, another Company in the name of Parsvnath Rail Land Project Private Limited (PRLPPL) was incorporated as an SPV to implement the project. RLDA has accepted PRLPPL as the SPV vide its letter dated 3 August, 2012.

The Company has executed an 'Investment and Security Holders' Agreement dated 20 December 2012 with PRLPPL and two overseas Investment entities (Investors) in relation to the project. Subsequently, the Company has executed an 'Amended and Restated Investment and Security Holders Agreement' on 21 August, 2013 with PRLPPL and aforesaid Investors for financing of the project.

Due to multifarious reasons, including the lack of statutory approvals of lay out and building plans by NDMC,PRLPPL was not able to achieve 'Financial Closure' as per Article 7 of the Agreement which resulted in deemed termination of the agreement. The Company has invoked the arbitration clause in the development agreement for recovery of amount paid to RLDA together with interest thereon on deemed termination of agreement. The arbitration proceedings have since commenced.

## 47 Managerial Remuneration

During the previous year, the Company had filed applications with the Ministry of Corporate Affairs, Government of India, for approvals in respect of payment of Managerial Remuneration in excess of the limits specified under Schedule V to the Companies Act, 2013. The Ministry of Corporate Affairs vide its letters dated 10 May, 2016 rejected the Company's applications. The Company had reversed/adjusted managerial remuneration during the previous year ended 31 March, 2016 and accordingly amount paid to directors of ₹ 340.56 lakhs was shown as recoverable from the directors, which has been recovered during the current year. No remuneration has been paid to Whole time Directors during current financial year.

## 48 Trade receivables

Trade receivables include ₹ 44,013.29 lakhs (Previous year ₹ 39,264.60 lakhs) outstanding for a period exceeding six months. Due to continued recession in the industry, there have been delays in collections from customers. In view of industry practice and terms of agreement with customers, all these debts are considered good for recovery and hence no provision is considered necessary.

**49** In the opinion of the Board of directors, 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.

**50** Pursuant to the Income Tax assessment order dated 30 March, 2016, provision for income tax amounting to ₹ 6,460.77 lakhs was adjusted against deferred tax assets and Minimum Alternate Tax (MAT) credit of ₹ 2,601.08 lakhs was recognised during the previous year. Consequent to these adjustments, amount of ₹ 2,440.50 lakhs (Net of other short/excess tax provisions relating to earlier years) was credited to the Statement of Profit and Loss as tax adjustment of earlier years.

## 51 Corporate social responsibility

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

**52** The Company has no outstanding derivative or foreign currency exposure as at the end of the current year and previous year.

**53** The Company is engaged in the business of real estate development, which has been classified as infrastructural facilities as per Schedule VI to the Companies Act, 2013. Accordingly, provisions of section 186 of the Companies Act are not applicable to the company and hence no disclosure under that section is required.

# Notes to the financial statements

**for the year ended 31 March, 2017**

**54** Disclosure of loans and advances in the nature of loans given to subsidiaries, associates and other companies in which directors are interested as required by Schedule V to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 is as under:

(₹ in lakhs)

| Name of the Company | | Amount outstanding | | |
|---|---|---|---|---|
| | | As at 31-March-17 | As at 31-March-16 | As at 1-April-15 |
| a. | Parsvnath Film City Limited | 4,847.11 | 4,835.45 | 4,825.69 |
| b. | Parsvnath Hotels Limited | 438.05 | 183.48 | 361.56 |
| c. | Parsvnath H B Projects Private Limited | 4,908.92 | 3,740.23 | 3,442.70 |
| d. | Parsvnath Rail Land Project Private Limited | - | 1,717.86 | 1,611.46 |
| e. | Parsvnath Buildwell Private Limited | 468.52 | 68.10 | - |
| f. | Parsvnath Landmark Developers Private Limited | 7.11 | 85.71 | 148.15 |
| g. | Parsvnath Realcon Private Limited | 36.96 | 32.19 | 32.59 |
| h. | Parsvnath Estate Developers Private Limited | - | 916.38 | 794.77 |
| i. | PDL Assets Limited | 1.00 | - | - |

| Name of the Company | | Maximum amount outstanding during the year | |
|---|---|---|---|
| | | Year ended 31-March-17 | Year ended 31-March-16 |
| | | ₹ in lakhs | ₹ in lakhs |
| a. | Parsvnath Film City Limited | 4,847.11 | 4,835.45 |
| b. | Parsvnath Hotels Limited | 438.05 | 404.26 |
| c. | Parsvnath H B Projects Private Limited | 4,908.92 | 3,740.23 |
| d. | Parsvnath Rail Land Project Private Limited | - | 1,717.86 |
| e. | Parsvnath Buildwell Private Limited | 491.04 | 68.10 |
| f. | Parsvnath Landmark Developers Private Limited | 190.77 | 148.15 |
| g. | Parsvnath Realcon Private Limited | 36.96 | 32.59 |
| h. | Parsvnath Estate Developers Private Limited | 1,324.12 | 916.38 |
| i. | PDL Assets Limited | 1.00 | - |

**Note:**

All the above loans and advances are repayable on demand and all these advances (except loan to Parsvnath HB Projects Private Limited and Parsvnath Estate Developers Private Limited) are non-interest bearing.

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

(₹ in lakhs)

| Particulars | | Year ended 31-March-17 | Year ended 31-March-16 |
|---|---|---|---|
| a. | Salaries and wages | 2.28 | 1.33 |
| b. | Contribution to provident and other funds | 0.77 | 0.98 |
| c. | Legal and professional charges | - | 2.94 |
| d. | Licence fee | 1,462.28 | 298.59 |
| e. | Miscellaneous expenses | 65.84 | 48.88 |
| | | **1,531.17** | **352.72** |

# Notes to the financial statements

**for the year ended 31 March, 2017**

## 56 Details of borrowing costs capitalised during the year:

(₹ in lakhs)

| Particulars | | Year ended 31-March-17 | Year ended 31-March-16 |
|---|---|---|---|
| a. | Intangible assets/assets under development | 4,083.75 | 3,369.40 |
| b. | Inventory | 18,149.61 | 13,684.21 |
| | | **22,233.36** | **17,053.61** |

## 57 Segment information

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.

## 58 Employee benefit plans

### a Defined contribution plan

The Company makes Provident Fund contributions to Regional Provident Fund Commissioner (RPFC) and ESI contributions to Employees State Insurance Corporation (ESIC), which are defined contribution plans, for qualifying employees. The Company contributes a specified percentage of salary to fund the benefits. The contributions payable to these plans by the Company are at the rates specified in the rules of the scheme. The amount of contribution is as under:

(₹ in lakhs)

| Particulars | | Year ended 31 March, 2017 | Year ended 31 March, 2016 |
|---|---|---|---|
| a. | Contribution to Provident Fund | 43.56 | 52.11 |
| b. | Contribution to ESI | 7.54 | 7.33 |
| | | **51.10** | **59.44** |

### b Defined 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 present value of the defined benefit obligation and the related current service cost were measured using the Projected Unit Credit Method with actuarial valuations being carried out at each balance sheet date.

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

(₹ in lakhs)

| | Particulars | 2016-17 | 2015-16 | 2014-15 |
|---|---|---|---|---|
| i | **Components of employer's expenses:** | | | |
| | Current service cost | 38.79 | 40.99 | 39.69 |
| | Interest cost | 27.15 | 27.01 | 33.52 |
| | Actuarial (gain)/loss | - | - | (79.98) |

# Notes to the financial statements

**for the year ended 31 March, 2017**

| | Particulars | 2016-17 | 2015-16 | 2014-15 |
|---|---|---|---|---|
| | **Net charge/(credit)** | **65.94** | **68.00** | **(6.77)** |
| **ii** | **Actual contribution and benefit payments for year** | | | |
| | Actual benefit payments | 81.93 | 66.08 | 74.66 |
| | Actual contributions | - | - | - |
| | | **81.93** | **66.08** | **74.66** |
| **iii** | **Net liabilities/ (assets) recognised in the balance sheet** | | | |
| | Present value of defined benefit obligation | 354.34 | 339.37 | 337.59 |
| | Fair value of plan assets | - | - | - |
| | **Net liabilities/ (assets) recognised in the balance sheet** | **354.34** | **339.37** | **337.59** |
| | Note: The fair value of plan assets is Nil, since defined benefit plans are unfunded | | | |
| | Short-term provisions | 32.01 | 43.07 | 40.40 |
| | Long-term provisions | 322.33 | 296.30 | 297.19 |
| | | **354.34** | **339.37** | **337.59** |
| **iv** | **Change in defined benefit obligation during the year** | | | |
| | Present value of defined benefit obligation at beginning of the year | 339.37 | 337.59 | 419.02 |
| | Current service cost | 38.79 | 40.99 | 39.69 |
| | Liabilities assumed on acquisition (see note 30) | | | |
| | Interest cost | 27.15 | 27.01 | 33.52 |
| | Actuarial (gains)/losses on obligations | 30.96 | (0.14) | (79.98) |
| | Benefits paid | (81.93) | (66.08) | (74.66) |
| | **Present value of DBO at the end of the year** | **354.34** | **339.37** | **337.59** |
| **v** | **Other comprehensive income (OCI)** | | | |
| | Remeaurment of defined benefit obligation | **(27.28)** | **12.06** | **-** |
| **vi** | **Balance sheet reconciliation** | | | |
| | Net liability at the beginning of the year | 339.37 | 337.59 | 419.02 |
| | Expenses recognised/(reversed) during the year | 65.94 | 68.00 | (6.77) |
| | Actuarial gain/(losses) | 30.96 | (0.14) | |
| | Benefits paid | (81.93) | (66.08) | (74.66) |
| | **Amount recognised in the balance sheet** | **354.34** | **339.37** | **337.59** |

# Notes to the financial statements

**for the year ended 31 March, 2017**

**vii Experience adjustments:**

(₹ in lakhs)

| | Particulars | 31.03.2017 | 31.03.2016 | 31.03.2015 | 31.03.2014 | 31.03.2013 |
|---|---|---|---|---|---|---|
| i. | Present value of Defined Benefit Obligation | 354.34 | 339.77 | 337.59 | 419.02 | 370.17 |
| ii. | Fair Value of plan assets | - | - | - | - | - |
| iii. | Funded status [Surplus/ (Deficit)] | 354.34 | 339.77 | 337.59 | 419.02 | 370.17 |
| iv. | Experience gain/(loss) adjustments on plan liabilities | 30.96 | 0.14 | (79.98) | 5.27 | 20.41 |
| v. | Experience gain/loss adjustments on plan assets | - | - | - | - | - |

**viii Actuarial assumptions**

| | Particulars | 31.03.2017 | 31.03.2016 | 31.03.2015 |
|---|---|---|---|---|
| **a.** | **Financial assumptions** | | | |
| i. | Discount rate (p.a.) | 7.35% | 8.00% | 8.00% |
| ii. | Salary escalation rate (p.a.) | 4.00% | 4.00% | 4.00% |
| **b.** | **Demographic assumptions** | | | |
| i. | Retirement age | 70 years | | 70 years |
| ii | Mortality rate | Indian Assured Lives Mortality (2006-08) ultimate table | | |
| | - Withdrawal rate | | | |
| | Upto 30 years | 3.00 | 3.00 | 3.00 |
| | From 31 to 44 years | 2.00 | 2.00 | 2.00 |
| | Above 44 years | 1.00 | 1.00 | 1.00 |

**IX. Sensivity analysis**

The sensitivity of the plan obligations to changes in key assumptions are:

(₹ in lakhs)

| Particulars | | Change in assumption | Change in plan obligation |
|---|---|---|---|
| Discount rate | Increase | 0.50 % | (20.56) |
| | Decrease | 0.50 % | 22.71 |
| Salary escalation rate | Increase | 0.50 % | 23.37 |
| | Decrease | 0.50 % | (21.29) |

**c. Actuarial assumptions for long-term compensated absences**

| | Particulars | 31.03.2017 | 31.03.2016 | 31.03.2015 |
|---|---|---|---|---|
| **a.** | **Financial assumptions** | | | |
| i. | Discount rate (p.a.) | 7.35% | 8.00% | 8.00% |
| ii. | Salary escalation rate (p.a.) | 4.00% | 4.00% | 4.00% |
| **b.** | **Demographic assumptions** | | | |
| i. | Retirement age | 70 years | | 70 years |
| ii | Mortality rate | Indian Assured Lives Mortality (2006-08) ultimate table | | |
| | - Withdrawal rate | | | |
| | Upto 30 years | 3.00 | 3.00 | 3.00 |
| | From 31 to 44 years | 2.00 | 2.00 | 2.00 |
| | Above 44 years | 1.00 | 1.00 | 1.00 |

# Notes to the financial statements

**for the year ended 31 March, 2017**

## 59 Earnings per Equity Share

| Particulars | | Year ended 31 March, 2017 | Year ended 31 March, 2016 |
|---|---|---|---|
| Profit for the year | ₹ in lakhs | (3,483.14) | 205.46 |
| Weighted average number of equity shares | No's | 43,51,81,170 | 43,51,81,170 |
| Earning per share - basic | ₹ | (0.80) | 0.05 |
| Weighted average number of potential equity shares | No's | - | - |
| Weighted average number of equity shares | No's | 43,51,81,170 | 43,51,81,170 |
| Earnings per share - diluted | ₹ | (0.80) | 0.05 |
| Face value per equity share | ₹ | 5.00 | 5.00 |

## 60 Operating lease arrangements - As lessee

The Company has entered into Concession Agreements with Delhi Metro Rail Corporation (DMRC) and has acquired the License Rights to develop properties and sub license it to the customers for a defined period of time. License fees recognised during the year are as follows:

(₹ in lakhs)

| Particulars | Year ended 31 March, 2017 | Year ended 31 March, 2016 |
|---|---|---|
| Licence fee | | |
| a. Charged to statement of profit and loss | 591.09 | 502.96 |
| b. Capitalised in Intangible assets | 1,183.70 | 362.16 |
| | **1,774.79** | **865.12** |
| Other lease charges | | |
| a. Charged to statement of profit and loss | **488.39** | **479.21** |

Note: Upfront fee paid by the Company has amortised over licence period and included in licence fee

The total of future minimum lease payments are as follows:

(₹ in lakhs)

| Particulars | As at 31 March, 2017 | As at 31 March, 2016 | As at 1-April-15 |
|---|---|---|---|
| a. Not later than one year | 3,159.35 | 2,888.06 | 4,071.77 |
| b. Later than one year but not later than five years | 11,996.59 | 11,321.20 | 16,628.75 |
| c. Later than five years | 94,020.24 | 89,699.62 | 1,49,473.37 |
| | **1,09,176.18** | **1,03,908.88** | **1,70,173.89** |

## 61 Operating lease arrangements - As lessor

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

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

(₹ in lakhs)

| Particulars | Year ended 31 March, 2017 | Year ended 31 March, 2016 |
|---|---|---|
| Licence fee income | | |
| a. Recognised in statement of profit and loss | 2,120.59 | 1,745.81 |
| | **2,120.59** | **1,745.81** |

The total of future minimum lease receivables are as follows:

(₹ in lakhs)

| Particulars | As at 31 March, 2017 | As at 31 March, 2016 | As at 1-April-15 |
|---|---|---|---|
| a. Not later than one year | 1,074.52 | 884.01 | 454.25 |
| b. Later than one year but not later than five years | 2,260.72 | 2,604.59 | 2,743.57 |
| c. Later than five years | 795.94 | 427.00 | 795.94 |
| | 4,131.18 | 3,915.60 | 3,993.76 |

## 62 Jointly controlled entity

a. The Company has interests in following joint venture - jointly controlled entity

| Name of jointly controlled entity | Nature of project | Ownership interest | Country of residence |
|---|---|---|---|
| Ratan Parsvnath Developers AOP | Real estate | 50% | India |

b. Financial interest of the Company in jointly controlled entity is as under

(₹ in lakhs)

| Particulars | As at 31 March, 2017 | As at 31 March, 2016 | As at 1-April-15 |
|---|---|---|---|
| Company's share of: | | | |
| a. Assets | 468.70 | 466.28 | 419.97 |
| b. Liabilities | 0.56 | 0.41 | 48.05 |
| c. Income | - | - | - |
| d. Expenditure | 0.22 | 0.22 | 0.21 |
| e. Tax | - | - | - |
| f Capital commitment | - | - | - |
| g. Contingent liabilities | - | - | - |

## 63 Related party Transactions

a. List of related parties

i. Subsidiary Companies

- Parsvnath Infra Limited
- Parsvnath Film City Limited
- Parsvnath Landmark Developers Private Limited
- Parsvnath Telecom Private Limited
- Parsvnath Hotels Limited
- PDL Assets Limited
- Parsvnath Developers Pte. Ltd. (Overseas subsidiary -Singapore)
- Primetime Realtors Private Limited
- Parsvnath Estate Developers Private Limited
- Parsvnath Promoters And Developers Private Limited
- Parsvnath Hessa Developers Private Limited
- Parsvnath MIDC Pharma SEZ Private Limited (Subsidiary of Parsvnath Infra Limited)
- Parsvnath Buildwell Private Limited
- Paravnath Realty Ventures Limited*
- Vasavi PDL Ventures Private Limited**
- Parsvnath Realcon Private Limited (Subsidiary of Parsvnath Buildwell Private Limited)
- Parsvnath HB Projects Private Limited

* Became wholly-owned subsidiary of PDL w.e.f. 16 July, 2016.

** Incorporated on 31 October, 2016.

**Subsidiary Companies by virtue of Accounting Standard (Ind AS-110) on 'Consolidated Financial Statements'**

- Parsvnath Rail Land Project Private Limited
- Aahna Realtors Private Limited
- Afra Infrastructure Private Limited
- Anubhav Buildwell Private Limited
- Arctic Buildwell Private Limited
- Arunachal Infrastructure Private Limited
- Bae Buildwell Private Limited
- Bakul Infrastructure Private Limited
- Banita Buildcon Private Limited
- Bliss Infrastructure Private Limited
- Brinly Properties Private Limited
- Coral Buildwell Private Limited
- Dae Realtors Private Limited
- Dai Real Estates Private Limited
- Dhiren Real Estates Private Limited
- Elixir Infrastructure Private Limited
- Gem Buildwell Private Limited
- Generous Buildwell Private Limited
- Digant Realtors Private Limited
- Himsagar Infrastructure Private Limited
- Izna Realcon Private Limited
- Emerald Buildwell Private Limited
- Evergreen Realtors Private Limited
- Jaguar Buildwell Private Limited
- Label Real Estates Private Limited

# Notes to the financial statements

**for the year ended 31 March, 2017**

- Lakshya Realtors Private Limited
- LSD Realcon Private Limited
- Mirage Buildwell Private Limited
- Navneet Realtors Private Limited
- New Hind Enterprises Private Limited
- Oni Projects Private Limited
- Paavan Buildcon Private Limited
- Perpetual Infrastructure Private Limited
- Prosperity Infrastructures Private Limited
- Rangoli Infrastructure Private Limited
- Samiksha Realtors Private Limited
- Neelgagan Realtors Private Limited
- Sapphire Buildtech Private Limited
- Silversteet Infrastructure Private Limited
- Springdale Realtors Private Limited
- Stupendous Buildtech Private Limited
- Sumeru Developers Private Limited
- Vital Buildwell Private Limited
- Spearhead Realtors Private Limited
- Trishla Realtors Private Limited
- Yamuna Buildwell Private Limited

ii. Entities over which the Company, subsidiary companies or key management personnel or their relatives, exercise significant influence
- Adela Buildcon Private Limited
- Amazon India Limited *
- Ashirwad Realtors Private Limited
- Baasima Buildcon Private Limited
- Baidehi Infrastructure Private Limited
- Balbina Real Estates Private Limited
- Charushila Buildwell Private Limited
- Congenial Real Estates Private Limited
- Cyanea Real Estate Private Limited
- Deborah Real Estate Private Limited
- Deleena Developers Private Limited
- Enormity Buildcon Private Limited
- Farhad Realtors Private Limited
- Gauranga Realtors Private Limited
- Gauresh Buildwell Private Limited
- Homelife Real Estate Private Limited *
- Janak Finance & Leasing Private Limited
- Jarul Promoters & Developers Private Limited
- Jodhpur Infrastructure Private Limited
- K.B. Realtors Private Limited
- Laban Real Estates Private Limited
- Landmark Malls and Towers Private Limited
- Landmark Township Planners Private Limited
- Madhukanta Real Estate Private Limited
- Magic Promoters Private Limited
- Mahanidhi Buildcon Private Limited
- NehaInfracon (India) Private Limited
- Nilanchal Realtors Private Limited
- Noida Marketing Private Limited
- P.S. Realtors Private Limited
- Panchvati Buildwell Private Limited (upto 17 February, 2017)
- Parasnath And Associates Private Limited
- Parasnath Travels & Tours Private Limited
- Parsvnath Biotech Private Limited
- Parsvnath Cyber City Private Limited
- Parsvnath Dehradun Info Park Private Limited
- Parsvnath Developers (GMBT) Private Limited
- Parsvnath Developers (SBBT) Private Limited
- Parsvnath Gurgaon Info Park Private Limited
- Parsvnath Indore Info Park Private Limited
- Parsvnath Knowledge Park Private Limited
- Parsvnath Retail Limited
- Paravnath Realty Ventures Limited#
- Parikrama Infrastructure Private Limited (upto 25 February, 2017)
- Pearl Propmart Private Limited
- Pradeep Kumar Jain & Sons (HUF)
- Prasidhi Developers Private Limited (upto 25 February, 2017)
- Prastut Real Estate Private Limited (upto 25 February, 2017)
- Rangoli Buildcon Private Limited
- Sadgati Buildcon Private Limited
- Scorpio Realtors Private Limited
- Snigdha Buildwell Private Limited
- Suksma Buildtech Private Limited
- Timebound Contracts Private Limited
- Vardaan Buildtech Private Limited *

* Associates of the Company

\# Became subsidiary w.e.f. 16 July, 2016

iii. Joint Ventures
- Ratan Parsvnath Developers (AOP)
- Palakkad Infrastructure Private Limited (upto 12 March, 2016)*

* The Company has been dissolved upon the striking off of its name from the Register of ROC, Ernakulam, Kerala, with effect from 13 March, 2016.

iv. Key Management Personnel
- Mr.Pradeep Kumar Jain, Chairman
- Mr. Sanjeev Kumar Jain, Managing Director and CEO
- Dr. Rajeev Jain, Whole-time Director

v. Relatives of Key Management Personnel (with whom the Company had transactions)
- Mrs.Nutan Jain (Wife of Mr.Pradeep Kumar Jain, Chairman)

vi. Non-Executive and Independent Directors
- Mr. Ashok Kumar
- Dr. Pritam Singh
- Ms. Deepa Gupta
- Mr. Mahendra Nath Verma

# Notes to the financial statements

for the year ended 31 March, 2017

**b. Transactions / balances outstanding with related parties:**

(₹ in lakhs)

| Transaction / Outstanding Balances | Subsidiary Companies | Entities under significant influence | Joint Venture Entities | Key Management Personnel and their relatives | Total |
|---|---|---|---|---|---|
| **(i) Transactions during the year** | | | | | |
| **Unsecured loan received** | | | | | |
| Pradeep Kumar Jain & Sons (HUF) | - | - | - | - | - |
| | *-* | *40.55* | *-* | *-* | *40.55* |
| Parasnath And Associates Private Limited | - | - | - | - | - |
| | *-* | *940.25* | *-* | *-* | *940.25* |
| Lakshay Realtors Private Limited | - | - | - | - | - |
| | *3,000.00* | *-* | *-* | *-* | *3,000.00* |
| | **-** | **-** | **-** | **-** | **-** |
| | ***3,000.00*** | ***980.80*** | ***-*** | ***-*** | ***3,980.80*** |
| **Unsecured loan repaid** | | | | | |
| Pradeep Kumar Jain | - | - | - | - | - |
| | *-* | *-* | *-* | *30.35* | *30.35* |
| Pradeep Kumar Jain & Sons (HUF) | - | - | - | - | - |
| | *-* | *659.77* | *-* | *-* | *659.77* |
| Parasnath And Associates Private Limited | - | - | - | - | - |
| | *-* | *940.25* | *-* | *-* | *940.25* |
| Lakshay Realtors Private Limited | 3,000.00 | - | - | - | 3,000.00 |
| | *-* | *-* | *-* | *-* | *-* |
| | **3,000.00** | **-** | **-** | **-** | **3,000.00** |
| | ***-*** | ***1,600.02*** | ***-*** | ***30.35*** | ***1,630.37*** |
| **Advances given** | | | | | |
| Parsvnath Film City Limited | 11.66 | - | - | - | 11.66 |
| | *9.76* | *-* | *-* | *-* | *9.76* |
| Parsvnath Estate Developers Private Limited | 822.66 | - | - | - | 822.66 |
| | *-* | *-* | *-* | *-* | *-* |
| Parsvnath Landmark Developers Private Limited | 116.79 | - | - | - | 116.79 |
| | *-* | *-* | *-* | *-* | *-* |
| Parsvnath Rail Land Project Private Limited | 1,198.94 | - | - | - | 1,198.94 |
| | *106.40* | *-* | *-* | *-* | *106.40* |
| Parsvnath Realcon Private Limited | 4.77 | - | - | - | 4.77 |
| | *-* | *-* | *-* | *-* | *-* |
| Parsvnath Hotels Limited | 256.77 | - | - | - | 256.77 |
| | *208.93* | *-* | *-* | *-* | *208.93* |
| Parsvnath HB Projects Private Limited | 1,168.69 | - | - | - | 1,168.69 |
| | *297.53* | *-* | *-* | *-* | *297.53* |
| PDL Assets Limited | 1.00 | - | - | - | 1.00 |
| | *-* | *-* | *-* | *-* | *-* |
| Bakul Infrastructure Private Limited | 0.60 | - | - | - | 0.60 |

# Notes to the financial statements

**for the year ended 31 March, 2017**

(₹ in lakhs)

| Transaction / Outstanding Balances | Subsidiary Companies | Entities under significant influence | Joint Venture Entities | Key Management Personnel and their relatives | Total |
|---|---|---|---|---|---|
| | - | - | - | - | - |
| Arctic Buildwell Private Limited | - | - | - | - | - |
| | *2.86* | - | - | - | *2.86* |
| Parsvnath Buildwell Private Limited | 467.74 | | - | - | 467.74 |
| | - | - | - | - | - |
| Lakshay Realtors Private Limited | 18.58 | - | - | - | 18.58 |
| | - | - | - | - | - |
| | **4,068.20** | **-** | **-** | **-** | **4,068.20** |
| | ***625.48*** | **-** | **-** | **-** | ***625.48*** |
| **Advance received** | | | | | |
| Parsvnath MIDC Pharma SEZ Private Limited | - | - | - | - | - |
| | *206.00* | - | - | - | *206.00* |
| Parsvnath Infra Limited | - | - | - | - | - |
| | *50.00* | - | - | - | *50.00* |
| Parsvnath Landmark Developers Private Limited | - | - | - | - | - |
| | *347.66* | - | - | - | *347.66* |
| | **-** | **-** | **-** | **-** | **-** |
| | ***603.66*** | **-** | **-** | **-** | ***603.66*** |
| **Advance received back during the year** | | | | | |
| Parsvnath Realcon Private Limited | - | - | - | - | - |
| | *0.41* | - | - | - | *0.41* |
| Parsvnath Landmark Developers Private Limited | 195.38 | - | - | - | 195.38 |
| | *65.79* | - | - | - | *65.79* |
| Parsvnath Estate Developers Private Limited | 1,739.04 | - | - | - | 1,739.04 |
| | *39.77* | - | - | - | *39.77* |
| Parsvnath Hotels Limited | 2.20 | - | - | - | 2.20 |
| | *387.00* | - | - | - | *387.00* |
| Parsvnath Buildwell Private Limited | 67.32 | - | - | - | 67.32 |
| | - | - | - | - | - |
| Parsvnath Rail Land Project Private Limited | 2,916.80 | - | - | - | 2,916.80 |
| | - | - | - | - | - |
| DAE Realtors Private Limited | - | - | - | - | - |
| | *182.47* | - | - | - | *182.47* |
| Others (each having less than 10% of transaction) | 327.72 | - | - | - | 327.72 |
| | *275.64* | - | - | - | *275.64* |
| | **5,248.46** | **-** | **-** | **-** | **5,248.46** |
| | ***951.08*** | **-** | **-** | **-** | ***951.08*** |

# Notes to the financial statements

**for the year ended 31 March, 2017**

(₹ in lakhs)

| Transaction / Outstanding Balances | Subsidiary Companies | Entities under significant influence | Joint Venture Entities | Key Management Personnel and their relatives | Total |
|---|---|---|---|---|---|
| **Advances repaid** | | | | | |
| Parsvnath Landmark Developers Private Limited | 3,961.17 | - | - | - | 3,961.17 |
| | *533.56* | - | - | - | *533.56* |
| Parsvnath Infra Limited | - | - | - | - | - |
| | *206.00* | - | - | - | *206.00* |
| Prosperity Infrastructures Private Limited | - | | - | - | - |
| | *1.38* | - | - | - | *1.38* |
| Jodhpur Infrastructure Private Limited | - | - | - | - | - |
| | - | *0.15* | - | - | *0.15* |
| | **3,961.17** | **-** | **-** | **-** | **3,961.17** |
| | ***740.94*** | ***0.15*** | **-** | **-** | ***741.09*** |
| **Purchase of development rights** | | | | | |
| Brinly Properties Private Limited | - | - | - | - | - |
| | *310.57* | - | - | - | *310.57* |
| Navneet Realtors Private Limited | - | - | - | - | - |
| | *3.80* | - | - | - | *3.80* |
| Vital Buildwell Private Limited | - | - | - | - | - |
| | *633.32* | - | - | - | *633.32* |
| Prosperity Infrastructures Private Limited | 4.01 | - | - | - | 4.01 |
| | - | - | - | - | - |
| Banita Buildcon Private Limited | 3.67 | | - | - | 3.67 |
| | *15.04* | - | - | - | *15.04* |
| Time Bound Contractors Private Limited | - | 2.25 | - | - | 2.25 |
| | - | - | - | - | - |
| Evergreen Realtors Private Limited | 9.41 | - | - | - | 9.41 |
| | - | - | - | - | - |
| Neelgagan Realtors Private Limited | 16.24 | - | - | - | 16.24 |
| | *38.75* | - | - | - | *38.75* |
| Anubhav Buildwell P Ltd | 16.47 | - | - | - | 16.47 |
| | - | - | - | - | - |
| Yamuna Buildwell Private Limited | - | - | - | - | - |
| | *181.85* | - | - | - | *181.85* |
| Bakul Infrastructure Private Limited | - | - | - | - | - |
| | *1.74* | - | - | - | *1.74* |
| Dae Realtors Private Limited | - | - | - | - | - |
| | *17.15* | - | - | - | *17.15* |
| | **49.80** | **2.25** | **-** | **-** | **52.05** |
| | ***1,202.22*** | **-** | **-** | **-** | ***1,202.22*** |

# Notes to the financial statements

for the year ended 31 March, 2017

(₹ in lakhs)

| Transaction / Outstanding Balances | Subsidiary Companies | Entities under significant influence | Joint Venture Entities | Key Management Personnel and their relatives | Total |
|---|---|---|---|---|---|
| **Investments made in equity Shares / capital contribution** | | | | | |
| Ratan Parsvnath Developers (AOP) | - | - | - | - | - |
| | - | - | *183.32* | - | *183.32* |
| | **-** | **-** | **-** | **-** | **-** |
| | **-** | **-** | ***183.32*** | **-** | ***183.32*** |
| **Transfer of capital advances** | | | | | |
| Parsvnath Infra Limited | - | - | - | - | - |
| | *1,013.64* | - | - | - | *1,013.64* |
| | **-** | **-** | **-** | **-** | **-** |
| | ***1,013.64*** | **-** | **-** | **-** | ***1,013.64*** |
| **Advance paid for purchase of land / Property** | | | | | |
| Digant Realtors Private Limited | 520.00 | - | - | - | 520.00 |
| | - | - | - | - | - |
| *New Hind Enterprises Private Limited* | *141.10* | - | - | - | *141.10* |
| | 8.80 | - | - | - | 8.80 |
| Scorpio Realtors Private Limited | - | 50.00 | - | - | 50.00 |
| | - | - | - | - | - |
| *Prasidhi Developers Private Limited* | - | - | - | - | - |
| | - | 95.00 | - | - | 95.00 |
| Bliss Infrastructure Private Limited | - | - | - | - | - |
| | *100.00* | - | - | - | *100.00* |
| *DAE Realtors Private Limited* | - | - | - | - | - |
| | 197.16 | - | - | - | 197.16 |
| Baidehi Infrastructure Private Limited | - | - | - | - | - |
| | - | *55.00* | - | - | *55.00* |
| *Bakul Infrastructure Private Limited* | - | - | - | - | - |
| | 100.20 | - | - | - | 100.20 |
| Arctic Buildwell Private Limited | - | - | - | - | - |
| | *103.10* | - | - | - | *103.10* |
| *Others (each having less than 10% of transactions)* | *287.75* | *0.50* | - | - | *288.25* |
| | 150.09 | - | - | - | 150.09 |
| | **948.85** | **50.50** | **-** | **-** | **999.35** |
| | ***659.35*** | ***150.00*** | **-** | **-** | ***809.35*** |
| **Security deposit received** | | | | | |
| Parsvnath Estate Developers Private Limited | 18,051.60 | - | - | - | 18,051.60 |
| | - | - | - | - | - |
| Parsvnath Hessa Developers Private Limited | 453.23 | - | - | - | 453.23 |
| | *549.21* | - | - | - | *549.21* |
| | **18,504.83** | **-** | **-** | **-** | **18,504.83** |
| | ***549.21*** | **-** | **-** | **-** | ***549.21*** |

# Notes to the financial statements

for the year ended 31 March, 2017

(₹ in lakhs)

| Transaction / Outstanding Balances | Subsidiary Companies | Entities under significant influence | Joint Venture Entities | Key Management Personnel and their relatives | Total |
|---|---|---|---|---|---|
| **Advance / Refundable Security deposit received against property** | | | | | |
| Parsvnath Estate Developers Private Limited | 18,580.45 | - | - | - | 18,580.45 |
| | - | - | - | - | - |
| Parsvnath Landmark Developers Private Limited | 10,725.09 | - | - | - | 10,725.09 |
| | - | - | - | - | - |
| | **29,305.54** | **-** | **-** | **-** | **29,305.54** |
| | **-** | **-** | **-** | **-** | **-** |
| **Refund of security deposits** | | | | | |
| Parsvnath Hessa Developers Private Limited | 774.05 | - | - | - | 774.05 |
| | *104.40* | - | - | - | *104.40* |
| Parsvnath Landmark Developers Private Limited | 7,725.09 | - | - | - | 7,725.09 |
| | - | - | - | - | - |
| Parsvnath Rail Land Project Private Limited | 2,893.25 | - | - | - | 2,893.25 |
| | - | - | - | - | - |
| Parsvnath Estate Developers Private Limited | 18,504.10 | - | - | - | 18,504.10 |
| | - | - | - | - | - |
| | **29,896.49** | **-** | **-** | **-** | **29,896.49** |
| | ***104.40*** | **-** | **-** | **-** | ***104.40*** |
| **Transfer of advance upfront fees** | | | | | |
| Parsvnath Estate Developers Private Limited | 5,303.36 | - | - | - | 5,303.36 |
| | - | - | - | - | - |
| | **5,303.36** | **-** | **-** | **-** | **5,303.36** |
| | **-** | **-** | **-** | **-** | **-** |
| **Redemption of debentures / share warrants (Amount received)** | | | | | |
| Parsvnath Estate Developers Private Limited (Share Warants) | 460.15 | - | - | - | 460.15 |
| | - | - | - | - | - |
| Parsvnath Estate Developers Private Limited (Debentures) | 17,052.85 | - | - | - | 17,052.85 |
| | - | - | - | - | - |
| Parsvnath Landmark Developers Private Limited (Debentures) | 7,578.26 | - | - | - | 7,578.26 |
| | - | - | - | - | - |
| | **25,091.26** | **-** | **-** | **-** | **25,091.26** |
| | **-** | **-** | **-** | **-** | **-** |
| **Sale of plots** | | | | | |
| Parsvnath Landmark Developers Private Limited | 5,774.43 | - | - | - | 5,774.43 |
| | - | - | - | - | - |
| | **5,774.43** | **-** | **-** | **-** | **5,774.43** |
| | **-** | **-** | **-** | **-** | **-** |

# Notes to the financial statements

**for the year ended 31 March, 2017**

(₹ in lakhs)

| Transaction / Outstanding Balances | Subsidiary Companies | Entities under significant influence | Joint Venture Entities | Key Management Personnel and their relatives | Total |
|---|---|---|---|---|---|
| **Purchase of Investments / Shares** | | | | | |
| New Hind Enterprises Private Limited | 2.50 | - | - | - | 2.50 |
| | - | - | - | - | - |
| Vasavi PDL Ventures Private Limited | 2.55 | - | - | - | 2.55 |
| | - | - | - | - | - |
| Parasnath And Associates Private Limited | - | 2.50 | - | - | 2.50 |
| | - | - | - | - | - |
| | **5.05** | **2.50** | **-** | **-** | **7.55** |
| | **-** | **-** | **-** | **-** | **-** |
| **Interest income on debentures** | | | | | |
| Parsvnath Estate Developers Private Limited | 63.20 | - | - | - | 63.20 |
| | *254.17* | - | - | - | *254.17* |
| Parsvnath Buildwell Private Limited | 167.96 | - | - | - | 167.96 |
| | *167.96* | - | - | - | *167.96* |
| Parsvnath Hessa Developers Private Limited | 474.66 | - | - | - | 474.66 |
| | *630.00* | - | - | - | *630.00* |
| | **705.82** | **-** | **-** | **-** | **705.82** |
| | ***1,052.13*** | **-** | **-** | **-** | ***1,052.13*** |
| **Interest income on advances** | | | | | |
| Parsvnath Estate Developers Private Limited | 111.68 | - | - | - | 111.68 |
| | *179.31* | - | - | - | *179.31* |
| Parsvnath HB Projects Private Limited | 426.91 | - | - | - | 426.91 |
| | *352.45* | - | - | - | *352.45* |
| | **538.59** | **-** | **-** | **-** | **538.59** |
| | ***531.76*** | **-** | **-** | **-** | ***531.76*** |
| **Share of profit/(loss) from AOP** | | | | | |
| Ratan Parsvnath Developers AOP | - | - | (0.22) | - | (0.22) |
| | - | - | *(0.22)* | - | *(0.22)* |
| | **-** | **-** | **(0.22)** | **-** | **(0.22)** |
| | **-** | **-** | ***(0.22)*** | **-** | ***(0.22)*** |
| **Interest paid (Expense)** | | | | | |
| Pradeep Kumar Jain | - | - | - | - | - |
| | - | - | - | *0.39* | *0.39* |
| Pradeep Kumar Jain & Sons (HUF) | - | - | - | - | - |
| | - | *4.73* | - | - | *4.73* |
| Parasnath And Associates Private Limited | - | - | - | - | - |
| | - | *16.23* | - | - | *16.23* |
| Lakshay Realtors Private Limited | 440.75 | - | - | - | 440.75 |
| | *190.73* | - | - | - | *190.73* |
| Parsvnath Estate Developers Private Limited | 25.98 | - | - | - | 25.98 |

# Notes to the financial statements

for the year ended 31 March, 2017

(₹ in lakhs)

| Transaction / Outstanding Balances | Subsidiary Companies | Entities under significant influence | Joint Venture Entities | Key Management Personnel and their relatives | Total |
|---|---|---|---|---|---|
| | *47.74* | - | - | - | *47.74* |
| Parsvnath Buildwell Private Limited | 1.27 | - | - | - | 1.27 |
| | *1.27* | - | - | - | *1.27* |
| Parsvnath Hessa Developers Private Limited | 0.64 | - | - | - | 0.64 |
| | *0.64* | - | - | - | *0.64* |
| | **468.64** | **-** | **-** | **-** | **468.64** |
| | ***240.38*** | ***20.96*** | **-** | ***0.39*** | ***261.73*** |
| **Rent paid (Expense)** | | | | | |
| Pradeep Kumar Jain | - | - | - | 6.91 | 6.91 |
| | - | - | - | *6.10* | *6.10* |
| Nutan Jain | - | - | - | 45.90 | 45.90 |
| | - | - | - | *42.65* | *42.65* |
| Pradeep Kumar Jain & Sons (HUF) | - | 7.78 | - | - | 7.78 |
| | - | *6.84* | - | - | *6.84* |
| | **-** | **7.78** | **-** | **52.81** | **60.59** |
| | **-** | ***6.84*** | **-** | ***48.75*** | ***55.59*** |
| **Reimbursement of expenses (paid)** | | | | | |
| Parsvnath Realcon Private Limited | 3.82 | - | - | - | 3.82 |
| | - | - | - | - | - |
| Parsvnath Buildwell Private Limited | 20.08 | - | - | - | 20.08 |
| | *70.71* | - | - | - | *70.71* |
| Springdale Realtors Private Limited | 5.40 | - | - | - | 5.40 |
| | - | - | - | - | - |
| Scorpio Realtors Private Limited | - | 49.27 | - | - | 49.27 |
| | - | - | - | - | - |
| Baidehi Infrastructure Private Limited | - | 54.65 | - | - | 54.65 |
| | - | - | - | - | - |
| Afra Infrastructure Private Limited | 34.89 | - | - | - | 34.89 |
| | - | - | - | - | - |
| Arctic Buildwell Private Limited | 70.94 | - | - | - | 70.94 |
| | - | - | - | - | - |
| Bakul Infrastructure Private Limited | 88.11 | - | - | - | 88.11 |
| | - | - | - | - | - |
| | **223.24** | **103.92** | **-** | **-** | **327.16** |
| | ***70.71*** | **-** | **-** | **-** | ***70.71*** |
| **Recovery of excess managerial remuneration paid in previous years** | | | | | |
| Pradeep Kumar Jain | - | - | - | - | - |
| | - | - | - | *85.00* | *85.00* |
| Sanjeev Kumar Jain | - | - | - | - | - |

# Notes to the financial statements

**for the year ended 31 March, 2017**

(₹ in lakhs)

| Transaction / Outstanding Balances | Subsidiary Companies | Entities under significant influence | Joint Venture Entities | Key Management Personnel and their relatives | Total |
|---|---|---|---|---|---|
| | - | - | - | *85.00* | *85.00* |
| Rajeev Jain | - | - | - | - | - |
| | - | - | - | *85.00* | *85.00* |
| | **-** | **-** | **-** | **-** | **-** |
| | ***-*** | ***-*** | ***-*** | ***255.00*** | ***255.00*** |
| **Corporate guarantee given for** | | | | | |
| Parsvnath Rail Land Project Private Limited | - | - | - | - | - |
| | *5,500.00* | - | - | - | *5,500.00* |
| Parsvnath Estate Developers Private Limited | 70,856.00 | - | - | - | 70,856.00 |
| | - | - | - | - | - |
| Parsvnath Landmark Developers Private Limited | 15,333.33 | - | - | - | 15,333.33 |
| | - | - | - | - | - |
| | **86,189.33** | **-** | **-** | **-** | **86,189.33** |
| | ***5,500.00*** | ***-*** | ***-*** | ***-*** | ***5,500.00*** |
| **Corporate guarantee received** | | | | | |
| Primetime Realtors Private Limited | 8,950.00 | - | - | - | 8,950.00 |
| | - | - | - | - | - |
| | **8,950.00** | **-** | **-** | **-** | **8,950.00** |
| | ***-*** | ***-*** | ***-*** | ***-*** | ***-*** |
| **Sitting fees paid to Directors** | | | | | |
| Mr. Ashok Kumar | - | - | - | 5.10 | **5.10** |
| | - | - | - | *6.60* | ***6.60*** |
| Dr. Pritam Singh | - | - | - | 3.00 | **3.00** |
| | - | - | - | 4.20 | **4.20** |
| Ms. Deepa Gupta | - | - | - | 4.20 | **4.20** |
| | - | - | - | 0.30 | **0.30** |
| Mr. Mahendra Nath Verma | - | - | - | 4.80 | **4.80** |
| | - | - | - | 4.80 | **4.80** |
| | **-** | **-** | **-** | **17.10** | **17.10** |
| | ***-*** | ***-*** | ***-*** | ***15.90*** | ***15.90*** |
| **(ii) Balances at the year end** | | | | | |
| **Trade receivables** | | | | | |
| Parsvnath Landmark Developers Private Limited | - | - | - | - | - |
| | *0.54* | - | - | - | *0.54* |
| | (0.54) | (-) | (-) | (-) | (0.54) |
| Parsvnath Realcon Private Limited | 300.00 | - | - | - | 300.00 |
| | *300.00* | - | - | - | *300.00* |
| | (300.00) | (-) | (-) | (-) | (300.00) |
| Parsvnath Estate Developers Private Limited | - | - | - | - | - |
| | *1,001.60* | - | - | - | *1,001.60* |
| | (1001.60) | (-) | (-) | (-) | (1001.60) |

# Notes to the financial statements

for the year ended 31 March, 2017

(₹ in lakhs)

| Transaction / Outstanding Balances | Subsidiary Companies | Entities under significant influence | Joint Venture Entities | Key Management Personnel and their relatives | Total |
|---|---|---|---|---|---|
| | **300.00** | **-** | **-** | **-** | **300.00** |
| | ***1,302.14*** | **-** | **-** | **-** | ***1,302.14*** |
| | **(1,302.14)** | **(-)** | **(-)** | **(-)** | **(1,302.14)** |
| **Interest accrued on investments** | | | | | |
| Parsvnath Buildwell Private Limited | 498.94 | - | - | - | 498.94 |
| | *347.78* | - | - | - | *347.78* |
| | (332.27) | (-) | (-) | (-) | (332.27) |
| Parsvnath Estate Developers Private Limited | - | - | - | - | 0.00 |
| | *1,271.91* | - | - | - | *1,271.91* |
| | (1043.16) | (-) | (-) | (-) | (1043.16) |
| Parsvnath Promoters And Developers Private Limited | 5,053.52 | - | - | - | 5053.52 |
| | *5,053.52* | - | - | - | *5,053.52* |
| | (5053.52) | (-) | (-) | (-) | (5053.52) |
| Parsvnath Hessa Developers Private Limited | - | - | - | - | 0.00 |
| | *566.83* | - | - | - | *566.83* |
| | (989.52) | (-) | (-) | (-) | (989.52) |
| Parsvnath Rail Land Project Private Limited | 712.89 | - | - | - | 712.89 |
| | *817.04* | - | - | - | *817.04* |
| | (817.04) | (-) | (-) | (-) | (817.04) |
| | **6,265.35** | **-** | **-** | **-** | **6,265.35** |
| | ***8,057.08*** | **-** | **-** | **-** | ***8,057.08*** |
| | **(8,235.51)** | **(-)** | **(-)** | **(-)** | **(8,235.51)** |
| **Advances for land purchase / Property** | | | | | |
| Brinly Properties Private Limited | 1,730.63 | - | - | - | 1,730.63 |
| | *1,680.43* | - | - | - | *1,680.43* |
| | (2039.00) | (-) | (-) | (-) | (2039.00) |
| Generous Buildwell Private Limited | 1,938.45 | - | - | - | 1,938.45 |
| | *1,937.95* | - | - | - | *1,937.95* |
| | (1,937.95) | (-) | (-) | (-) | (1,937.95) |
| LSD Realcon Private Limited | 1,533.41 | - | - | - | 1,533.41 |
| | *1,532.91* | - | - | - | *1,532.91* |
| | (1,584.91) | (-) | (-) | (-) | (1,584.91) |
| Baidehi Infrastructure Private Limited | - | 0.35 | - | - | 0.35 |
| | - | *55.00* | - | - | *55.00* |
| | (-) | (-) | (-) | (-) | (-) |
| Scorpio Realtors Private Limited | - | 0.73 | - | - | 0.73 |
| | - | - | - | - | - |
| | (-) | (-) | (-) | (-) | (-) |
| Prasidhi Developers Private Limited | - | - | - | - | - |
| | - | *98.11* | - | - | *98.11* |
| | (-) | (3.10) | (-) | (-) | (3.10) |

# Notes to the financial statements

**for the year ended 31 March, 2017**

(₹ in lakhs)

| Transaction / Outstanding Balances | Subsidiary Companies | Entities under significant influence | Joint Venture Entities | Key Management Personnel and their relatives | Total |
|---|---|---|---|---|---|
| Panchvati Buildwell Private Limited | - | - | - | - | - |
| | - | *218.69* | - | - | *218.69* |
| | (-) | (218.68) | (-) | (-) | (218.68) |
| Others (each having less than 10% of balance outstanding | 9,269.67 | - | - | - | 9,269.67 |
| | 8,929.70 | 1.20 | - | - | 8,930.90 |
| | (9,516.42) | (1.20) | (-) | (-) | (9,517.62) |
| | **14,472.17** | **1.08** | **-** | **-** | **14,473.25** |
| | **14,080.99** | **373.00** | **-** | **-** | **14,453.99** |
| | **(15,078.28)** | **(222.98)** | **(-)** | **(-)** | **(15,301.26)** |
| **Short-term / long-term loans and advances** | | | | | |
| Parsvnath Rail Land Project Private Limited | - | - | - | - | - |
| | *1,717.86* | - | - | - | *1,717.86* |
| | (1,611.46) | (-) | (-) | (-) | (1,611.46) |
| Parsvnath Landmark Developers Private Limited | 7.11 | - | - | - | 7.11 |
| | *85.71* | - | - | - | *85.71* |
| | (148.15) | (-) | (-) | (-) | (148.15) |
| Parsvnath Film City Limited | 4,847.11 | - | - | - | 4,847.11 |
| | *4,835.45* | - | - | - | *4,835.45* |
| | (4,825.69) | (-) | (-) | (-) | (4,825.69) |
| Parsvnath Realcon Private Limited | 36.96 | - | - | - | 36.96 |
| | *32.19* | - | - | - | *32.19* |
| | (32.59) | (-) | (-) | (-) | (32.59) |
| Parsvnath Hotels Limited | 438.05 | - | - | - | 438.05 |
| | *183.48* | - | - | - | *183.48* |
| | (361.56) | (-) | (-) | (-) | (361.56) |
| Parsvnath HB Projects Private Limited | 4,908.92 | - | - | - | 4,908.92 |
| | *3,740.23* | - | - | - | *3,740.23* |
| | (3,442.70) | (-) | (-) | (-) | (3,442.70) |
| PDL Assets Limited | 1.00 | - | - | - | 1.00 |
| | - | - | - | - | - |
| | (-) | (-) | (-) | (-) | (-) |
| Parsvnath Estate Developers Private | - | - | - | - | - |
| Limited | *916.38* | - | - | - | *916.38* |
| | (794.77) | (-) | (-) | (-) | (794.77) |
| Parsvnath Buildwell Private Limited | 468.52 | - | - | - | 468.52 |
| | *68.10* | - | - | - | *68.10* |
| | (-) | (-) | (-) | (-) | (-) |
| | **10,707.67** | **-** | **-** | **-** | **10,707.67** |
| | ***11,579.40*** | **-** | **-** | **-** | ***11,579.40*** |
| | **(11,216.92)** | **(-)** | **(-)** | **(-)** | **(11,216.92)** |

# Notes to the financial statements

**for the year ended 31 March, 2017**

(₹ in lakhs)

| Transaction / Outstanding Balances | Subsidiary Companies | Entities under significant influence | Joint Venture Entities | Key Management Personnel and their relatives | Total |
|---|---|---|---|---|---|
| **Amount due from Directors** | | | | | |
| Pradeep Kumar Jain | - | - | - | - | - |
| | - | - | - | *129.47* | *129.47* |
| | (-) | (-) | (-) | (151.74) | (151.74) |
| Sanjeev Kumar Jain | - | - | - | - | - |
| | - | - | - | *117.79* | *117.79* |
| | (-) | (-) | (-) | (21.40) | (21.40) |
| Rajeev Jain | - | - | - | - | - |
| | - | - | - | *93.30* | *93.30* |
| | (-) | (-) | (-) | (-) | (-) |
| | **-** | **-** | **-** | **-** | **-** |
| | **-** | **-** | **-** | ***340.56*** | ***340.56*** |
| | **(-)** | **(-)** | **(-)** | **(173.14)** | **(173.14)** |
| **Security deposit (assets)** | | | | | |
| Nutan Jain | - | - | - | 11.36 | 11.36 |
| | - | - | - | *11.36* | *11.36* |
| | (-) | (-) | (-) | (11.36) | (11.36) |
| | **-** | **-** | **-** | **11.36** | **11.36** |
| | **-** | **-** | **-** | ***11.36*** | ***11.36*** |
| | **(-)** | **(-)** | **(-)** | **(11.36)** | **(11.36)** |
| **Trade / Other payables** | | | | | |
| Parsvnath Infra Limited | 1,189.01 | - | - | - | 1,189.01 |
| | *1,205.19* | - | - | - | *1,205.19* |
| | (207.28) | (-) | (-) | (-) | (207.28) |
| Primetime Realtors Private Limited | 0.69 | - | - | - | 0.69 |
| | *2.11* | - | - | - | *2.11* |
| | (2.56) | (-) | (-) | (-) | (2.56) |
| Parsvnath Buildwell Private Limited | - | - | - | - | - |
| | *100.69* | - | - | - | *100.69* |
| | (38.68) | (-) | (-) | (-) | (38.68) |
| Pradeep Kumar Jain (HUF) | - | 1.17 | - | - | 1.17 |
| | - | - | - | - | - |
| | (-) | (1.89) | (-) | (-) | (1.89) |
| Nutan Jain | - | - | - | 6.94 | 6.94 |
| | - | - | - | - | - |
| | (-) | (-) | (-) | (5.80) | (5.80) |
| Pradeep Kumar Jain | - | - | - | 0.52 | 0.52 |
| | - | - | - | - | - |
| | (-) | (-) | (-) | (1.56) | (1.56) |
| Parsvnath Hessa Developers Private Limited | 5.72 | - | | - | 5.72 |
| | *843.10* | - | - | - | *843.10* |
| | (1,942.20) | (-) | (-) | (-) | (1,942.20) |

# Notes to the financial statements

for the year ended 31 March, 2017

(₹ in lakhs)

| Transaction / Outstanding Balances | Subsidiary Companies | Entities under significant influence | Joint Venture Entities | Key Management Personnel and their relatives | Total |
|---|---|---|---|---|---|
| Timebound Contracts Private Limited | - | 2.25 | - | - | 2.25 |
| | - | - | - | - | - |
| | (-) | (-) | (-) | (-) | (-) |
| Jodhpur Infrastructure Private Limited | - | 12.17 | - | - | 12.17 |
| | - | *12.67* | - | - | *12.67* |
| | (-) | (12.82) | (-) | (-) | (12.82) |
| | **1,195.42** | **15.59** | **-** | **7.46** | **1,218.47** |
| | ***2,151.09*** | ***12.67*** | **-** | **-** | ***2,163.76*** |
| | **(2,190.72)** | **(14.71)** | **(-)** | **(7.36)** | **(2,212.79)** |
| **Advances from customers** | | | | | |
| Parsvnath Landmark Developers Private Limited | 225.52 | - | - | - | 225.52 |
| | *3,961.17* | - | - | - | *3,961.17* |
| | (4,143.72) | (-) | (-) | (-) | (4,143.72) |
| Parsvnath Hotels Limited | 490.11 | - | - | - | 490.11 |
| | *490.11* | - | - | - | *490.11* |
| | (490.11) | (-) | (-) | (-) | (490.11) |
| Parsvnath Buildwell Private Limited | 650.00 | - | - | - | 650.00 |
| | *650.00* | - | - | - | *650.00* |
| | (573.20) | (-) | (-) | (-) | (573.20) |
| Parsvnath Infra Limited | 85.00 | - | - | - | 85.00 |
| | *85.00* | - | - | - | *85.00* |
| | (241.00) | (-) | (-) | (-) | (241.00) |
| Parsvnath MIDC Pharma SEZ Private Limited | 206.00 | - | - | - | 206.00 |
| | *206.00* | - | - | - | *206.00* |
| | (-) | (-) | (-) | (-) | (-) |
| | **1,656.63** | **-** | **-** | **-** | **1,656.63** |
| | ***5,392.28*** | **-** | **-** | **-** | ***5,392.28*** |
| | **(5,448.03)** | **(-)** | **(-)** | **(-)** | **(5,448.03)** |
| **Unsecured loans** | | | | | |
| Pradeep Kumar Jain | - | - | - | - | - |
| | - | - | - | - | - |
| | (-) | (-) | (-) | (30.35) | (30.35) |
| Pradeep Kumar Jain & Sons (HUF) | - | - | - | - | - |
| | - | - | - | - | - |
| | (-) | (619.22) | (-) | (-) | (619.22) |
| Lakshay Realtors Private Limited | - | - | - | - | - |
| | *3,000.00* | - | - | - | *3,000.00* |
| | (-) | (-) | (-) | (-) | (-) |
| | **-** | **-** | **-** | **-** | **-** |
| | ***3,000.00*** | **-** | **-** | **-** | ***3,000.00*** |
| | **(-)** | **(619.22)** | **(-)** | **(30.35)** | **(649.57)** |

# Notes to the financial statements

for the year ended 31 March, 2017

(₹ in lakhs)

| Transaction / Outstanding Balances | Subsidiary Companies | Entities under significant influence | Joint Venture Entities | Key Management Personnel and their relatives | Total |
|---|---|---|---|---|---|
| **Interest payable** | | | | | |
| Parsvnath Estate Developers Private Limited | 7.25 | - | - | - | **7.25** |
| | - | - | - | - | **-** |
| | (-) | (-) | (-) | (-) | **(-)** |
| **Security deposits (liability)** | | | | | |
| Parsvnath Estate Developers Private Limited | 22,287.95 | - | - | - | 22,287.95 |
| | *4,160.00* | - | - | - | *4,160.00* |
| | (4,160.00) | (-) | (-) | (-) | (4,160.00) |
| Parsvnath Buildwell Private Limited | 13.74 | - | - | - | 13.74 |
| | *13.74* | - | - | - | *13.74* |
| | (13.74) | (-) | (-) | (-) | (13.74) |
| Parsvnath Landmark Developers Private Limited | 3,000.00 | - | - | - | 3,000.00 |
| | - | - | - | - | - |
| | (-) | (-) | (-) | (-) | (-) |
| Parsvnath Hessa Developers Private Limited | 7,173.96 | - | - | - | 7,173.96 |
| | *7,494.78* | - | - | - | *7,494.78* |
| | (7,049.97) | (-) | (-) | (-) | (7,049.97) |
| Parsvnath Rail Land Project Private Limited | - | - | - | - | - |
| | *2,893.25* | - | - | - | *2,893.25* |
| | (2,893.25) | (-) | (-) | (-) | (2,893.25) |
| | **32,475.65** | **-** | **-** | **-** | **32,475.65** |
| | ***14,561.77*** | **-** | **-** | **-** | ***14,561.77*** |
| | **(14,116.96)** | **(-)** | **(-)** | **(-)** | **(14,116.96)** |
| **Interest accrued on margin money deposit** | | | | | |
| Parsvnath Buildwell Private Limited | - | - | - | - | - |
| | *4.87* | - | - | - | *4.87* |
| | (3.72) | (-) | (-) | (-) | (3.72) |
| Parsvnath Hessa Developers Private Limited | 2.91 | - | - | - | 2.91 |
| | *2.33* | - | - | - | *2.33* |
| | (1.74) | (-) | (-) | (-) | (1.74) |
| | **2.91** | **-** | **-** | **-** | **2.91** |
| | ***7.20*** | **-** | **-** | **-** | ***7.20*** |
| | **(5.46)** | **(-)** | **(-)** | **(-)** | **(5.46)** |
| **Corporate guarantee given for loans** | | | | | |
| Parsvnath Hotels Limited | 1,162.50 | - | - | - | 1,162.50 |
| | *1,224.27* | - | - | - | *1,224.27* |
| | (1,260.00) | (-) | (-) | (-) | (1,260.00) |
| Parsvnath Landmark Developers Private Limited | 20,000.00 | - | - | - | 20,000.00 |
| | *4,666.67* | - | - | - | *4,666.67* |
| | (4,666.67) | (-) | (-) | (-) | (4,666.67) |

# Notes to the financial statements

**for the year ended 31 March, 2017**

(₹ in lakhs)

| Transaction / Outstanding Balances | Subsidiary Companies | Entities under significant influence | Joint Venture Entities | Key Management Personnel and their relatives | Total |
|---|---|---|---|---|---|
| Parsvnath Estate Developers Private Limited | 91,184.00 | - | - | - | 91,184.00 |
| | *21,000.00* | - | - | - | *21,000.00* |
| | (21,000.00) | (-) | (-) | (-) | (21,000.00) |
| Parsvnath Rail Land Project Private Limited | 5,500.00 | - | - | - | 5,500.00 |
| | *5,500.00* | - | - | - | *5,500.00* |
| | (-) | (-) | (-) | (-) | (-) |
| | **1,17,846.50** | **-** | **-** | **-** | **1,17,846.50** |
| | ***32,390.94*** | **-** | **-** | **-** | ***32,390.94*** |
| | **(26,926.67)** | **(-)** | **(-)** | **(-)** | **(26,926.67)** |
| **Corporate guarantee given for** | | | | | |
| Home Life Real Estate Private Limited | - | 35.06 | - | - | 35.06 |
| | - | 35.06 | - | - | 35.06 |
| | (-) | (35.06) | (-) | (-) | (35.06) |
| Neelgagan Realtors Private Limited | 14.81 | - | - | - | 14.81 |
| | 14.81 | - | - | - | 14.81 |
| | (14.81) | (-) | (-) | (-) | (14.81) |
| Primetime Realtors Pvt Limited | 1.60 | - | - | - | 1.60 |
| | 1.60 | - | - | - | 1.60 |
| | (1.60) | (-) | (-) | (-) | (1.60) |
| Parsvnath Estate Developers Private Limited | 672.00 | - | - | - | 672.00 |
| | - | - | - | - | - |
| | (-) | (-) | (-) | (-) | (-) |
| | **688.41** | **35.06** | **-** | **-** | **723.47** |
| | ***16.41*** | ***35.06*** | **-** | **-** | ***51.47*** |
| | **(16.41)** | **(35.06)** | **(-)** | **(-)** | **(51.47)** |
| **Corporate guarantee given by** | | | | | |
| Parsvnath Infra Limited | 22,500.00 | - | - | - | 22,500.00 |
| | *22,500.00* | - | - | - | *22,500.00* |
| | (22,500.00) | (-) | (-) | (-) | (22,500.00) |
| Parsvnath Hotels Limited | 2,000.00 | - | - | - | 2,000.00 |
| | *15,000.00* | - | - | - | *15,000.00* |
| | (16,500.00) | (-) | (-) | (-) | (16,500.00) |
| Primetime Realtors Private Limited | 57,550.00 | - | - | - | 57,550.00 |
| | 48,600.00 | - | - | - | 48,600.00 |
| | (48,600.00) | (-) | (-) | - | (48,600.00) |
| | **82,050.00** | **-** | **-** | **-** | **82,050.00** |
| | ***86,100.00*** | **-** | **-** | **-** | ***86,100.00*** |
| | **(87,600.00)** | **(-)** | **(-)** | **(-)** | **(87,600.00)** |
| **Guarantee for loans** | | | | | |
| Chairman and whole-time Directors | - | - | - | 1,66,046.64 | 1,66,046.64 |
| | - | - | - | *1,44,462.91* | *1,44,462.91* |
| | (-) | (-) | (-) | (1,35,773.90) | (1,35,773.90) |

# Notes to the financial statements

**for the year ended 31 March, 2017**

(₹ in lakhs)

| Transaction / Outstanding Balances | Subsidiary Companies | Entities under significant influence | Joint Venture Entities | Key Management Personnel and their relatives | Total |
|---|---|---|---|---|---|
| | - | - | - | **1,66,046.64** | **1,66,046.64** |
| | - | - | - | ***1,44,462.91*** | ***1,44,462.91*** |
| | (-) | (-) | (-) | (1,35,773.90) | (1,35,773.90) |
| **Investments held** | | | | | |
| Parsvnath Landmark Developers Private Limited (Equity shares) | 7,598.03 | - | - | - | 7,598.03 |
| | *3,590.98* | - | - | - | *3,590.98* |
| | (3,590.98) | (-) | (-) | (-) | (3,590.98) |
| Parsvnath Infra Limited (Equity shares) | 2,604.94 | - | - | - | 2,604.94 |
| | *2,604.94* | - | - | - | *2,604.94* |
| | (2,604.94) | (-) | (-) | (-) | (2,604.94) |
| Parsvnath Film City Limited (Equity shares) | 175.00 | - | - | - | 175.00 |
| | *175.00* | - | - | - | *175.00* |
| | (175.00) | (-) | (-) | (-) | (175.00) |
| Parsvnath Realty Ventures Limited (Equity shares) | 5.00 | - | - | - | 5.00 |
| | - | - | - | - | - |
| | (-) | (-) | (-) | (-) | (-) |
| Vasavi PDL Ventures Private Limited (Equity shares) | 2.55 | - | - | - | 2.55 |
| | - | - | - | - | - |
| | (-) | (-) | (-) | (-) | (-) |
| Parsvnath Telecom Private Limited (Equity shares) | 103.00 | - | - | - | 103.00 |
| | *103.00* | - | - | - | *103.00* |
| | (103.00) | (-) | (-) | (-) | (103.00) |
| Parsvnath Hotels Limited (Equity shares) | 1,350.00 | - | - | - | 1,350.00 |
| | *1,350.00* | - | - | - | *1,350.00* |
| | (1,350.00) | (-) | (-) | (-) | (1,350.00) |
| PDL Assets Limited (Equity shares) | 6.00 | - | - | - | 6.00 |
| | *6.00* | - | - | - | *6.00* |
| | (6.00) | (-) | (-) | (-) | (6.00) |
| Parsvnath Developers Pte. Limited (Equity shares) | 145.49 | - | - | - | 145.49 |
| | *145.49* | - | - | - | *145.49* |
| | (145.49) | (-) | (-) | (-) | (145.49) |
| Primetime Realtors Private Limited (Equity shares) | 1.00 | - | - | - | 1.00 |
| | *1.00* | - | - | - | *1.00* |
| | (1.00) | (-) | (-) | (-) | (1.00) |
| Parsvnath Promoters And Developers Private Limited (Equity shares) | 1,657.99 | - | - | - | 1,657.99 |
| | *1,657.99* | - | - | - | *1,657.99* |
| | (1,657.99) | (-) | (-) | (-) | (1,657.99) |
| Parsvnath Estate Developers Private Limited (Equity shares) | 498.90 | - | - | - | 498.90 |
| | *377.50* | - | - | - | *377.50* |
| | (377.50) | (-) | (-) | (-) | (377.50) |

# Notes to the financial statements

**for the year ended 31 March, 2017**

(₹ in lakhs)

| Transaction / Outstanding Balances | Subsidiary Companies | Entities under significant influence | Joint Venture Entities | Key Management Personnel and their relatives | Total |
|---|---|---|---|---|---|
| Parsvnath Hessa Developers Private Limited (Equity shares) | 11,755.90 | - | - | - | 11,755.90 |
| | *11,755.90* | - | - | - | *11,755.90* |
| | (11,755.90) | (-) | (-) | (-) | (11,755.90) |
| Amazon India Limited (Equity shares) | - | 212.50 | - | - | 212.50 |
| | - | *212.50* | - | - | *212.50* |
| | (-) | (212.50) | (-) | (-) | (212.50) |
| Home Life Real Estate Private Limited (Equity shares) | - | 77.50 | - | - | 77.50 |
| | - | *77.50* | - | - | *77.50* |
| | (-) | (77.50) | (-) | (-) | (77.50) |
| Vardaan Buildtech Private Limited (Equity shares) | - | 1.60 | - | - | 1.60 |
| | - | *1.60* | - | - | *1.60* |
| | (-) | (1.60) | (-) | (-) | (1.60) |
| Ratan Parsvnath Developers (AOP) (Equity shares) | - | - | 814.20 | - | 814.20 |
| | - | - | *814.43* | - | *814.43* |
| | (-) | (-) | (631.32) | (-) | (631.32) |
| Parsvnath Buildwell Private Limited (Equity shares and Prefrence shares) | 9,913.50 | - | - | - | 9,913.50 |
| | *9,913.50* | - | - | - | *9,913.50* |
| | (9,913.50) | (-) | (-) | (-) | (9,913.50) |
| Parsvnath Buildwell Private Limited (Debentures) | 1,083.59 | - | - | - | 1,083.59 |
| | *1,083.59* | - | - | - | *1,083.59* |
| | (1,083.59) | (-) | (-) | (-) | (1,083.59) |
| Parsvnath Promoters And Developers Private Limited (Debentures) | 9,343.01 | - | - | - | 9,343.01 |
| | *9,343.01* | - | - | - | *9,343.01* |
| | (9,343.01) | (-) | (-) | (-) | (9,343.01) |
| Parsvnath Estate Developers Private Limited (Debentures) | - | - | - | - | - |
| | *1,635.35* | - | - | - | *1,635.35* |
| | (1,635.35) | (-) | (-) | (-) | (1,635.35) |
| Parsvnath Estate Developers Private Limited (Share warrants) | - | - | - | - | - |
| | *460.15* | - | - | - | *460.15* |
| | (460.15) | (-) | (-) | (-) | (460.15) |
| Parsvnath Rail Land Project Private Limited (Equity shares) | 1,145.00 | - | - | - | 1,145.00 |
| | *1,145.00* | - | - | - | *1,145.00* |
| | (1,145.00) | (-) | (-) | (-) | (1,145.00) |
| Parsvnath HB Projects Private Limited (Equity shares) | 2.50 | - | - | - | 2.50 |
| | *2.50* | - | - | - | *2.50* |
| | (2.50) | (-) | (-) | (-) | (2.50) |
| Parsvnath Rail Land Project Private Limited (Debentures) | 3,220.19 | - | - | - | 3,220.19 |
| | *3,220.19* | - | - | - | *3,220.19* |
| | (3,220.19) | (-) | (-) | (-) | (3,220.19) |

# Notes to the financial statements

**for the year ended 31 March, 2017**

(₹ in lakhs)

| Transaction / Outstanding Balances | Subsidiary Companies | Entities under significant influence | Joint Venture Entities | Key Management Personnel and their relatives | Total |
|---|---|---|---|---|---|
| Parsvnath Hessa Developers Private Limited (Debentures) | 669.27 | - | - | - | 669.27 |
| | *669.27* | - | - | - | *669.27* |
| | (669.27) | (-) | (-) | (-) | (669.27) |
| | **51,280.86** | **291.60** | **814.20** | **-** | **52,386.66** |
| | ***49,240.36*** | ***291.60*** | ***814.43*** | **-** | ***50,346.39*** |
| | **(49,240.36)** | **(291.60)** | **(631.32)** | **(-)** | **(50,163.28)** |

**Note:**

- Figures in italics represents as at and for the year ended 31 March, 2016.
- Figures in brackets represents figures as at 1 April, 2015.

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

All related party transactions entered during the year were in ordinary course of business and are on arm's length basis. Loans given to wholly owned subsidiaries are unsecured and interest free. For the year ended 31 March, 2017, the Company has not recorded any impairment of receivables from related parties ( 31 March, 2016 - Nil: 1 April, 2015 - 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.

## 64 Financial Instruments

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

(₹ in lakhs)

| | | As at 31-March-17 | | | | As at 31-March-16 | | | | As at 1-April-15 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Total | Amortised Cost | At cost | FVTPL | Total | Amortised Cost | At cost | FVTPL | Total | Amortised Cost | At cost | FVTPL |
| | Financial assets | | | | | | | | | | | | |
| i. | Investments | 53,434.81 | - | 52,386.66 | 1,048.15 | 51,394.54 | - | 50,346.39 | 1,048.15 | 51,269.84 | - | 50,163.28 | 1,106.56 |
| ii. | Trade receivables | 58,587.51 | 58,587.51 | - | - | 61,405.21 | 61,405.21 | - | - | 58,786.59 | 58,786.59 | - | - |
| iii. | Cash and cash equivalents | 513.18 | 513.18 | - | - | 2,099.67 | 2,099.67 | - | - | 8,766.19 | 8,766.19 | - | - |
| iv. | Bank balances other than (iii) above | 5,356.15 | 5,356.15 | - | - | 5,804.55 | 5,804.55 | - | - | 7,424.66 | 7,424.66 | - | - |
| v. | Loans | 10,726.75 | 10,726.75 | - | - | 11,938.89 | 11,938.89 | - | - | 11,409.26 | 11,409.26 | - | - |
| vi. | Other financial assets | 27,536.21 | 27,536.21 | - | - | 29,105.58 | 29,105.58 | - | - | 29,557.18 | 29,557.18 | - | - |
| | **Total financial assets** | **1,56,154.61** | **1,02,719.80** | **52,386.66** | **1,048.15** | **1,61,748.44** | **1,10,353.90** | **50,346.39** | **1,048.15** | **1,67,213.72** | **1,15,943.88** | **50,163.28** | **1,106.56** |
| | **Financial liabilities** | | | | | | | | | | | | |
| i. | Borrowings * | 150,140.74 | 150,140.74 | - | - | 1,31,292.76 | 1,31,292.76 | - | - | 1,12,099.78 | 1,12,099.78 | - | - |
| ii. | Trade Payables | 63,309.36 | 63,309.36 | - | - | 63,209.48 | 63,209.48 | - | - | 59,291.43 | 59,291.43 | - | - |
| iii. | Other financial liabilities | 71,114.47 | 71,114.47 | - | - | 49,149.20 | 49,149.20 | - | - | 51,862.56 | 51,862.56 | - | - |
| | **Total financial liabilities** | **2,84,564.57** | **2,84,564.57** | **-** | **-** | **2,43,651.44** | **2,43,651.44** | **-** | **-** | **2,23,253.77** | **2,23,253.77** | **-** | **-** |

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

# Notes to the financial statements

**for the year ended 31 March, 2017**

**Fair value hierarchy**

The fair value of financial instruments have been classified into three categories depending on the inputs used in the valuation technique

The categories used are as follows:

Level 1: Quoted prices for identical instruments in an active market

Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs

Level 3: Inputs which are not based on observable market date

(₹ in lakhs)

| | As at 31 Match, 2017 | | As at 31 Match, 2016 | | As at 1-April-15 | |
|---|---|---|---|---|---|---|
| | Carrying amount | Category | Carrying amount | Category | Carrying amount | Category |
| Investment carried at fair value through profit and loss | 1,048.15 | Level 3 | 1,048.15 | Level 3 | 1,106.56 | Level 3 |

## 65 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, investment in subsidiaries/joint venture/associates and loans to its subsidiaries.

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 is under stressed conditions, which has resulted in delays in meeting its liabilities. 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:

(₹ in lakhs)

| | Carrying amount | Payable within 1 year | Payable in 1-3 years | Payable in 3-5 years | Payable more than 5 years |
|---|---|---|---|---|---|
| **As at 31 March, 2017** | | | | | |
| -Borrowings | 1,69,324.68 | 37,246.73 | 95,856.48 | 28,956.86 | 7,264.61 |
| Trade payables | 63,309.36 | 58,383.74 | 4,705.62 | 220.00 | - |
| Other financial liabilities | 51,930.53 | 15,554.15 | 211.43 | 28,232.58 | 7,932.37 |
| | **2,84,564.57** | **1,11,184.62** | **1,00,773.53** | **57,409.44** | **15,196.98** |
| **As at 31 March, 2016** | | | | | |
| -Borrowings | 1,50,510.33 | 42,221.17 | 56,760.79 | 37,595.20 | 13,933.17 |
| Trade payables | 63,209.48 | 55,072.02 | 7,917.46 | 220.00 | - |
| Other financial liabilities | 29,931.63 | 11,676.42 | 40.65 | 9,845.36 | 8,369.20 |
| | **2,43,651.44** | **1,08,969.61** | **64,718.90** | **47,660.56** | **22,302.37** |
| **As at 1 April,2015** | | | | | |
| -Borrowings | 1,39,569.08 | 50,240.66 | 26,146.45 | 48,519.09 | 14,662.88 |
| Trade payables | 59,291.43 | 46,922.42 | 12,151.01 | 218.00 | - |
| Other financial liabilities | 24,393.26 | 5,802.30 | 192.05 | 9,636.51 | 8,762.40 |
| | **2,23,253.77** | **1,02,965.38** | **38,489.51** | **58,373.60** | **23,425.28** |

Note : Current maturities of long term dept have been excluded from other financial liablities and included under Borrowings.

# Notes to the financial statements

for the year ended 31 March, 2017

**Financing facilities**

(₹ in lakhs)

| Particulars | As at 31 March, 2017 | As at 31 March, 2016 | As at 1-April-15 |
|---|---|---|---|
| **Secured bank overdraft facility :** | | | |
| -amount used | 8,887.77 | 9,888.99 | 9,657.60 |
| -amount unused | 8.23 | 1.01 | 232.40 |

**Market risk**

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

**A. Interest rate risk**

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

**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 :

(₹ in lakhs)

| Particulars | As at 31 March, 2017 | As at 31 March, 2016 | As at 1-April-15 |
|---|---|---|---|
| **Variable rate borrowings** | | | |
| Long Term | 1,28,748.43 | 80,044.44 | 69,471.91 |
| Short Term | 40,576.25 | 35,788.78 | 36,164.08 |
| **Total Variable rate Borrowing** | **1,69,324.68** | **1,15,833.22** | **1,05,635.99** |
| **Fixed Rate Borrowings** | | | |
| Long Term | - | 34,677.11 | 33,266.89 |
| Short Term | - | - | 666.20 |
| **Total Fixed rate Borrowing** | **-** | **34,677.11** | **33,933.09** |
| **Total Borrowing** | **1,69,324.68** | **1,50,510.33** | **1,39,569.08** |

**Sensitivity**

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

(₹ in lakhs)

| Particulars | Year ended 31 March, 2017 | Year ended 31 March, 2016 |
|---|---|---|
| Actual interest cost | 25,437.25 | 20,511.26 |
| if ROI is increased by 1% on outstanding loans | 1,770.51 | 1,247.58 |
| Total interest cost | 27,207.76 | 21,758.84 |
| if ROI is decreased by 1% on outstanding loans | 1,770.51 | 1,247.58 |
| Total interest cost | 23,666.74 | 19,263.68 |

# Notes to the financial statements

**for the year ended 31 March, 2017**

**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 real estate customers and refundable security deposits.

Customers credit risk is managed, generally by receipt of sale consideration before handing over of possession and/or transfer of legal ownership rights. The Company credit risk with respect to customers is diversified due to large number of real estate projects with different customers spread over different geographies.

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

(₹ in lakhs)

| Particulars | As at 31 March, 2017 | As at 31 March, 2016 | As at 1-April-15 |
|---|---|---|---|
| Outstanding for more than 6 months | 44,013.29 | 39,264.60 | 31,868.31 |
| Outstanding for 6 months or less | 2,591.29 | 9,851.24 | 14,179.52 |
| Not due for payment | 11,982.93 | 12,289.37 | 12,738.76 |
| | **58,587.51** | **61,405.21** | **58,786.59** |

## 66 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:

(₹ in lakhs)

| Particulars | As at 31 March, 2017 | As at 31 March, 2016 | As at 1-April-15 |
|---|---|---|---|
| **Borrowings:** | | | |
| - Long term | 1,09,564.49 | 95,503.98 | 75,269.50 |
| - Short term | 40,576.25 | 35,788.78 | 36,830.28 |
| - Current maturities of long term borrowings | 19,183.94 | 19,217.57 | 27,469.30 |
| **Total borrowings - A** | **1,69,324.68** | **1,50,510.33** | **1,39,569.08** |
| **Equity** | | | |
| - Share capital | 21,759.06 | 21,759.06 | 21,759.06 |
| - Other equity | 2,34,144.69 | 2,37,646.75 | 2,37,432.95 |
| **Total Equity - B** | **2,55,903.75** | **2,59,405.81** | **2,59,192.01** |
| Debt to equity ratio (A/B) | 0.66 | 0.58 | 0.54 |

# Notes to the financial statements

for the year ended 31 March, 2017

## 67 First time Ind AS adoption reconciliations:

### A. Effect of Ind AS adoption on the balance sheet as at 31 March, 2016 and 1 April, 2015

(₹ in lakhs)

| Particulars | Notes | Balance sheet as at 1 April 2015 | | | Balance sheet as at 31 March 2016 | | |
|---|---|---|---|---|---|---|---|
| | | IGAAP | Effects of transition to Ind-AS | Ind AS | IGAAP | Effects of transition to Ind-AS | Ind AS |
| **Assets** | | | | | | | |
| **1 Non-current assets** | | | | | | | |
| a. Property, plant and equipment | (a), (b) | 11,445.38 | (10,293.86) | 1,151.52 | 11,294.98 | (10,465.45) | 829.53 |
| b. Investment property | (b) | | 1,731.46 | 1,731.46 | | 1,690.19 | 1,690.19 |
| c. Other intangible assets | (a) | | 8,562.40 | 8,562.40 | | 8,775.26 | 8,775.26 |
| d. Intangible assets under development | | 54,410.09 | - | 54,410.09 | 57,483.85 | - | 57,483.85 |
| e. Financial assets | | | | | | | |
| i. Investments | | 51,269.84 | - | 51,269.84 | 51,394.54 | - | 51,394.54 |
| ii. Loans | | 3,804.26 | - | 3,804.26 | 8,759.16 | - | 8,759.16 |
| iii. Other financial assets | | 3,625.96 | - | 3,625.96 | 3,649.73 | - | 3,649.73 |
| f. Deferred tax assets (net) | (i) | 9,464.31 | 60.56 | 9,524.87 | 3,761.31 | 181.29 | 3,942.60 |
| g. Other non-current assets | (c) | 43,899.67 | (1,282.26) | 42,617.41 | 44,983.40 | (7,728.57) | 37,254.83 |
| | | **1,77,919.51** | **(1,221.70)** | **1,76,697.81** | **1,81,326.97** | **(7,547.28)** | **1,73,779.69** |
| **2 Current assets** | | | | | | | |
| a. Inventories | (d) | 2,14,528.86 | 8,582.43 | 2,23,111.29 | 2,28,547.71 | 8,753.70 | 2,37,301.41 |
| b. Financial assets | | | | - | | | |
| i. Trade receivables | (e) | 60,816.43 | (2,029.84) | 58,786.59 | 63,454.28 | (2,049.07) | 61,405.21 |
| ii. Cash and cash equivalents | | 8,766.19 | - | 8,766.19 | 2,099.67 | - | 2,099.67 |
| iii. Bank balances other than (ii) above | | 7,424.66 | - | 7,424.66 | 5,804.55 | - | 5,804.55 |
| iv. Loans | | 7,605.00 | - | 7,605.00 | 3,179.73 | - | 3,179.73 |
| v. Other financial assets | | 25,931.22 | - | 25,931.22 | 25,455.85 | - | 25,455.85 |
| c. Current tax assets (Net) | | | - | - | 1,819.11 | - | 1,819.11 |
| d. Other current assets | (f) | 32,471.10 | (5,744.11) | 26,726.99 | 34,427.27 | (5,865.83) | 28,561.44 |
| | | **3,57,543.46** | **808.48** | **3,58,351.94** | **3,64,788.17** | **838.80** | **3,65,626.97** |
| **Total assets** | | **5,35,462.97** | **(413.22)** | **5,35,049.75** | **5,46,115.14** | **(6,708.48)** | **5,39,406.66** |
| **Equity and liabilities** | | | | | | | |
| **1 Equity** | | | | | | | |
| a. Equity share capital | | 21,759.06 | - | 21,759.06 | 21,759.06 | - | 21,759.06 |
| b. Other equity | | 2,37,568.38 | (135.43) | 2,37,432.95 | 2,38,040.10 | (393.35) | 2,37,646.75 |
| **Total equity** | | **2,59,327.44** | **(135.43)** | **2,59,192.01** | **2,59,799.16** | **(393.35)** | **2,59,405.81** |
| **2 Non-current liabilities** | | | | | | | |
| a. Financial liabilities | | | | | | | |
| i. Borrowings | (g) | 79,877.20 | (4,607.70) | 75,269.50 | 1,06,081.07 | (10,577.09) | 95,503.98 |
| ii. Other financial liabilities | (h) | 9,467.74 | (402.03) | 9,065.71 | 9,104.33 | (377.08) | 8,727.25 |
| b. Provisions | | 395.29 | - | 395.29 | 387.27 | - | 387.27 |
| c. Other non-current liabilities | | 4,898.21 | - | 4,898.21 | 688.13 | - | 688.13 |
| | | **94,638.44** | **(5,009.73)** | **89,628.71** | **1,16,260.80** | **(10,954.17)** | **1,05,306.63** |
| **Current liabilities** | | | | | | | |
| a. Financial liabilities | | | | | | | |
| i. Borrowings | | 36,830.28 | - | 36,830.28 | 35,788.78 | - | 35,788.78 |
| ii. Trade Payables | | 59,291.43 | - | 59,291.43 | 63,209.48 | - | 63,209.48 |
| iii. Other financial liabilities | | 42,796.85 | - | 42,796.85 | 40,421.95 | - | 40,421.95 |
| b. Provisions | | 52.49 | - | 52.49 | 55.16 | - | 55.16 |
| c. Current tax liabilities (Net) | | 4,943.18 | - | 4,943.18 | - | - | - |
| d. Other current liabilities | | 37,582.86 | 4,731.94 | 42,314.80 | 30,579.81 | 4,639.04 | 35,218.85 |

# Notes to the financial statements

for the year ended 31 March, 2017

| Particulars | Notes | Balance sheet as at 1 April 2015 IGAAP | Effects of transition to Ind-AS | Ind AS | Balance sheet as at 31 March 2016 IGAAP | Effects of transition to Ind-AS | Ind AS |
|---|---|---|---|---|---|---|---|
| | | 1,81,497.09 | 4,731.94 | 1,86,229.03 | 1,70,055.18 | 4,639.04 | 1,74,694.22 |
| **Total liabilities** | | **2,76,135.53** | **(277.79)** | **2,75,857.74** | **2,86,315.98** | **(6,315.13)** | **2,80,000.85** |
| **Total equity and liabilities** | | **535,462.97** | **(413.22)** | **535,049.75** | **546,115.14** | **(6,708.48)** | **539,406.66** |

**B. Effect of Ind AS adoption on the Statement of Profit and loss for the year ended 31 March, 2016**

(₹ in lakhs)

| | | Particulars | | For the year ended 31 March, 2016 | | |
|---|---|---|---|---|---|---|
| | | | | IGAAP | Effects of transition to Ind-AS | Ind AS |
| I | | Revenue from operations | (j) | 30,970.02 | (375.93) | 30,594.09 |
| II | | Other income | (k) | 3,983.04 | 39.61 | 4,022.65 |
| **III** | | **Total income** | | **34,953.06** | **(336.32)** | **34,616.74** |
| **IV** | | **Expenses** | | | | |
| | a. | Cost of land / development rights | | 8,240.61 | - | 8,240.61 |
| | b. | Cost of materials consumed | | 2,860.85 | - | 2,860.85 |
| | c. | Contract cost, labour and other charges | | 4,761.07 | - | 4,761.07 |
| | d. | Changes in inventories of finished goods and work-in-progress | (j) | (380.57) | (125.34) | (505.91) |
| | e. | Employee benefits expense | | 3,486.94 | 12.06 | 3,499.00 |
| | f. | Finance costs | (l) | 10,728.21 | 167.67 | 10,895.88 |
| | g. | Depreciation and amortisation expense | | 959.24 | - | 959.24 |
| | h. | Other expenses | | 7,023.26 | - | 7,023.26 |
| | | **Total expenses** | | **37,679.61** | **54.39** | **37,734.00** |
| **V** | | **Profit before tax** | | (2,726.55) | (390.71) | (3,117.26) |
| VI | | Tax expenses | | | | |
| | a. | Current tax | | | - | - |
| | b. | Tax adjustment for earlier years | | (2,440.50) | - | (2,440.50) |
| | c. | Deferred tax | (i) | (757.77) | (124.45) | (882.22) |
| | | **Total tax expenses** | | **(3,198.27)** | **(124.45)** | **(3,322.72)** |
| **VII** | | **Profit for the year** | | 471.72 | (266.26) | 205.46 |
| VIII | | Other comprehensive income | | | | |
| | | Items that will not be reclassified to profit or loss | | | | |
| | | i. Re-measurement of defined benefit plans | (m) | - | 12.06 | 12.06 |
| | | ii. Income tax relating to items that will not be reclassified to profit or loss | | - | 3.72 | 3.72 |
| | | Other comprehensive income for the year, net of tax | | **-** | **8.34** | **8.34** |
| **IX** | | **Total comprehensive income for the year** | | **471.72** | **(257.92)** | **213.80** |

# Notes to the financial statements

**for the year ended 31 March, 2017**

**C. Reconciliation of total equity as at 31 March, 2016 and 1 April, 2015**

(₹ in lakhs)

| Particulars | As at 1-April-15 | As at 31 March, 2016 |
|---|---|---|
| **Total equity (shareholders' fund) under previous GAAP** | 2,59,327.44 | 2,59,799.16 |
| Adjustment: | | |
| Impact of fair valuation of assets and liabilities | 7.59 | 7.61 |
| Impact on net revenue (revenue less cost) due to interest capitalisation using effective interest rate and adjustments with respect to revenue recognition | (203.58) | (582.25) |
| Deferred tax impact | 60.56 | 181.29 |
| **Total equity under Ind AS** | **2,59,192.01** | **2,59,405.81** |

**D. Effect of Ind AS adoption on statement of cash flow for the year ended 31 March, 2016**

(₹ in lakhs)

| Particulars | For the year ended 31 March, 2016 | | |
|---|---|---|---|
| | IGAAP | Effects of transition to Ind-AS | Ind AS |
| Net cash flows from operating activities | (6,361.83) | 6,143.39 | (218.44) |
| Net cash flows from investing activities | 261.50 | 39.60 | 301.10 |
| Net cash flows from financing activities | (566.19) | (6,182.99) | (6,749.18) |
| **Net increase (decrease) in cash and cash equivalent** | **(6,666.52)** | **0.00** | **(6,666.52)** |
| **Cash and cash equivalent at the beginning of the period** | **8,766.19** | **-** | **8,766.19** |
| **Cash and cash equivalent at the end of the period** | **2,099.67** | **0.00** | **2,099.67** |

**F. Analysis of cash and cash equivalents as at 31 March, 2016 and as at 1 April, 2015 for the purpose of statement of cash flow under Ind AS**

(₹ in lakhs)

| Particulars | As at 31 March, 2016 | As at 1-April-15 |
|---|---|---|
| Cash and cash equivalent for the purpose of statement of cash flows as per previous GAAP | 2,099.67 | 8,766.19 |
| Adjustment: | - | - |
| Cash and cash equivalent for the purpose of statement of cash flows under Ind AS | **2,099.67** | **8,766.19** |

**Notes to the reconciliations**

**(a) Presentation and disclosure of intangible assets**

The Company has constructed buildings on leasehold land 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 the Government without any consideration. Under previous GAAP, these assets were classified as tangible assets. 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 under Ind AS. There is no impact on profits due to this reclassification.

**(b) Investment properties**

The Company has given certain unsold flats on long-term lease for the purpose of rental income. Under, previous GAAP, there was no requirement to present investment property separately and these flats/buildings was disclosed under tangible fixed assets at cost less accumulated depreciation. Under Ind AS, these rented flats have been reclassified as investment properties. There is no effect on profits due to reclassification.

# Notes to the financial statements

**for the year ended 31 March, 2017**

**(c) Prepaid expenses**

Under Ind As, prepaid processing fee and upfront fee has been adjusted with borrowings.

**(d) Inventory**

The Company has followed guidance note on 'Accounting for Real Estate Transactions' issued by the Institute of Chartered Accountants of India (ICAI) for entities under Ind AS. In accordance with the guidance note, certain projects of the Company does not meet the criteria for recognition of revenue. Accordingly, revenue on such projects has been de-recognised and cost incurred in respect of sold units in respect of such projects has been reflected as inventory

**(e) Trade receivables**

(i) In accordance with the guidance note as mentioned in (d) above, revenue recognised as per Previous GAAP has been reversed and accordingly trade receivables have reduced.

(ii) Under Ind AS, long-term trade receivables have been discounted at present value.

**(f) Other current assets**

(i) In accordance with the guidance note as mentioned in (d) above, revenue recognised as per Previous GAAP has been reversed and accordingly Unbilled receivable (grouped under 'Other current asset') have reduced.

(ii) Under Ind As, prepaid processing fee and upfront fee has been adjusted with borrowings

**(g) Borrowings**

(i) Under Ind AS, borrowings have been measured at amortised cost using effective interest rate.

(ii) under Previous GAAP, Prepaid loan processing fee was classified under other assets. As per Ind AS, prepaid loan processing fee is netted off with borrowings.

**(h) Non-current financial liabilities**

Under Previous GAAP, long term financial liabilities are recorded at historical cost. Under Ind AS, these long term liabilities have been discounted at present value.

**(i) Deferred tax assets**

Various transitional adjustments leads to temporary differences between accounting income and tax income. Deferred tax adjustment relating to these transitional adjustments have been recognised in statement of profit and loss, other comprehensive income or retained earnings.

**(j) Revenue from operations**

In accordance with the guidance note as mentioned in (d) above, revenue recognised as per Previous GAAP was reversed on transition date of 1 April, 2015 and net margin adjusted in retained earnings. Part of the revenue recognised on percentage completion method during the financial year 2015-16 has also been reversed. Corresponding cost has been adjusted in inventory.

**(k) Other income**

Under Ind AS, long-term financial assets have been discounted as on transition date and being re-measured at each reporting period. Difference has been recognised as interest income.

**(l) Finance cost**

Under Ind AS, long-term financial liabilities have been measured at amortised cost (discounted value). Difference in amortised cost on reporting date has been recognised as finance cost.

**(m) Remeasurement of post-employment benefit obligations and Deferred tax**

Under Ind AS, measurements i.e.. Actuarial gains and losses are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. Correspondingly deferred tax adjusted in Other comprehensive income and statement of profit and loss.

# Notes to the financial statements

**for the year ended 31 March, 2017**

## 68 Events after the reporting period

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

## 69 Approval of the financial statements

The financial statements were approved for issue by Board of Directors on 29 May, 2017

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

**Pradeep Kumar Jain**
Chairman
(DIN 00333486)

**Sanjeev Kumar Jain**
Managing Director & CEO
(DIN 00333881)

**M. C. Jain**
Group Chief Financial Officer

**V. Mohan**
Company Secretary

Place: New Delhi
Date: 29 May, 2017

# Independent Auditor's Report

**To the Members ofParsvnath Developers Limited**

**Report on the Consolidated Ind AS Financial Statements**

We have audited the accompanying consolidated Indian Accounting Standard(IndAS)financial statements of Parsvnath Developers Limited, ("the Holding Company") and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group"), its associates and joint venture, comprising of the Consolidated Balance Sheet as at 31 March 2017, the Consolidated Statement of Profit and Loss including other comprehensive income, the Consolidated Statement of Cash Flows, the Consolidated Statement of Changes in Equity,for the year then ended, and a summary of the significant accounting policies and other explanatory information ("the consolidated Ind AS financial statements").

**Management's Responsibility for the Consolidated Ind AS Financial Statements**

The Holding Company's Board of Directors is responsible for the preparation of these consolidated Ind AS financial statements in terms of the requirements of the Companies Act, 2013 ( "the Act") that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated cash flows and consolidated statement of changes in equity of the Group including its associates and joint venture in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. The respective Board of Directors of the companies included in the group and of its associates and joint venture are responsible for maintenance of adequate accounting records in accordance with the provisions of the act for safeguarding the assets of the group and its associates and its joint ventures and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring 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, which have been used for the purpose of preparation of the consolidated Ind AS financial statements by the directors of the Holding Company, as aforesaid.

**Auditor's Responsibility**

Our responsibility is to express an opinion on these consolidated Ind AS financial statements based on our audit.

While conducting the audit, we have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the consolidated Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial controls relevant to the Holding Company's preparation of the consolidated Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Holding Company's Board of Directors, as well as evaluating the overall presentation of the consolidated Ind AS financial statements.

We believe that the audit evidence obtained by us and the other auditors in terms of their reports referred to in sub-paragraph (a) and (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our qualified audit opinion on the consolidated Ind AS financial statements.

**Basis for Qualified Opinion**

We did not audit the financial statements of one subsidiary, whose financial statements reflect total assets (after eliminating intra-group transactions) of Rs. 22,503.57 lakhs as at 31 March, 2017, total revenues (after eliminating intra-group transactions) of Rs. 632.49 lakhs and net cash flows amounting to Rs. 30.31 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements are unaudited and have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiary, is based solely on such unaudited financial statements.

**Qualified Opinion**

In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of other auditors on the separate financial statements and on the other financial information of the subsidiaries, associates and joint ventures as noted below, the aforesaid consolidated Ind AS financial statements give the information required by the Act in the manner so required and except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph above, give a true and fair view in conformity with the accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint ventures as at 31 March 2017, and their consolidated loss(including other comprehensive income),theirconsolidated cash flows and consolidated statement of changes in equity for the year ended on that date.

## Other Matters

(a) The comparative financial information of the Group and its associates and joint ventures for the year ended 31 March 2016 and the transition date opening balance sheet as at 1 April 2015 included in these consolidated Ind AS financial statements, are based on the previously issued consolidated financial statements prepared in accordance with the Companies (Accounting Standards) Rules, 2006 audited by the predecessor auditor whose report for the year ended 31 March 2016 and 31 March 2015 dated 24 May, 2016 and 25 May, 2015, respectively expressed an unmodified opinion on those consolidated financial statements,as adjusted for the differences in the accounting principles adopted by the Group and its associates and joint venture on transition to the Ind AS, which have been audited by us.

(b) We did not audit the financial statements of fifty two subsidiaries whose financial statements reflect total assets (after eliminating intra-group transactions) of Rs. 32,855.55 lakhs as at 31 March, 2017, total revenues (after eliminating intra-group transactions) of Rs. 615.06 lakhs and net cash flows amounting to Rs. 354.43 lakhs for the year ended on that date, as considered in the consolidated Ind AS financial statements. The consolidated Ind AS financial statements also include the Group's share of net profit of Rs. 2.21 lakhs for the year ended 31 March 2017, as considered in the consolidated Ind AS financial statements, in respect of three associates and one joint venture, whose financial statements have not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated Ind AS financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, joint venture and associates, and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, joint venture and associates, is based solely on the reports of the other auditors.

Our opinion above on the consolidated Ind AS financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

## Report on Other Legal and Regulatory Requirements

1. As required by Section 143(3) of the Act, and based on our audit and on the consideration of the report of the other auditors on separate financial statements and other financial information of the subsidiaries, associates and joint venture, as noted in the 'Other Matter paragraph, we report, to the extent applicable that:

a) We have sought and,except for the possible effect of the matter described in the Basis for Qualified Opinion paragraph, obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated Ind AS financial statements;

b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated Ind AS financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors.

c) Except for the matter described in paragraph 'Basis for Qualified Opinion',reports on the accounts of the subsidiaries, associates and joint venture audited have been sent to us, and have been properly dealt with in preparing this report.

d) The consolidated Ind AS financial statements dealt with by this Report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated Ind AS financial statements.

e) Except for the possible effects of the matter described in the Basis for Qualified Opinion paragraph,In our opinion, the consolidated Ind AS financial statements comply with Indian Accounting Standards specified under Section 133 of the Act;

f) The audit report on the financial statements of Parsvnath Rail Land Project Private Limited and Parsvnath Film City Limited, subsidiaries of the Holding Company, issued by us contains the following remark, which is reproduced by us as below:

There is material uncertainty related to outcome of legal disputes.

g) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2017 taken on record by the Board of Directors of the Holding Company and the reports of the other statutory auditors of its subsidiaries, and associates incorporated in India, none of the directors of the Group companies and its associates,incorporated in India is disqualified as on 31 March 2017 from being appointed as a director in terms of Section 164 (2) of the Act.

h) With respect to the adequacy of the internal financial controls over financial reporting of the Holding

Company, its subsidiaries and associates incorporated in India and the operating effectiveness of such controls, refer to our separate Report in "Annexure A",

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 Auditor's) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the auditor's reports and other financial information of the Holding Company, subsidiaries, associates and joint ventures, as noted in the 'Other Matter' paragraph:

(i) The consolidated Ind AS financial statements disclose the impact of pending litigations on the consolidated financial position of the Group, its associates and joint venture - Refer Note 35 to the consolidated Ind AS financial statements;

(ii) The Group,its associates and joint venture did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses – Refer Note 37 to the consolidated Ind AS financial statements;

(iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company, and its subsidiaries, associates and joint venture incorporated in India – Refer Note 38 to the Consolidated Ind AS financial statements.

(iv) The Group, its associates and joint venture incorporated in India has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8 November 2016 to 30 December 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Group, its associates and joint venture incorporated in India and as produced to us by the Management and the reports of the other auditors. – Refer Note 15 to the consolidated Ind AS financial statements.

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

Sd/-
**Vinesh Jain**
Partner
Membership No.: 87701

Place: New Delhi
Date: 29 May, 2017

# Annexure A

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

1. In conjunction with our audit of the consolidated financial statements of the company as of and for the year ended 31 March 2017, we have audited the internal financial controls over financial reporting of Parsvnath Developers Limited (hereinafter referred to as the "Holding Company") and its subsidiary companies and its associate companies, which are companies incorporated in India, as of that date.

## Management's Responsibility for Internal Financial Controls

2. The respective Board of Directors of the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, are responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of the company's business, including adherence to the respective company's policies, the safeguarding of the company's assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

## Auditors' Responsibility

3. Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies as aforesaid, 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") issued by the Institute of Chartered Accountants of India (ICAI) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

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

5. We believe that the audit evidence we have obtained {and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter(s) paragraph below,} is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls over financial reporting of the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies as aforesaid.

## Meaning of Internal Financial Controls over Financial Reporting

6. A company's internal financial controls over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls over financial reporting 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 over Financial Reporting

7. Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

## Opinion

8. In our opinion, the Holding Company, its subsidiary companies, its associate companies and jointly controlled companies, which are companies incorporated in India, have, in all material respects, adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2017, based on internal control over financial reporting criteria.

## Other Matters

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls over financial reporting insofar as it relates to fifty one subsidiaries and three associates, which are companies incorporated in India, is based on the corresponding reports of the auditors of such companies incorporated in India.

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

Sd/-
**Vinesh Jain**
Partner
Membership No.: 87701

Place: New Delhi
Date: 29 May, 2017

# Consolidated Balance Sheet as at 31 March, 2017

(₹ in lakhs)

| | Notes | As at 31-March-17 | As at 31-March-16 | As at 1-April-15 |
|---|---|---|---|---|
| **ASSETS** | | | | |
| **1 Non-current assets** | | | | |
| a. Property, plant and equipment | 5 | 647.69 | 859.99 | 1,181.73 |
| b. Capital work-in-progress | | 6,222.03 | 6,036.51 | 5,851.32 |
| c. Investment property | 6 | 2,150.93 | 6,411.66 | 6,283.66 |
| d. Goodwill on consolidation | | 6,878.85 | 4,618.96 | 4,618.96 |
| e. Other intangible assets | 7 | 47,795.82 | 42,491.41 | 44,076.98 |
| f. Intangible assets under development | 7 | 58,488.93 | 61,797.29 | 56,604.15 |
| g. Financial assets | | | | |
| i. Investments | 8 | 1,460.12 | 1,461.42 | 1,517.65 |
| ii. Other financial assets | 10 | 1,42,390.59 | 1,38,058.43 | 8,647.54 |
| h. Deferred tax assets (net) | 11 | 7,200.56 | 5,545.51 | 10,371.90 |
| i. Other non-current assets | 12 | 35,556.44 | 30,064.89 | 35,850.54 |
| **Total non-current assets** | | **3,08,791.96** | **2,97,346.07** | **1,75,004.43** |
| **2 Current assets** | | | | |
| a. Inventories | 13 | 3,32,673.43 | 2,97,689.13 | 2,95,685.87 |
| b. Financial assets | | | | |
| i. Trade receivables | 14 | 63,039.61 | 65,893.61 | 64,254.03 |
| ii. Cash and cash equivalents | 15 | 1,402.23 | 3,738.05 | 18,639.14 |
| iii. Bank balances other than (ii) above | 16 | 5,388.27 | 13,556.31 | 11,619.65 |
| iv. Loans | 9 | 2,322.95 | 2,809.16 | 192.34 |
| v. Other financial assets | 10 | 18,676.53 | 18,245.31 | 19,011.74 |
| c. Current tax assets (Net) | 17 | 3,101.18 | 2,572.63 | - |
| d. Other current assets | 12 | 60,246.64 | 45,035.44 | 1,56,022.91 |
| **Total current assets** | | **4,86,850.84** | **4,49,539.64** | **5,65,425.68** |
| **Total assets** | | **7,95,642.80** | **7,46,885.71** | **7,40,430.11** |
| **EQUITY AND LIABILITIES** | | | | |
| **1 Equity** | | | | |
| a. Equity share capital | 18 | 21,759.06 | 21,759.06 | 21,759.06 |
| b. Other equity | 19 | 2,26,459.98 | 2,41,310.21 | 2,44,990.27 |
| **Total Equity (For shareholders of parent)** | | **2,48,219.04** | **2,63,069.27** | **2,66,749.33** |
| Non-controlling interest | | 16,960.16 | 18,823.12 | 20,008.84 |
| **Total Equity** | | **2,65,179.20** | **2,81,892.39** | **2,86,758.17** |
| **Liabilities** | | | | |
| **2 Non-current liabilities** | | | | |
| a. Financial liabilities | | | | |
| i. Borrowings | 20 | 3,25,648.58 | 2,50,362.38 | 2,22,193.86 |
| ii. Other financial liabilities | 21 | 2,452.80 | 2,771.71 | 2,593.99 |
| b. Provisions | 22 | 416.17 | 387.27 | 395.29 |
| c. Other non-current liabilities | 23 | 4,149.44 | 4,188.13 | 4,254.49 |
| **Total non-current liabilities** | | **3,32,666.99** | **2,57,709.49** | **2,29,437.63** |
| **3 Current liabilities** | | | | |
| a. Financial liabilities | | | | |
| i. Borrowings | 24 | 46,076.25 | 38,288.78 | 41,909.19 |
| ii. Trade Payables | 25 | 69,549.69 | 67,901.00 | 63,868.90 |
| iii. Other financial liabilities | 21 | 44,310.67 | 59,774.94 | 57,552.28 |
| b. Provisions | 22 | 55.50 | 68.90 | 65.70 |
| c. Current tax liabilities (Net) | 17 | - | - | 4,725.02 |
| d. Other current liabilities | 23 | 37,804.50 | 41,250.21 | 56,113.22 |
| **Total current liabilities** | | **1,97,796.61** | **2,07,283.83** | **2,24,234.31** |
| **Total liabilities** | | **5,30,463.60** | **4,64,993.32** | **4,53,671.94** |
| **Total equity and liabilities** | | **7,95,642.80** | **7,46,885.71** | **7,40,430.11** |

See accompanying notes to the consolidated financial statements 1-70

In terms of our report attached

**For S. N. Dhawan & Co LLP**
(Formerly S. N. Dhawan & Co)
Chartered Accountants
(Registration No 000050N/N500045)

Sd/-
**Vinesh Jain**
Partner
(Membership No. 087701)

Place: New Delhi
Date: 29 May, 2017

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

Sd/-
**Pradeep Kumar Jain**
Chairman
(DIN 00333486)

Sd/-
**Sanjeev Kumar Jain**
Managing Director & CEO
(DIN 00333881)

Sd/-
**M. C. Jain**
Group Chief Financial Officer

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

Place: New Delhi
Date: 29 May, 2017

# Consolidated Statement of Profit and Loss
## for the year ended 31 March, 2017

(₹ in lakhs)

| | | Notes | Year ended 31 March, 2017 | Year ended 31 March, 2016 |
|---|---|---|---|---|
| **I.** | Revenue from operations | 26 | 27,889.55 | 40,593.68 |
| **II.** | Other income | 27 | 2,763.53 | 3,552.76 |
| **III.** | **Total income (I + II)** | | **30,653.08** | **44,146.44** |
| **IV.** | **Expenses** | | | |
| | a. Cost of land / development rights | | 12,073.60 | 8,240.61 |
| | b. Cost of materials consumed | 28 | 5,813.24 | 3,753.81 |
| | c. Contract cost, labour and other charges | | 5,747.54 | 5,356.10 |
| | d. Changes in inventories of finished goods and work-in-progress | 29 | (14,374.55) | 453.00 |
| | e. Employee benefits expense | 30 | 3,060.15 | 3,670.66 |
| | f. Finance costs | 31 | 23,357.72 | 18,578.42 |
| | g. Depreciation and amortisation expense | 32 | 2,794.09 | 2,891.13 |
| | h. Other expenses | 33 | 8,294.75 | 10,203.14 |
| | **Total expenses (IV)** | | **46,766.54** | **53,146.87** |
| **V.** | **Profit/(loss) before tax (III-IV)** | | **(16,113.46)** | **(9,000.43)** |
| **VI.** | **Tax expense/(benefit):** | 34 | | |
| | a. Current tax | | 15.85 | 38.20 |
| | b. Tax adjustment for earlier years | | 406.52 | (2,462.58) |
| | c. Deferred tax | | (1,646.58) | (1,638.11) |
| | | | **(1,224.21)** | **(4,062.49)** |
| **VII.** | **Profit/(loss) for the year (V - VI)** | | **(14,889.25)** | **(4,937.94)** |
| **VIII.** | **Share of profit/(loss) in Associates (Net)** | | 2.21 | 2.18 |
| **IX.** | **Profit/(loss) for the year (VII+VIII)** | | **(14,887.04)** | **(4,935.76)** |
| **X.** | **Other comprehensive income** | | | |
| | (i) Items that will not be reclassified to profit or loss | | | |
| | a. Remeasurements of the defined benefit plans | | (27.38) | 12.06 |
| | | | **(27.38)** | **12.06** |
| | (ii) Income tax relating to items that will not be reclassified to profit or loss | | **(8.46)** | **3.73** |
| | **Total other comprehensive income (i-ii)** | | **(18.92)** | **8.33** |
| **XI.** | **Total comprehensive income for the year (IX + X)** | | **(14,905.96)** | **(4,927.43)** |
| **XII.** | **Net profit / (loss) attributable to:** | | | |
| | a. Shareholders of the company | | (14,474.94) | (3,707.66) |
| | b. Non-controlling interest | | (431.02) | (1,219.77) |
| **XIII.** | Earnings per equity share (face value ₹ 5 per share) | 59 | | |
| | a. Basic (in ₹) | | (3.33) | (0.85) |
| | b. Diluted (in ₹) | | (3.33) | (0.85) |

See accompanying notes to the consolidated financial statements 1-70
In terms of our report attached

**For S. N. Dhawan & Co LLP**
(Formerly S. N. Dhawan & Co)
Chartered Accountants
(Registration No 000050N/N500045)

Sd/-
**Vinesh Jain**
Partner
(Membership No. 087701)

Place: New Delhi
Date: 29 May, 2017

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

Sd/-
**Pradeep Kumar Jain**
Chairman
(DIN 00333486)

Sd/-
**Sanjeev Kumar Jain**
Managing Director & CEO
(DIN 00333881)

Sd/-
**M. C. Jain**
Group Chief Financial Officer

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

Place: New Delhi
Date: 29 May, 2017

# Consolidated Cash Flow Statement

## for the year ended 31 March, 2017

(₹ in lakhs)

| | | Year ended 31 March, 2017 | Year ended 31 March, 2016 |
|---|---|---|---|
| **A. Cash flow from operating activities** | | | |
| Profit/(loss) before tax (including OCI) | | (16,140.84) | (8,988.37) |
| Adjustments for: | | | - |
| Depreciation and amortisation expense | | 2,794.09 | 2,891.13 |
| Profit on sale of property, plant and equipment | | 4.61 | (315.11) |
| Profit on sale of non-current investments | | (136.29) | (32.90) |
| Finance costs | | 23,357.72 | 18,578.42 |
| Interest income | | (1,973.32) | (1,601.61) |
| Excess provisions written back | | - | (753.67) |
| Operating profit/(loss) before working capital changes | | **7,905.97** | **9,777.79** |
| Movement in working capital: | | | |
| Adjustments for (increase)/decrease in operating assets: | | | |
| Inventories | | (14,630.74) | 12,803.10 |
| Trade receivables | | 2,854.00 | (1,639.58) |
| Loans - non current | | 486.21 | (2,616.82) |
| Other financial assets - current | | (566.63) | 482.81 |
| Other financial assets - non current | | (4,324.41) | (1,29,495.90) |
| Other assets - non current | | (5,511.47) | 7,081.18 |
| Other assets - current | | (15,211.20) | 1,10,987.47 |
| Adjustments for increase/(decrease) in operating liabilities: | | | |
| Trade payables | | 1,648.69 | 4,785.77 |
| Other financial liabilities - non current | | (318.91) | 177.72 |
| Other financial liabilities - current | | (1,080.20) | 448.04 |
| Other liabilities - non current | | (38.69) | (66.36) |
| Other liabilities - current | | (3,445.71) | (14,863.01) |
| Provisions - current | | (13.40) | 3.20 |
| Provisions - non current | | 28.90 | (8.02) |
| Cash generated from/(used in) operations | | **(32,217.59)** | **(2,142.51)** |
| Income taxes paid (net) | | (950.94) | (1,013.55) |
| **Net cash flow from/(used in) operating activities** | **(A)** | **(33,168.53)** | **(3,156.06)** |

# Consolidated Cash Flow Statement

## for the year ended 31 March, 2017

(₹ in lakhs)

| | | | Year ended 31 March, 2017 | Year ended 31 March, 2016 |
|---|---|---|---|---|
| **B.** | **Cash flow from investing activities** | | | |
| | Purchase of tangible and intangible assets | | (7,000.51) | (5,873.76) |
| | Proceeds from sale of tangible and intangible assets | | 4,410.99 | 919.38 |
| | (Increase)/decrease in bank balances not considered as cash and cash equivalents | | 8,168.04 | (1,936.66) |
| | Purchase of non-current investments | | | |
| | - Subsidiaries | | (22,861.63) | - |
| | Redemption/sale of non-current investments | | | |
| | - Subsidiaries | | - | - |
| | - Others | | - | 9.31 |
| | Interest received | | 2,068.96 | 1,997.84 |
| | **Net cash flow from/(used in) investing activities** | **(B)** | **(15,214.15)** | **(4,801.89)** |
| **C.** | **Cash flow from financing activities** | | | |
| | Interest paid | | (53,672.96) | (23,281.84) |
| | Proceeds from issue of share capital to non controlling interest | | - | 34.05 |
| | Purchase of shares from non controlling interest | | (1,775.21) | - |
| | Proceeds from / (repayment of) working capital borrowings | | (1,001.22) | (1,618.61) |
| | Proceeds from other short-term borrowings | | 18,838.26 | 18,465.50 |
| | Repayment of other short-term borrowings | | (10,049.57) | (20,467.30) |
| | Proceeds from long-term borrowings | | 1,94,211.97 | 40,131.49 |
| | Repayment of long-term borrowings | | (1,00,504.41) | (20,206.43) |
| | **Net cash flow used in financing activities -** | **(C)** | **46,046.86** | **(6,943.14)** |
| **D.** | Net increase/(decrease) in Cash and cash equivalents | **( A+B+C)** | (2,335.82) | (14,901.09) |
| **E.** | Cash and cash equivalents at the beginning of the year | | 3,738.05 | 18,639.14 |
| **F.** | **Cash and cash equivalents at the end of the year** | | **1,402.23** | **3,738.05** |

See accompanying notes to the consolidated financial statements 1-70

In terms of our report attached

**For S. N. Dhawan & Co LLP**
(Formerly S. N. Dhawan & Co)
Chartered Accountants
(Registration No 000050N/N500045)

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

Sd/-
**Vinesh Jain**
Partner
(Membership No. 087701)

Sd/-
**Pradeep Kumar Jain**
Chairman
(DIN 00333486)

Sd/-
**Sanjeev Kumar Jain**
Managing Director & CEO
(DIN 00333881)

Sd/-
**M. C. Jain**
Group Chief Financial Officer

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

Place: New Delhi
Date: 29 May, 2017

Place: New Delhi
Date: 29 May, 2017

# Consolidated Statement of Changes in Equity

## for the year ended 31 March, 2017

(₹ in lakhs)

| | | Amount |
|---|---|---|
| a. | **Equity Share Capital** | |
| | **Balance as at 1 April, 2015** | 21759.06 |
| | Changes in equity share capital during the year | - |
| | Balance as at 31 March, 2016 | 21759.06 |
| | Changes in equity share capital during the year | - |
| | Balance as at 31 March, 2017 | **21759.06** |

(₹ in lakhs)

**b. Other Equity**

| | Reserves and Surplus | | | | | | | Other Comprehensive Income | Attributable to shareholders of parent | Non Controling Interest |
|---|---|---|---|---|---|---|---|---|---|---|
| | Capital Reserve | Captial Redemption Reserve | Securities premium reserve | Debenture redemption reserve | Foreign Currency Translation Reserve | General Reserve | Retained earnings | Remeasurement of defined benefit plan | | |
| **Balance as at 1 April, 2015** | 2,388.87 | 230.00 | 145,591.47 | 1,500.00 | (9.49) | 9,310.00 | 85,899.11 | 80.31 | 244,990.27 | 20,008.84 |
| Profit for the year | - | | - | - | | - | (3,715.99) | - | (3,715.99) | (1,219.77) |
| Exchange differences arising on translating the foreign operations | | | | | 27.60 | | | | 27.60 | 34.05 |
| Other comprehensive income for the year, net of income tax | - | | - | - | | - | - | 8.33 | 8.33 | |
| **Total comprehensive income for the year** | - | - | - | - | 27.60 | - | (3,715.99) | 8.33 | (3,680.06) | (1,185.72) |
| **Balance as at 31 March, 2016** | 2,388.87 | 230.00 | 145,591.47 | 1,500.00 | 18.11 | 9,310.00 | 82,183.12 | 88.64 | 241,310.21 | 18,823.12 |
| Profit for the year | | | - | - | | - | (14,456.02) | - | (14,456.02) | (431.02) |
| Exchange differences arising on translating the foreign operations | | | | | (32.02) | | | | (32.02) | (7.00) |
| Other comprehensive income for the year, net of income tax | | | - | - | | - | - | (18.92) | (18.92) | |
| **Total comprehensive income for the year** | - | - | - | - | (32.02) | - | (14,456.02) | (18.92) | (14,506.96) | (438.02) |
| Transferred from retained earnings | | | - | 12,802.50 | | - | - | - | 12,802.50 | |
| Add/(Less): Adjusted upon further acquisition of shares of a subsidiary | (343.27) | | | | | | | | (343.27) | (1,424.94) |
| Transfer to Debenture redemption reserve | | | - | - | | - | 12,802.50 | - | 12,802.50 | |
| **Balance as at 31 March, 2017** | 2,045.60 | 230.00 | 145,591.47 | 14,302.50 | (13.91) | 9,310.00 | 54,924.60 | 69.72 | 226,459.98 | 16,960.16 |

See accompanying notes to the consolidated financial statements

In terms of our report attached

**For S. N. Dhawan & Co LLP**
(Formerly S. N. Dhawan & Co)
Chartered Accountants
(Registration No 000050N/N500045)

Sd/-
**Vinesh Jain**
Partner
(Membership No. 087701)

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

Sd/-
**Pradeep Kumar Jain**
Chairman
(DIN 00333486)

Sd/-
**Sanjeev Kumar Jain**
Managing Director & CEO
(DIN 00333881)

Sd/-
**M. C. Jain**
Group Chief Financial Officer

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

Place: New Delhi
Date: 29 May, 2017

Place: New Delhi
Date: 29 May, 2017

# Notes to consolidated financial statements

**for the year ended 31 March, 2017**

## 1. CORPORATE INFORMATION

Parsvnath Developers Limited ("the Company") was set up as a Company registered under the Companies Act, 1956. It was incorporated on 24 July, 1990. The Company and its subsidiaries (herein after collectively referred to as 'the group') is primarily engaged in the business of promotion, construction and development of integrated townships, residential and commercial complexes, multi-storeyed buildings, flats, houses, apartments, shopping malls, IT parks, hotels, SEZ, etc.

The Company is a public limited company incorporated and domiciled in India. The address of its corporate office is 6th Floor, Arunachal Building, 19, Barakhamba Road, New Delhi - 110 001. The Company is listed on the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

## 2. Significant accounting policies

### 2.1 Basis of preparation

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

Upto the year ended 31 March, 2016, the group 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'). These are the group's first Ind AS financial statements. The date of transition to Ind AS is 1 April, 2015. The financial statements for the year ended 31 March, 2016 and the opening balance sheet as at 1st April, 2015 have been restated in accordance with Ind AS for comparative information. Refer Note 3 for the details of first-time adoption exemptions availed by the group and note 67 for reconciliation and explanations of the effect of the transition from Previous GAAP to Ind AS on the consolidated Balance Sheet, consolidated Statement of Profit and Loss and the consolidated Statement of Cash Flows.

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

**Group information**

The consolidated financial statements include following subsidiaries, joint ventures and associates:

| | Name of The Company | Percentage of ownership/voting rights | | |
|---|---|---|---|---|
| | | 31-Mar-17 | 31-Mar-16 | 01-Apr-15 |
| | **Subsidiaries** | | | |
| 1 | Parsvnath Landmark Developers Private Limited | 100.00% | 78.00% | 78.00% |
| 2 | Parsvnath Infra Limited | 94.87% | 94.87% | 94.87% |
| 3 | Parsvnath Film City Limited | 100.00% | 100.00% | 100.00% |
| 4 | Parsvnath Telecom Private Limited | 100.00% | 100.00% | 100.00% |
| 5 | Parsvnath Hotels Limited | 100.00% | 100.00% | 100.00% |
| 6 | PDL Assets Limited | 100.00% | 100.00% | 100.00% |
| 7 | Parsvnath Estate Developers Private Limited | 100.00% | 75.50% | 75.50% |
| 8 | Parsvnath Promoters and Developers Private Limited | 51.00% | 51.00% | 51.00% |
| 9 | Parsvnath Developers Pte. Limited | 53.32% | 53.32% | 53.32% |
| 10 | Parsvnath Heesa Developers Private Limited | 100.00% | 100.00% | 100.00% |
| 11 | Primetime Realtors Private Limited | 100.00% | 100.00% | 100.00% |
| 12 | Parsvnath Buildwell Private Limited | 90.05/50.10% | 90.05/50.10% | 90.05/50.10% |
| 13 | Parsvnath HB Projects Private Limited | 51.00% | 51.00% | 51.00% |
| 14 | Parsvnath MIDC Pharma SEZ Private Limited | 94.87% | 94.87% | 94.87% |
| 15 | Parsvnath Realcon Private Limited | 50.10% | 50.10% | 50.10% |

# Notes to consolidated financial statements

**for the year ended 31 March, 2017**

| Name of The Company | | Percentage of ownership/voting rights | | |
|---|---|---|---|---|
| | | 31-Mar-17 | 31-Mar-16 | 01-Apr-15 |
| **Subsidiaries** | | | | |
| 16 | Parsvnath Reality Ventures Limited | 100.00% | - | -% |
| 17 | Vasavi PDL Ventures Private Limited | 51.00% | - | -% |
| **Subsidiaries by virtue of Accounting Standard (Ind AS - 110) on 'Consolidated Financial Statements'** | | | | |
| 18 | Parsvnath Rail Land Project Private Limited | 28.30/85.10% | 28.30/85.10% | 28.30/85.10% |
| 19 | Aahna Realtors Private Limited | - | - | - |
| 20 | Afra Infrastructure Private Limited | - | - | - |
| 21 | Anubhav Buildwell Private Limited | - | - | - |
| 22 | Arctic Buildwell Private Limited | - | - | - |
| 23 | Arunachal Infrastructure Private Limited | - | - | - |
| 24 | BaeBuildwell Private Limited | - | - | - |
| 25 | Bakul Infrastructure Private Limited | - | - | - |
| 26 | BanitaBuildcon Private Limited | - | - | - |
| 27 | Bliss Infrastructure Private Limited | - | - | - |
| 28 | Brinly Properties Private Limited | - | - | - |
| 29 | Coral Buildwell Private Limited | - | - | - |
| 30 | Dae Realtors Private Limited | - | - | - |
| 31 | Dai Real Estates Private Limited | - | - | - |
| 32 | Dhiren Real Estates Private Limited | - | - | - |
| 33 | Digant Realtors Private Limited | - | - | - |
| 34 | Elixir Infrastructure Private Limited | - | - | - |
| 35 | Emerald Buildwell Private Limited | - | - | - |
| 36 | Evergreen Realtors Private Limited | - | - | - |
| 37 | Gem Buildwell Private Limited | - | - | - |
| 38 | Generous Buildwell Private Limited | - | - | - |
| 39 | Himsagar Infrastructure Private Limited | - | - | - |
| 40 | Izna Realcon Private Limited | - | - | - |
| 41 | Jaguar Buildwell Private Limited | - | - | - |
| 42 | Label Real Estates Private Limited | - | - | - |
| 43 | Lakshya Realtors Private Limited | - | - | - |
| 44 | LSD Realcon Private Limited | - | - | - |
| 45 | Mirage Buildwell Private Limited | - | - | - |
| 46 | Navneet Realtors Private Limited | - | - | - |
| 47 | Neelgagan Realtors Private Limited | - | - | - |
| 48 | New Hind Enterprises Private Limited | - | - | - |
| 49 | Oni Projects Private Limited | - | - | - |
| 50 | Paavan Buildcon Private Limited | - | - | - |
| 51 | Perpetual Infrastructure Private Limited | - | - | - |
| 52 | Prosperity Infrastructures Private Limited | - | - | - |
| 53 | Rangoli Infrastructure Private Limited | - | - | - |

# Notes to consolidated financial statements

**for the year ended 31 March, 2017**

| Name of The Company | | Percentage of ownership/voting rights | | |
|---|---|---|---|---|
| | | 31-Mar-17 | 31-Mar-16 | 01-Apr-15 |
| **Subsidiaries** | | | | |
| 54 | Samiksha Realtors Private Limited | - | - | - |
| 55 | Sapphire Buildtech Private Limited | - | - | - |
| 56 | Silverstreet Infrastructure PrivateLimited | - | - | - |
| 57 | Spearhead Realtors Private Limited | - | - | - |
| 58 | Springdale Realtors Private Limited | - | - | - |
| 59 | Stupendous Buildtech Private Limited | - | - | - |
| 60 | Sumeru Developers Private Limited | - | - | - |
| 61 | Trishla Realtors Private Limited | - | - | - |
| 62 | Vital Buildwell Private Limited | - | - | - |
| 63 | Yamuna Buildwell Private Limited | - | - | - |
| **Joint Venture** | | | | |
| 1 | Ratan Parsvnath Developers (AOP) | 50.00% | 50.00% | 50.00% |
| 2 | Palakkad Infrastructure Private Limited | - | - | 33.33% |
| **Associates** | | | | |
| 1 | Amazon India Limited | 48.30% | 48.30% | 48.30% |
| 2 | Home Life Real Estate Private Limited | 50.00% | 50.00% | 50.00% |
| 3 | Vardaan Buildtech Private Limited | 33.33% | 33.33% | 33.33% |

**Notes:**

1. All the above subsidiaries, joint venture and associates are engaged in the principal business of real estate development.
2. All subsidiary companies and associates are incorporated in India, except Parsvnath Developers Pte. Ltd., a subsidiary company which was incorporated in Singapore.
3. Ratan Parsvnath Developers (AOP), jointly controlled entity is an unincorporated joint venture and has been set up vide an agreement entered in India.

**2.2 Basis of measurement and presentation**

The consolidated 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

# Notes to consolidated financial statements

**for the year ended 31 March, 2017**

## 2.3 Basis of consolidation

The consolidated financial statements relates to Parsvnath Developers Limited ('the Company') and its subsidiaries. Subsidiaries are entities that are controlled by the Company. Control is achieved when the Company:

- Has power over the investee;
- Is expected, or has right, to variable returns from its involvement with the investee;
- Has the ability to use its power to affect the returns

The Company reassesses whether or not it controls an investee if facts and circumstances indicate that there are changes to one or more of the elements of control listed above.

Generally, majority of voting rights results in control. When the Company has less than majority of voting rights of an investee, the Company considers all relevant facts and circumstances assessing whether or not the Company's voting rights in an investee are sufficient to give it power over the investee, including:

- The size of the Company's holdings of voting rights relative to the size and dispersion of holdings of other vote holders;
- Potential voting rights held by the Company;
- Rights arising from other contractual arrangements;
- Any additional facts and circumstances that indicate that the Company has, or does not have, the current ability to direct the relevant activities at the time that decisions need to be made.

Consolidation of a subsidiary begins when the Company obtains control over the subsidiary and ceases when the Company loses control of the subsidiary. Specifically, income and expenses of a subsidiary acquired or disposed of during the year are included in the consolidated statement of profit and loss from the date the Company gains control until the date when the Company ceases to control the subsidiary.

Profit or loss and each component of other comprehensive income are attributed to the owners of the Company and to the non-controlling interests. Total comprehensive income of subsidiaries is attributed to the owners of the Company and to the non-controlling interests even if this results in the non-controlling interests having a deficit balance.

When necessary, adjustments are made to the financial statements of subsidiaries to bring their accounting policies into line with the Group's accounting policies.

All intragroup assets and liabilities, equity, income, expenses, and cash flows relating to transactions between members of the Group are eliminated in full on consolidation.

**Changes in the Group's ownership interests in existing subsidiaries**

Changes in the Group's ownership interests in subsidiaries that do not result in the Group losing control over the subsidiaries are accounted for as equity transactions. The carrying amounts of the Group's interests and the non-controlling interests are adjusted to reflect the changes in their relative interests in the subsidiaries. Any difference between the amount by which the non-controlling interests are adjusted and the fair value of the consideration paid or received is recognised directly in equity and attributed to owners of the Company.

When the Group loses control of a subsidiary, a gain or loss is recognised in profit or loss and is calculated as the difference between (i) the aggregate of the fair value of the consideration received andthe fair value of any retained interest and (ii) the previous carrying amount of the assets (including goodwill), and liabilities of the subsidiary and any non-controlling interests. All amounts previously recognised in other comprehensive income in relation to that subsidiary are accounted for as if the Group had directly disposed of the related assets or liabilities of the subsidiary (i.e. reclassified to profitor loss or transferred to another category of equity as specified/permitted by applicable Ind AS). The fair value of any investment retained in the former subsidiary at the date when control is lost is regarded as the fair value on initial recognition for subsequent accounting under Ind AS 109, or, when applicable, the cost on initial recognition of an investment in an associate or a joint venture.

**Consolidation procedure:**

- The financial statements of the Company and its subsidiary companies have been consolidated on a line-by-line basis by adding together the book values of like items of assets, liabilities, income and expenses, after eliminating all significant intra-group balances, intra-group transactions and unrealised profits on intra-group transactions.
- The excess of cost to the Group of its investments in the subsidiaries over its share of equity of the subsidiaries, at the dates on which the investments in the subsidiaries were made, is recognised as 'Goodwill' being an asset in the consolidated financial statements and is tested for impairment on annual basis. On the other hand, where the share of equity in the subsidiaries as on the date of investment is in excess of cost of investments of the Group, it is recognised as 'Capital Reserve' and shown under the head 'Reserves & Surplus', in the consolidated financial statements. The 'Goodwill' / 'Capital Reserve' is determined separately for each subsidiary and such amounts are not set off between different entities.

# Notes to consolidated financial statements

**for the year ended 31 March, 2017**

- Non-controlling interest in the net assets of the consolidated subsidiaries consist of the amount of equity attributable to the non-controlling shareholders at the date on which investments in the subsidiaries were made and further movements in their share in the equity, subsequent to the dates of investments. Net profit / loss for the year of the subsidiaries attributable to non-controlling interest is identified and adjusted against the profit / loss after tax of the Group in order to arrive at the income attributable to shareholders of the Company.

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

## 2.4 Revenue recognition

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

i. Revenue from real estate projects is recognised when it is reasonable certain that ultimate collection will be made. Revenue from real estate project including integrated townships is recognised on transfer of all significant risks and rewards of ownership of such property, which generally coincides execution of agreement to sell/application form (containing salient features of agreement to sell).

   Revenue from constructed properties, where the group still has obligations to perform substantial acts even after the transfer of all significant risk and rewards, is recognised by applying the percentage of completion method, provided following conditions are met as at the reporting date:

   a. all critical approvals necessary for commencement of the project have been obtained;

   b. the expenditure incurred on construction and development costs (excluding land and finance cost) is not less than 25 % of the total estimated construction and development costs;

   c. atleast 25% of the saleable project area is secured by contracts or agreements with buyers; and

   d. atleast 10% of the contract consideration as per the agreements of sale/application form are realised at the reporting date in respect of such agreement and it is reasonable to expect that parties to the agreement will comply with payment terms as defined in the agreement.

   When the outcome of a real estate project can be estimated reliably and the above conditions are satisfied, revenue is recognised by following the 'Percentage of Completion Method' of accounting. Revenue is recognised, in relation to the sold areas only, on the basis of percentage of actual cost incurred thereon (including land) as against the total estimated cost of the project under execution. The estimates of saleable area and costs are revised periodically by the management. The effect of such changes to estimates is recognised in the period such changes are determined.

ii. In case of joint development projects, wherein land owner provides land and the group acts as a developer and in lieu of land, the group 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 group has agreed to transfer certain percentage of constructed area, revenue is recognised in respect of group's share of constructed area to the extent of group'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 by customers and expenditure on account of compensation / penalty for project delays are accounted for at the time of acceptance / settlement

# Notes to consolidated financial statements

**for the year ended 31 March, 2017**

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.

### 2.5 Leasing

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

**a. As lessor**

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

**b. As lessee**

Payments for 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 the lessor's expected inflationary cost increases, lease expense is recognised as per the contractual terms. Contingent rentals arising under operating leases are recognised as an expense in the period in which they are incurred.

### 2.6 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.

### 2.7 Employee benefits

**a. Defined contribution plan**

The group's contribution to provident fund and employee state insurance scheme are considered as defined contribution plans and are charged as an expense based on the amount of contribution required to be made and when services are rendered by the employees.

**b. Defined benefit plan**

For defined benefit plan in the form of gratuity, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Remeasurement recognised in other comprehensive income is not reclassified to profit or loss in subsequent periods. Past service cost is recognised in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorised as follows:

- service cost comprising current service costs, past service costs, gains and losses on curtailments and settlements;
- net interest expense or income; and
- remeasurement

**c. Short-term and other long-term 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.

Accumulated leaves expected to be carried forward beyond twelve months, are treated as long-term employee benefits. Liability for such long term benefit is provided based on the actuarial valuation using the projected unit credit method at year-end.

### 2.8 Taxation

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

# Notes to consolidated financial statements

for the year ended 31 March, 2017

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

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

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

**Current and deferred tax for the year**

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

**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 group recognises MAT credit available as an asset only to the extent that there is convincing evidence that the respective 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 group reviews the 'MAT Credit Entitlement' asset at each reporting date and write down the asset to the extent the respective Company does not have convincing evidence that it will pay normal tax during the specified period.

**2.9 Property, plant and equipment**

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

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

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

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

**2.10 Investments in associates and joint ventures**

An associate is an entity over which the Group has significant influence. Significant influence is the power to participate in the financial and operating policy decisions of the investee but is not control or joint control over those policies.

A joint venture is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the net assets of the joint arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

The results and assets and liabilities of associates or joint ventures are incorporated in these consolidated financial statements using the equity method of accounting, except when the investment, or a portion thereof, is classified as held for sale, in which case it is accounted for in accordance with Ind AS 105. Under the equity method, an investment in an associate or a joint venture is initially recognised in the consolidated balance sheet at cost and adjusted thereafter to recognise the Group's share of the profit or loss and other comprehensive income of the associate or joint venture. Distributions received from an associate or a joint venture reduce the carrying amount of the investment. When the Group's share of losses of an associate or a joint venture exceeds the Group's interest in that associate or joint venture (which includes any long-term interests that, in substance,

# Notes to consolidated financial statements

**for the year ended 31 March, 2017**

form part of the Group's net investment in the associate or joint venture), the Group discontinues recognising its share of further losses. Additional losses are recognised only to the extent that the Group has incurred legal or constructive obligations or made payments on behalf of the associate or joint venture.

An investment in an associate or a joint venture is accounted for using the equity method from the date on which the investee becomes an associate or a joint venture. On acquisition of the investment in an associate or a joint venture, any excess of the cost of the investment over the Group's share of the net fair value of the identifiable assets and liabilities of the investee is recognised as goodwill, which is included within the carrying amount of the investment. Any excess of the Group's share of the net fair value of the identifiable assets and liabilities over the cost of the investment, after reassessment, is recognised directly in equity as capital reserve in the period in which the investment is acquired.

After application of the equity method of accounting, the Group determines whether there any is objective evidence of impairment as a result of one or more events that occurred after the initial recognition of the net investment in an associate or a joint venture and that event (or events) has an impact on the estimated future cash flows from the net investment that can be reliably estimated. If there exists such an objective evidence of impairment, then it is necessary to recognise impairment loss with respect to the Group's investment in an associate or a joint venture.

When necessary, the entire carrying amount of the investment (including goodwill) is tested for impairment in accordance with Ind AS 36 Impairment of Assets as a single asset by comparing its recoverable amount (higher of value in use and fair value less costs of disposal) with its carrying amount, Any impairment loss recognised forms part of the carrying amount of the investment. Any reversal of that impairment loss is recognised in accordance with Ind AS 36 to the extent that the recoverable amount of the investment subsequently increases.

The Group discontinues the use of the equity method from the date when the investment ceases to be an associate or a joint venture, or when the investment is classified as held for sale.

### 2.11 Interests in joint operations

A joint operation is a joint arrangement whereby the parties that have joint control of the arrangement have rights to the assets, and obligations for the liabilities, relating to the arrangement. Joint control is the contractually agreed sharing of control of an arrangement, which exists only when decisions about the relevant activities require unanimous consent of the parties sharing control.

When a group entity undertakes its activities under joint operations, the Group as a joint operator recognises in relation to its interest in a joint operation:

1. its assets, including its share of any assets held jointly;
2. its liabilities, including its share of any liabilities incurred jointly;
3. its revenue from the sale of its share of the output arising from the joint operation;
4. its share of the revenue from the sale of the output by the joint operation; and
5. its expenses, including its share of any expenses incurred jointly.

The Group accounts for the assets, liabilities, revenues, and expenses relating to its interest in a joint operation in accordance with the Ind AS applicable to the particular assets, liabilities, revenues, and expenses.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a sale or contribution of assets), the Group is considered to be conducting the transaction with the other parties to the joint operation, and gains and losses resulting from the transactions are recognised in the Group's consolidated financial statements only to the extent of other parties' interests in the joint operation.

When a group entity transacts with a joint operation in which a group entity is a joint operator (such as a purchase of assets), the Group does not recognise its share of the gains and losses until it resells those assets to a third party.

### 2.12 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.

**2.13 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:

| Asset | Useful life |
|---|---|
| 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

**2.14 Intangible assets**

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

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

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

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

**2.15 Impairment of tangible and intangible assets**

At the end of each reporting period, the group 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 group 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.

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.

**2.16 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

# Notes to consolidated financial statements

**for the year ended 31 March, 2017**

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.

### 2.17 Provisions

Provisions are recognised when the group has a present obligation (legal or constructive) as a result of a past event, it is probable that the group 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 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 group 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.

### 2.18 Contingent liabilities

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the group 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 group does not recognise a contingent liability, but discloses its existence in the financial statements.

### 2.19 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.

### 2.20 Unbilled receivables

Unbilled receivables represent revenue recognised on 'Percentage of Completion Method' less amount due from customers as per payment plans adopted by them.

### 2.21 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.

### 2.22 Foreign currency translations

The consolidated financial statements are presented in Indian Rupee, the functional currency of the group.

Transactions in foreign currencies entered into by the group are recorded at the exchange rates prevailing on the date of

# Notes to consolidated financial statements

**for the year ended 31 March, 2017**

the transaction or at rates that closely approximate the rate at the date of the transaction.

Foreign currency monetary items of the group, 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 group are recognised as income or expense in the Statement of Profit and Loss.

The financial statements of foreign subsidiaries with functional currency other than presentation currency of the group have been translated in presentation currency. Assets and liabilities of such subsidiaries have been translated to the presentation currency using exchange rate prevailing on the balance sheet date and statement of profit and loss has been translated using weighted average exchange rates during the year. Translation adjustments have been reported as foreign currency translation reserve.

### 2.23 Current/non-current classification

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

- Expected to be realised or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period;
- Cash and cash equivalents unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current

A liability is treated as current when:

- It is expected to be settled in 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.

### 2.24 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 group and the normal time between acquisition of assets and their realisation in cash or cash equivalents, the group 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.

### 2.25 Financial instruments

Financial assets and financial liabilities are recognised when the group 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 thanfinancial assets and financial liabilities at fair value through profit or loss) are added to or deductedfrom 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.

### 2.26 Financial assets

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

All recognised financial assets are subsequently measured in their entirety at either amortised cost orfair 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.

# Notes to consolidated financial statements

**for the year ended 31 March, 2017**

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 group can make an irrevocable election (on an instrument-by-instrument basis) to present the subsequent changes in fair value inother 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 group 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 group'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 group irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for investments in equity instruments which are not held for trading

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in profit or loss. The net gain or loss recognised in profit or loss incorporates any dividend or interest earned on the financial asset and is included in the 'Other income' line item. Dividend on financial assets at FVTPL is recognised when the group'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 group 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 group in accordance with the contract and all the cash flows that the group 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 group estimates cashflows 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 group 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 group 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.

# Notes to consolidated financial statements

**for the year ended 31 March, 2017**

If the group'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 group 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 group 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 group 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 group always measures the lossallowance at an amount equal to lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the group 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 group 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 group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the group retains substantially all the risks and rewards of ownership of a transferred financial asset, the group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

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

On derecognition of a financial asset other than in its entirety (e.g. when the group retains an option to repurchase part of a transferred asset), the group 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.

### 2.27 Financial liabilities and equity instruments

**Classification as debt or equity**

Debt and equity instruments issued by the group 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.

# Notes to consolidated financial statements

**for the year ended 31 March, 2017**

### 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 a group company are recognised at the proceeds received, net of direct issue costs.

Repurchase of the group's companies 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 respective Company's own equity instruments.

### Compound financial instruments

The component parts of compound financial instruments (convertible notes) issued by a group company are classified separately as financial liabilities and equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument. A conversion option that will be settled by the exchange of a fixed amount of cash or another financial asset for a fixed number of the respective Company's own equity instruments is an equity instrument.

At the date of issue, the fair value of the liability component is estimated using the prevailing market interest rate for similar non-convertible instruments. This amount is recognised as a liability on an amortised cost basis using the effective interest method until extinguished upon conversion or at the instrument's maturity date.

The conversion option classified as equity is determined by deducting the amount of the liability component from the fair value of the compound financial instrument as a whole. This is recognisedand included in equity, net of income tax effects, and is not subsequently remeasured. In addition, the conversion option classified as equity will remain in equity until the conversion option is exercised, in which case, the balance recognised in equity will be transferred to other component of equity. When the conversion option remains unexercised at the maturity date of the convertible note, the balance recognised in equity will be transferred to retained earnings. No gain or loss is recognised in profit or loss upon conversion or expiration of the conversion option.

Transaction costs that relate to the issue of the convertible notes are allocated to the liability and equitycomponents in proportion to the allocation of the gross proceeds. Transaction costs relating to the equity component are recognised directly in equity. Transaction costs relating to the liability component are included in the carrying amount of the liability component and are amortised over the lives of the convertible notes using the effective interest method.

### 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 group, and commitments issued by the group to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

### Financial liabilities at FVTPL

Financial liabilities are classified as at FVTPL when the financial liability is either contingent consideration recognised by the group 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 group 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 group as an acquirer in a business combination to which Ind AS 103 applies, maybe 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 group'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

# Notes to consolidated financial statements

for the year ended 31 March, 2017

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 group Company that are designated by the group 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**

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 group 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 ofInd 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 group derecognises financial liabilities when, and only when, the group's obligations are discharged, cancelled or have expired. An exchange between lenders 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.

# Notes to consolidated financial statements

**for the year ended 31 March, 2017**

## 3. First-time adoption - exceptions applied

### 3.1 Overall principle

Financial statements, for the year ended March 31, 2017, have been prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2016, the group prepared its consolidated financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP). The Company's consolidated opening balance sheet has been prepared as at April 1, 2015, the date of transition to Ind AS. The group has prepared the opening balance sheet as of April 1, 2015 (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. However, this principle is subject to the certain exception and certain optional exemptions availed by the group as detailed below.

### 3.2 Deemed cost for property, plant and equipment, investment property, and intangible assets

The group has elected to continue with the carrying value for all of its property, plant and equipment as recognised in the consolidated financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition. Same exemption has been used for Intangible assets and Investment Property.

### 3.3 Investments in subsidiaries

The group has availed the exemption provided in Ind AS 101 to measure all its investments in subsidiaries at the previous GAAP carrying amount at the date of transition to Ind AS.

### 3.4 Classification of debt instruments

The group has determined the classification of debt instruments in terms of whether they meet the amortised cost criteria or the FVTOCI criteria based on the facts and circumstances that existed as of the transition date.

## 4. Significant accounting judgements, estimates and assumptions

The preparation of the financial statements in conformity 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.

### 4.1 Revenue recognition

Revenue is recognised by following percentage of completion method. The percentage of completion is measured by reference to percentage cost incurred till date to estimated total cost of the project. The group Companies estimates total cost of the project at the time of launch of the project. These are reviewed at each reporting date. Significant assumptions are required in determining the stage of completion and the estimated total contract cost. These estimates are based on events existing at the end of each reporting date.

### 4.2 Net realisable value of inventory

Inventory of real estate property including work-in-progress is valued at lower of cost and net realisable value (NRV). NRV of completed property is assessed by reference to market prices existing at the reporting date and based on comparable transactions made by the group Companies and/or identified by the group 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.

### 4.3 Deferred tax assets

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

### 4.4 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

# Notes to consolidated financial statements

**for the year ended 31 March, 2017**

## 5 Property, plant and equipment

(₹ in lakhs)

| | As at 31-March-17 | As at 31-March-16 | As at 1-April-15 |
|---|---|---|---|
| **Carrying amounts of :** | | | |
| Land and building | | | |
| i. Own use | 72.81 | 74.35 | 75.94 |
| ii. Given under operating lease | 47.12 | 51.08 | 55.09 |
| Plant and equipment | 30.89 | 53.19 | 140.35 |
| Shuttering and scaffolding | - | 0.07 | 0.97 |
| Furniture and fixture | 5.09 | 10.32 | 83.34 |
| Vehicles | 474.04 | 634.52 | 796.03 |
| Office equipment | 13.67 | 31.71 | 28.77 |
| Computers | 4.07 | 4.75 | 1.24 |
| | **647.69** | **859.99** | **1,181.73** |

(₹ in lakhs)

| | Land and building | | Plant and equipment | Shuttering and scaffolding | Furniture and fixture | Vehicles | Office equipment | Computers | Total |
|---|---|---|---|---|---|---|---|---|---|
| | Own use | Given under operating lease | | | | | | | |
| **Deemed cost** | | | | | | | | | |
| Balance as at 1 April, 2015 | 75.94 | 55.09 | 140.35 | 0.97 | 83.34 | 796.03 | 28.77 | 1.24 | **1,181.73** |
| Additions | - | - | 7.57 | - | 0.06 | - | 12.14 | 6.02 | **25.79** |
| Disposals | - | - | - | - | - | 6.00 | - | - | **6.00** |
| **Balance as at 31 March, 2016** | **75.94** | **55.09** | **147.92** | **0.97** | **83.40** | **790.03** | **40.91** | **7.26** | **1,201.52** |
| Additions | - | - | - | - | - | - | 2.13 | 1.92 | **4.05** |
| Disposals | - | - | - | - | - | 54.50 | 0.38 | - | **54.88** |
| **Balance as at 31 March, 2017** | **75.94** | **55.09** | **147.92** | **0.97** | **83.40** | **735.53** | **42.66** | **9.18** | **1,150.69** |
| **Accumulated depreciation** | | | | | | | | | |
| **Balance as at 1 April, 2015** | - | - | - | - | - | - | - | - | **-** |
| Depreciation expense | 1.59 | 4.01 | 94.73 | 0.90 | 73.08 | 155.51 | 9.20 | 2.51 | **341.53** |
| Elimination on disposals of assets | - | - | - | - | - | - | - | - | **-** |
| **Balance as at 31 March, 2016** | **1.59** | **4.01** | **94.73** | **0.90** | **73.08** | **155.51** | **9.20** | **2.51** | **341.53** |
| Depreciation expense | 1.54 | 3.96 | 22.30 | 0.07 | 5.23 | 120.31 | 19.99 | 2.60 | **176.00** |
| Elimination on disposals of assets | - | - | - | - | - | 14.33 | 0.20 | - | **14.53** |
| **Balance as at 31 March, 2017** | **3.13** | **7.97** | **117.03** | **0.97** | **78.31** | **261.49** | **28.99** | **5.11** | **503.00** |
| **Carrying amount** | | | | | | | | | |
| **Balance as at 1 April, 2015** | **75.94** | **55.09** | **140.35** | **0.97** | **83.34** | **796.03** | **28.77** | **1.24** | **1,181.73** |
| Additions | - | - | 7.57 | - | 0.06 | - | 12.14 | 6.02 | **25.79** |
| Disposals | - | - | - | - | - | 6.00 | - | - | **6.00** |
| Depreciation expense | 1.59 | 4.01 | 94.73 | 0.90 | 73.08 | 155.51 | 9.20 | 2.51 | **341.53** |
| **Balance as at 31 March, 2016** | **74.35** | **51.08** | **53.19** | **0.07** | **10.32** | **634.52** | **31.71** | **4.75** | **859.99** |
| Additions | - | - | - | - | - | - | 2.13 | 1.92 | **4.05** |
| Disposals | - | - | - | - | - | 40.17 | 0.18 | - | **40.35** |
| Depreciation expense | 1.54 | 3.96 | 22.30 | 0.07 | 5.23 | 120.31 | 19.99 | 2.60 | **176.00** |
| **Balance as at 31 March, 2017** | **72.81** | **47.12** | **30.89** | **-** | **5.09** | **474.04** | **13.67** | **4.07** | **647.69** |

# Notes to consolidated financial statements

**for the year ended 31 March, 2017**

**The information regarding gross block of assets and accumulated depreciation under previous GAAP is as follows:**

(₹ in lakhs)

| | Land and building | | Plant and equipment | Shuttering and scaffolding | Furniture and fixture | Vehicles | Office equipment | Computers | Total |
|---|---|---|---|---|---|---|---|---|---|
| | Own use | Given under operating lease | | | | | | | |
| As at 1 April , 2015 | | | | | | | | | |
| Gross block | 93.90 | 80.00 | 3,170.58 | 4,120.49 | 1,388.05 | 1,461.15 | 602.43 | 420.58 | 11,337.18 |
| Accumulated depreciation | 17.96 | 24.91 | 3,030.23 | 4,119.52 | 1,304.71 | 665.12 | 573.66 | 419.34 | 10,155.45 |
| **Net block** | **75.94** | **55.09** | **140.35** | **0.97** | **83.34** | **796.03** | **28.77** | **1.24** | **1,181.73** |
| As at 31 March, 2016 | | | | | | | | | |
| Gross block | 93.90 | 80.00 | 3,010.76 | 4,120.49 | 1,386.43 | 1,382.64 | 612.92 | 424.90 | 11,112.04 |
| Accumulated depreciation | 19.55 | 28.92 | 2,957.58 | 4,120.42 | 1,376.11 | 748.12 | 581.20 | 420.15 | 10,252.05 |
| **Net block** | **74.35** | **51.08** | **53.18** | **0.07** | **10.32** | **634.52** | **31.72** | **4.75** | **859.99** |

**Notes:**

i. The Company has elected to continue with the carrying value of all of its property, plant and equipment as at the transition date of 1 April 2015 measured as per the previous GAAP and use that carrying value as its deemed cost as of the transition date.

ii. For details of assets charges as security, refer note 20 and 24

## 6 Investment property

(₹ in lakhs)

| | As at 31-March-17 | As at 31-March-16 | As at 1-April-15 |
|---|---|---|---|
| Freehold land | 524.41 | 4,754.28 | 4,585.01 |
| Buildings | 1,626.52 | 1,657.38 | 1,698.65 |
| **Completed investment properties** | **2,150.93** | **6,411.66** | **6,283.66** |

(₹ in lakhs)

| | Freehold land | | Buildings | | Total | |
|---|---|---|---|---|---|---|
| | Year ended 31 March, 2017 | Year ended 31 March, 2016 | Year ended 31 March, 2017 | Year ended 31 March, 2016 | Year ended 31 March, 2017 | Year ended 31 March, 2016 |
| **Cost or deemed Cost** | | | | | | |
| Balance at the beginning of the year | 4,754.28 | 4,585.01 | 1,688.32 | 1,698.65 | 6,442.60 | 6,283.66 |
| Additions | 145.38 | 169.27 | - | - | 145.38 | 169.27 |
| Disposals | 4,375.25 | - | - | 10.33 | 4,375.25 | 10.33 |
| **Balance at the end of the year** | **524.41** | **4,754.28** | **1,688.32** | **1,688.32** | **2,212.73** | **6,442.60** |
| **Accumulated depreciation** | | | | | | |
| Balance at the beginning of the year | - | - | 30.94 | - | 30.94 | - |
| Disposals | - | - | - | - | - | - |
| Depreciation expense | - | - | 30.86 | 30.94 | 30.86 | 30.94 |
| **Balance at the end of the year** | **-** | **-** | **61.80** | **30.94** | **61.80** | **30.94** |
| **Carrying amount** | | | | | | |
| Balance at the beginning of the year | 4,754.28 | 4,585.01 | 1,657.38 | 1,698.65 | 6,411.66 | 6,283.66 |
| Additions | 145.38 | 169.27 | - | - | 145.38 | 169.27 |
| Disposals | 4,375.25 | - | - | 10.33 | 4,375.25 | 10.33 |
| Depreciation expense | - | - | 30.86 | 30.94 | 30.86 | 30.94 |
| **Balance at the end of the year** | **524.41** | **4,754.28** | **1,626.52** | **1,657.38** | **2,150.93** | **6,411.66** |

# Notes to consolidated financial statements

**for the year ended 31 March, 2017**

**The information regarding gross block of assets and accumulated depreciation under previous GAAP is as follows:**

(₹ in lakhs)

| | Freehold land Own Use | Buildings | Total |
|---|---|---|---|
| As at 1 April , 2015 | | | |
| Gross block | 4,585.01 | 1,994.22 | 6,579.23 |
| Accumulated depreciation | - | 295.57 | 295.57 |
| **Net block** | **4,585.01** | **1,698.65** | **6,283.66** |
| As at 31 March, 2016 | | | |
| Gross block | 4,754.28 | 1,982.47 | 6,736.75 |
| Accumulated depreciation | - | 325.09 | 325.09 |
| **Net block** | **4,754.28** | **1,657.38** | **6,411.66** |

**Fair Value of the Company's investment properties**

The investment properties consist of 83 No's commercial properties in India.

As at 31 March 2017, 31 March, 2016 and 1 April, 2015, the fair values of the properties are Rs. 2,621.13 lakhs, Rs. 2,460.00 lakhs and Rs. 2,448.16 lakhs respectively. These valuations are based on valuations performed by Chartered Engineers, specialist in valuing these types of investment properties.

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

Details of the investment properties and information about the fair value hierarchy as at March 31, 2017, March 31, 2016 and April 1, 2015, are as follows

(₹ in lakhs)

| | Level 2 | Level 3 | As at 31-March-17 |
|---|---|---|---|
| Freehold land | - | **524.41** | **524.41** |
| Commercial Properties located in India | - | **2,621.13** | **2,621.13** |
| **Total** | - | **3,145.54** | **3,145.54** |

| | Level 2 | Level 3 | As at 31-March-16 |
|---|---|---|---|
| Freehold land | - | **4,754.28** | **4,754.28** |
| Commercial Properties located in India | - | **2,460.00** | **2,460.00** |
| **Total** | - | **7,214.28** | **7,214.28** |

| | Level 2 | Level 3 | As at 1-April-15 |
|---|---|---|---|
| Freehold land | - | **4,585.01** | **4,585.01** |
| Commercial Properties located in India | - | **2,448.16** | **2,448.16** |
| **Total** | - | **7,033.17** | **7,033.17** |

# Notes to consolidated financial statements

**for the year ended 31 March, 2017**

## 7 Other intangible assets

(₹ in lakhs)

| | As at 31-March-17 | As at 31-March-16 | As at 1-April-15 |
|---|---|---|---|
| **Carrying amounts of :** | | | |
| Assets on Build-operate-transfer (BOT) basis | 47,795.82 | 42,491.41 | 44,076.98 |
| **Total** | **47,795.82** | **42,491.41** | **44,076.98** |
| Intangible assets under development | 58,488.93 | 61,797.29 | 56,604.15 |
| **Total** | **58,488.93** | **61,797.29** | **56,604.15** |

(₹ in lakhs)

| | Assets on BOT basis | | |
|---|---|---|---|
| | Own use | Given under operating lease | Total |
| **Deemed cost** | | | |
| Balance as at 1 April, 2015 | - | 44,076.98 | **44,076.98** |
| Additions from internal developments | - | 1,521.03 | **1,521.03** |
| Disposals | - | 587.94 | **587.94** |
| **Balance as at 31 March, 2016** | **-** | **45,010.07** | **45,010.07** |
| Additions from internal developments | - | 7,891.64 | **7,891.64** |
| Disposals | - | - | **-** |
| **Balance as at 31 March, 2017** | **-** | **52,901.71** | **52,901.71** |
| **Accumulated amortisation** | | | |
| **Balance as at 1 April, 2015** | - | - | **-** |
| Amortisation expense | - | 2,518.66 | **2,518.66** |
| Disposal | - | - | **-** |
| **Balance as at 31 March, 2016** | **-** | **2,518.66** | **2,518.66** |
| Amortisation expense | - | 2,587.23 | **2,587.23** |
| Disposal | - | - | **-** |
| **Balance as at 31 March, 2017** | **-** | **5,105.89** | **5,105.89** |
| **Carrying amount** | | | |
| **Balance as at 1 April, 2015** | **-** | **44,076.98** | **44,076.98** |
| Additions from internal developments | - | 1,521.03 | **1,521.03** |
| Disposals | - | 587.94 | **587.94** |
| Amortisation expense | - | 2,518.66 | **2,518.66** |
| **Balance as at 31 March, 2016** | **-** | **42,491.41** | **42,491.41** |
| Additions from internal developments | - | 7,891.64 | **7,891.64** |
| Disposals | - | - | **-** |
| Amortisation expense | - | 2,587.23 | **2,587.23** |
| **Balance as at 31 March, 2017** | **-** | **47,795.82** | **47,795.82** |

# Notes to consolidated financial statements

**for the year ended 31 March, 2017**

**Notes:**

i. The Company has elected to measure all its Intangible assets as the Previous GAAP carrying amounts as at 31 March, 2015 as its deemed cost on the date of transition to Ind AS on 1 April, 2015.

ii. The movement in gross block and carrying value of intangible assets as per Previous GAAP is as under:

(₹ in lakhs)

| | Assets on BOT basis | | |
|---|---|---|---|
| | **Own use** | **Given under operating lease** | **Total** |
| As at 1 April , 2015 | | | |
| Gross block | - | 47,905.56 | 47,905.56 |
| Accumulated amortisation | - | 3,828.58 | 3,828.58 |
| **Net block** | **-** | **44,076.98** | **44,076.98** |
| As at 31 March, 2016 | | | |
| Gross block | - | 48,720.95 | 48,720.95 |
| Accumulated amortisation | - | 6,229.54 | 6,229.54 |
| **Net block** | **-** | **42,491.41** | **42,491.41** |

iii. **Significant intangible assets**

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

Intangible assets comprises buildings constructed on 'Build-operate-Transfer' (BOT) basis. The company has unconditional right to use/lease such assets during the specified period. After expiry of specified period, these assets will get transferred to the 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.

b. **Intangible assets under development**

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

## 8 Investments - Non current

**(Unquoted)**

(₹ in lakhs)

| | **As at 31-March-17** | **As at 31-March-16** | **As at 1-April-15** |
|---|---|---|---|
| A. Investments carried at cost | | | |
| i. Associates | 411.87 | 413.17 | 410.99 |
| B. Investment at fair value through profit and loss | | | |
| i. Other entities | 1,048.25 | 1,048.25 | 1,106.66 |
| | **1,460.12** | **1,461.42** | **1,517.65** |

# Notes to consolidated financial statements

**for the year ended 31 March, 2017**

**Details of investments:**

| | | | As at 31-March-17 | | As at 31-March-16 | | As at 1-April-15 | |
|---|---|---|---|---|---|---|---|---|
| | | | Qty. | Rs. in lakhs | Qty. | Rs. in lakhs | Qty. | Rs. in lakhs |
| **A** | **i.** | **Investments carried at cost - Associates** | | | | | | |
| | **(I)** | **Equity instruments** | | | | | | |
| | 1 | Amazon India Limited | | | | | | |
| | | Equity Shares of ₹ 10 each fully paid-up | 25,000 | 2.50 | 25,000 | 2.50 | 25,000 | 2.50 |
| | | Add: Goodwill on consolidation | | 210.00 | | 210.00 | | 210.00 |
| | | Add: Share in opening accumulated profits | | 40.85 | | 40.84 | | 40.83 |
| | | Add: Share in profits/(losses) of current year | | 0.01 | | 0.01 | | 0.01 |
| | | | | 253.36 | | 253.35 | | 253.34 |
| | 2 | Home Life Real Estate Private Limited | | | | | | |
| | | Equity Shares of ₹ 10 each fully paid-up | 775,000 | 77.50 | 775,000 | 77.50 | 775,000 | 77.50 |
| | | Add: share in opening accumulated profits | | 26.43 | | 24.27 | | 22.32 |
| | | Add: Share in profits/(losses) of current year | | 2.20 | | 2.17 | | 1.95 |
| | | | | 106.13 | | 103.94 | | 101.77 |
| | 3 | Vardaan Buildtech Private Limited | | | | | | |
| | | Equity Shares of ₹ 10 each fully paid-up | 32,000 | 3.20 | 32,000 | 3.20 | 32,000 | 3.20 |
| | | Add: share in opening accumulated profits | | 3.18 | | 3.18 | | 3.17 |
| | | Add: Share in profits/(losses) of current year | | - | | - | | 0.01 |
| | | | | 6.38 | | 6.38 | | 6.38 |
| | 4 | Adela Buildcon Private Limited | 5,000 | 0.50 | 5,000 | 0.50 | 5,000 | 0.50 |
| | | Equity Shares of ₹ 10 each fully paid-up | | | | | | |
| | 5 | Ashirwad Realtors Private Limited | 5,000 | 0.50 | 5,000 | 0.50 | 5,000 | 0.50 |
| | | Equity Shares of ₹ 10 each fully paid-up | | | | | | |
| | 6 | Baasima Buildcon Private Limited | 10,000 | 1.00 | 10,000 | 1.00 | 10,000 | 1.00 |
| | | Equity Shares of ₹ 10 each fully paid-up | | | | | | |
| | 7 | Baidehi Infrastructure Private Limited. | 5,000 | 0.50 | 5,000 | 0.50 | 5,000 | 0.50 |
| | | Equity Shares of ₹ 10 each fully paid-up | | | | | | |

# Notes to consolidated financial statements

**for the year ended 31 March, 2017**

| | | As at 31-March-17 | | As at 31-March-16 | | As at 1-April-15 | |
|---|---|---|---|---|---|---|---|
| | | Qty. | Rs. in lakhs | Qty. | Rs. in lakhs | Qty. | Rs. in lakhs |
| 8 | Balbina Real Estates Private Limited | 5,000 | 0.50 | 5,000 | 0.50 | 5,000 | 0.50 |
| | Equity Shares of ₹ 10 each fully paid-up | | | | | | |
| 9 | Charushila Buildwell Private Limited | 5,000 | 0.50 | 5,000 | 0.50 | 5,000 | 0.50 |
| | Equity Shares of ₹ 10 each fully paid-up | | | | | | |
| 10 | Congenial Real Estates Private Limited | 5,000 | 0.50 | 5,000 | 0.50 | 5,000 | 0.50 |
| | Equity Shares of ₹ 10 each fully paid-up | | | | | | |
| 11 | Cyanea Real Estates Private Limited | 5,000 | 0.50 | 5,000 | 0.50 | 5,000 | 0.50 |
| | Equity Shares of ₹ 10 each fully paid-up | | | | | | |
| 12 | Deborah Real Estates Private Limited | 5,000 | 0.50 | 5,000 | 0.50 | 5,000 | 0.50 |
| | Equity Shares of ₹ 10 each fully paid-up | | | | | | |
| 13 | Deleena Developers Private Limited | 5,000 | 0.50 | 5,000 | 0.50 | 5,000 | 0.50 |
| | Equity Shares of ₹ 10 each fully paid-up | | | | | | |
| 14 | Enormity Buildcon Private Limited | 5,000 | 0.50 | 5,000 | 0.50 | 5,000 | 0.50 |
| | Equity Shares of ₹ 10 each fully paid-up | | | | | | |
| 15 | Farhad Realtors Private Limited | 5,000 | 0.50 | 5,000 | 0.50 | 5,000 | 0.50 |
| | Equity Shares of ₹ 10 each fully paid-up | | | | | | |
| 16 | Gauranga Realtors Private Limited | 5,000 | 0.50 | 5,000 | 0.50 | 5,000 | 0.50 |
| | Equity Shares of ₹ 10 each fully paid-up | | | | | | |
| 17 | Gauresh Buildwell Private Limited | 5,000 | 0.50 | 5,000 | 0.50 | 5,000 | 0.50 |
| | Equity Shares of ₹ 10 each fully paid-up | | | | | | |
| 18 | Jarul Promoters & Developers Private Limited | 50,000 | 5.00 | 50,000 | 5.00 | 50,000 | 5.00 |
| | Equity Shares of ₹ 10 each fully paid-up | | | | | | |
| 19 | Jodhpur Infrastructure Private Limited | 5,000 | 0.50 | 5,000 | 0.50 | 5,000 | 0.50 |
| | Equity Shares of ₹ 10 each fully paid-up | | | | | | |
| 20 | K.B. Raltors Private Limited | 5,000 | 0.50 | 5,000 | 0.50 | 5,000 | 0.50 |
| | Equity Shares of ₹ 10 each fully paid-up | | | | | | |

# Notes to consolidated financial statements

for the year ended 31 March, 2017

| | | As at 31-March-17 | | As at 31-March-16 | | As at 1-April-15 | |
|---|---|---|---|---|---|---|---|
| | | Qty. | Rs. in lakhs | Qty. | Rs. in lakhs | Qty. | Rs. in lakhs |
| 21 | Laban Real Estates Private Limited | 5,000 | 0.50 | 5,000 | 0.50 | 5,000 | 0.50 |
| | Equity Shares of ₹ 10 each fully paid-up | | | | | | |
| 22 | Landmark Malls & Tower Private Limited | 5,000 | 0.50 | 5,000 | 0.50 | 5,000 | 0.50 |
| | Equity Shares of ₹ 10 each fully paid-up | | | | | | |
| 23 | Landmark Tawnship Planers Private Limited | 5,000 | 0.50 | 5,000 | 0.50 | 5,000 | 0.50 |
| | Equity Shares of ₹ 10 each fully paid-up | | | | | | |
| 24 | Mahanidhi Buildcon Private Limited | 5,000 | 0.50 | 5,000 | 0.50 | 5,000 | 0.50 |
| | Equity Shares of ₹ 10 each fully paid-up | | | | | | |
| 25 | Madhukanta Real Estates Private Limited | 5,000 | 0.50 | 5,000 | 0.50 | 5,000 | 0.50 |
| | Equity Shares of ₹ 10 each fully paid-up | | | | | | |
| 26 | Magic Promoters Private Limited | 5,000 | 0.50 | 5,000 | 0.50 | 5,000 | 0.50 |
| | Equity Shares of ₹ 10 each fully paid-up | | | | | | |
| 27 | Nilanchal Realtors Private Limited | 5,000 | 0.50 | 5,000 | 0.50 | 5,000 | 0.50 |
| | Equity Shares of ₹ 10 each fully paid-up | | | | | | |
| 28 | Parsvnath Biotech Private Limited | 25,000 | 2.50 | 25,000 | 2.50 | 25,000 | 2.50 |
| | Equity Shares of ₹ 10 each fully paid-up | | | | | | |
| 29 | Parsvnath Cyber city Private Limited | 10,000 | 1.00 | 10,000 | 1.00 | 10,000 | 1.00 |
| | Equity Shares of ₹ 10 each fully paid-up | | | | | | |
| 30 | Parsvnath Dehradun Info Park Prviate Limited | 25,000 | 2.50 | 25,000 | 2.50 | 25,000 | 2.50 |
| | Equity Shares of ₹ 10 each fully paid-up | | | | | | |
| 31 | Parsvnath Developers (GMBT) Private Limited | 25,000 | 2.50 | 25,000 | 2.50 | 25,000 | 2.50 |
| | Equity Shares of ₹ 10 each fully paid-up | | | | | | |
| 32 | Parsvnath Developers (SBBT) Private Limited | 20,000 | 2.00 | 20,000 | 2.00 | 20,000 | 2.00 |
| | Equity Shares of ₹ 10 each fully paid-up | | | | | | |

# Notes to consolidated financial statements

**for the year ended 31 March, 2017**

| | | As at 31-March-17 | | As at 31-March-16 | | As at 1-April-15 | |
|---|---|---|---|---|---|---|---|
| | | **Qty.** | **Rs. in lakhs** | **Qty.** | **Rs. in lakhs** | **Qty.** | **Rs. in lakhs** |
| 33 | Parsvnath Gurgaon Info Park Prviate Limited | 25,000 | 2.50 | 25,000 | 2.50 | 25,000 | 2.50 |
| | Equity Shares of ₹ 10 each fully paid-up | | | | | | |
| 34 | Parsvnath Knowledge Park Prviate Limited | 10,000 | 1.00 | 10,000 | 1.00 | 10,000 | 1.00 |
| | Equity Shares of ₹ 10 each fully paid-up | | | | | | |
| 35 | Parsvnath Indore Info Park Prviate Limited | 25,000 | 2.50 | 25,000 | 2.50 | 25,000 | 2.50 |
| | Equity Shares of ₹ 10 each fully paid-up | | | | | | |
| 36 | Parsvnath Retail Limited | 40,000 | 4.00 | 40,000 | 4.00 | 40,000 | 4.00 |
| | Equity Shares of ₹ 10 each fully paid-up | | | | | | |
| 37 | Pearl Propmart Private Limited | 5,000 | 0.50 | 5,000 | 0.50 | 5,000 | 0.50 |
| | Equity Shares of ₹ 10 each fully paid-up | | | | | | |
| 38 | P.S. Realtors Private Limited | 5,000 | 0.50 | 5,000 | 0.50 | 5,000 | 0.50 |
| | Equity Shares of ₹ 10 each fully paid-up | | | | | | |
| 39 | Rangoli Buildcon Private Limited | 5,000 | 0.50 | 5,000 | 0.50 | 5,000 | 0.50 |
| | Equity Shares of ₹ 10 each fully paid-up | | | | | | |
| 40 | Sadgati Buildcon Private Limited | 5,000 | 0.50 | 5,000 | 0.50 | 5,000 | 0.50 |
| | Equity Shares of ₹ 10 each fully paid-up | | | | | | |
| 41 | Scorpio Realtors Private Limited | 5,000 | 0.50 | 5,000 | 0.50 | 5,000 | 0.50 |
| | Equity Shares of ₹ 10 each fully paid-up | | | | | | |
| 42 | Snigdha Buildwell Private Limited | 5,000 | 0.50 | 5,000 | 0.50 | 5,000 | 0.50 |
| | Equity Shares of ₹ 10 each fully paid-up | | | | | | |
| 43 | Suksma buildtech Private Limited | 5,000 | 0.50 | 5,000 | 0.50 | 5,000 | 0.50 |
| | Equity Shares of ₹ 10 each fully paid-up | | | | | | |
| 44 | Timebound Contracts Private Limited | 50,000 | 5.00 | 50,000 | 5.00 | 50,000 | 5.00 |
| | Equity Shares of ₹ 10 each fully paid-up | | | | | | |
| 45 | Panchvati Buildwell Private Limited | - | - | 5,000 | 0.50 | 5,000 | 0.50 |
| | Equity Shares of ₹ 10 each fully paid-up | | | | | | |

# Notes to consolidated financial statements

**for the year ended 31 March, 2017**

| | | | As at 31-March-17 | | As at 31-March-16 | | As at 1-April-15 | |
|---|---|---|---|---|---|---|---|---|
| | | | Qty. | Rs. in lakhs | Qty. | Rs. in lakhs | Qty. | Rs. in lakhs |
| | 46 | Parsvnath Realty Ventures Limited | - | - | 25,000 | 1.50 | 25,000 | 1.50 |
| | | Equity Shares of ₹ 10 each fully paid-up | | | | | | |
| | 47 | Parikrama Infrastructure Private Limited | - | - | 5,000 | 0.50 | 5,000 | 0.50 |
| | | Equity Shares of ₹ 10 each fully paid-up | | | | | | |
| | 48 | Prasidhi Developers Private Limited | - | - | 5,000 | 0.50 | 5,000 | 0.50 |
| | | Equity Shares of ₹ 10 each fully paid-up | | | | | | |
| | 49 | Prastut Real Estates Private Limited | - | - | 5,000 | 0.50 | 5,000 | 0.50 |
| | | Equity Shares of ₹ 10 each fully paid-up | | | | | | |
| | | **Total -A** | | **411.87** | | **413.17** | | **410.99** |
| **B.** | **Investments at fair value through profit and loss** | | | | | | | |
| | **Other entities** | | | | | | | |
| | **(I)** | **Equity instruments** | | | | | | |
| | a. | Delhi Stock Exchange Limited | 1,496,500 | 1,047.55 | 1,496,500 | 1,047.55 | 1,496,500 | 1,047.55 |
| | | Equity Shares of Re. 1 each fully paid-up | | | | | | |
| | b. | Nakshatra Residency Private Limited | 5,000 | 0.50 | 5,000 | 0.50 | 5,000 | 0.50 |
| | | Equity Shares of ₹ 10 each fully paid-up | | | | | | |
| | c. | Aadi Best Consortium Private Limited | 1,000 | 0.10 | 1,000 | 0.10 | 1,000 | 0.10 |
| | | Equity Shares of ₹ 10 each fully paid-up | | | | | | |
| | d. | Jaipur Stock Exchange Limited | - | - | - | - | 324,500 | 58.41 |
| | | Equity Shares of Re. 1 each fully paid-up | | | | | | |
| | e. | Riya Garments Private Limited | 5,000 | 0.10 | 5,000 | 0.10 | 5,000 | 0.10 |
| | | Equity Shares of ₹ 10 each fully paid-up | | | | | | |
| | | **Total -B** | | **1,048.25** | | **1,048.25** | | **1,106.66** |
| | | **TOTAL INVESTMENTS CARRYING VALUE (A+B)** | | **1,460.12** | | **1,461.42** | | **1,517.65** |
| | | **Aggregate book value of quoted investments** | | - | | - | | - |
| | | **Aggregate market value of quoted investments** | | - | | - | | - |
| | | **Aggregate carrying value of unquoted investments** | | **1,460.12** | | **1,461.42** | | **1,517.65** |

# Notes to consolidated financial statements

**for the year ended 31 March, 2017**

## 9 Loans

(₹ in lakhs)

| Particulars | | As at 31-March-17 | As at 31-March-16 | As at 1-April-15 |
|---|---|---|---|---|
| **Current** | | | | |
| **(unsecured, considered good)** | | | | |
| a. | Loans and advances to employees | 19.08 | 18.93 | 19.20 |
| b. | Loans to directors and other officers | - | 340.56 | 173.14 |
| c. | Loans to Others | 2,303.87 | 2,449.67 | - |
| | | **2,322.95** | **2,809.16** | **192.34** |

## 10 Other financial assets

(₹ in lakhs)

| Particulars | | As at 31-Mar-17 | As at 31-March-16 | As at 1-April-15 |
|---|---|---|---|---|
| **I** | **Non-Current** | | | |
| a. | Security deposits | 3,798.93 | 3,760.37 | 3,736.61 |
| b. | Deposit with Banks held under lien | 4,285.85 | - | - |
| c. | Interest accrued on deposits with banks | 7.79 | 0.04 | 85.05 |
| d. | Claim for refund on deemed cancellation of a project (Refer note 46) | 129,472.18 | 129,472.18 | - |
| e. | Others (refer note 43) | 4,825.84 | 4,825.84 | 4,825.88 |
| | | **142,390.59** | **138,058.43** | **8,647.54** |
| **II** | **Current** | | | |
| a. | Security deposits | 1,447.40 | 1,477.59 | 1,749.69 |
| b. | Interest receivables :- | | | |
| | i. Interest accrued on deposits with banks | 196.68 | 300.07 | 611.29 |
| c. | Receivables on sale of fixed assets / investments | 1,514.36 | 1,450.00 | 1,450.00 |
| d. | Advances to others | 752.85 | 750.00 | 750.60 |
| e. | Other receivables (refer note 42) | 14,765.24 | 14,267.65 | 14,450.16 |
| | | **18,676.53** | **18,245.31** | **19,011.74** |

## 11 Deferred tax assets (net)

(₹ in lakhs)

| Particulars | As at 31-Mar-17 | As at 31-March-16 | As at 1-April-15 |
|---|---|---|---|
| Deferred tax assets | 10,244.42 | 8,185.30 | 10,506.86 |
| Deferred tax liabilities | 3,043.86 | 2,639.79 | 134.96 |
| **Net deferred tax assets** | **7,200.56** | **5,545.51** | **10,371.90** |

# Notes to consolidated financial statements

**for the year ended 31 March, 2017**

(₹ in lakhs)

| Year ended 31 March, 2017 | Opening Balance | Recognised in Profit or loss | Recognised in other comprehensive Income | Others (see note 50) | Closing balance |
|---|---|---|---|---|---|
| **Deferred tax assets in relation to:** | | | | | |
| Property, plant and equipment | (2,639.79) | (404.07) | - | - | (3,043.86) |
| Defined benefit obligation | 225.62 | (20.92) | 8.46 | - | 213.16 |
| | (2,414.17) | (424.99) | 8.46 | - | (2,830.70) |
| Unabsorbed depreciation and tax losses | 7,959.68 | 2,071.58 | - | - | 10,031.26 |
| | **5,545.51** | **1,646.59** | **8.46** | **-** | **7,200.56** |

(₹ in lakhs)

| Year ended 31 March, 2016 | Opening Balance | Recognised in Profit or loss | Recognised in other comprehensive Income | Others (see note 50) | Closing balance |
|---|---|---|---|---|---|
| Deferred tax assets in relation to: | | | | | |
| Property, Plant and equipment | (134.96) | (2,504.83) | - | - | (2,639.79) |
| Defined benefit obligation | 249.57 | (20.22) | (3.73) | - | 225.62 |
| | 114.61 | (2,525.05) | (3.73) | - | (2,414.17) |
| Unabsorbed depreciation and tax losses | 10,257.29 | 4,163.16 | | (6,460.77) | 7,959.68 |
| | **10,371.90** | **1,638.11** | **(3.73)** | **(6,460.77)** | **5,545.51** |

**Notes:**

1 The group has tax losses of ₹ 32,463.62 lakhs (31 March, 2016 - ₹ 25,759.48 lakhs, 1 April, 2015 - ₹ 12,286.44 lakhs) that are available for offsetting for eight years against future taxable income of the respective Companies. The losses will expire as under:

| | Amount |
|---|---|
| Year ending 31 March, 2023 | 12,286.44 |
| Year ending 31 March, 2024 | 13,473.04 |
| Year ending 31 March, 2025 | 6,704.14 |
| | **32,463.62** |

2 The group has recognised deferred tax assets on its unabsorbed depreciation and business losses carried forward. The group companies have executed flat / plot sale agreements with the customers against which the group has also received advances, as disclosed in Note 23 of the financial statements. Revenue in respect of such sale agreements will get recognised in future years on percentage completion method. Based on these sale agreements, the group has certainty as on the date of the balance sheet, that there will be sufficient taxable income available to realise such assets in the near future. Accordingly, the group has created deferred tax assets on its carried forward unabsorbed depreciation and business losses.

3 The recognition of deferred tax assets on unabsorbed depreciation and tax losses is based on detailed budgets prepared by the respective companies has been approved by their board of directors.

# Notes to consolidated financial statements

**for the year ended 31 March, 2017**

## 12 Other assets

(₹ in lakhs)

| Particulars | | | As at 31-Mar-17 | As at 31-March-16 | As at 1-April-15 |
|---|---|---|---|---|---|
| I | Non-Current | | | | |
| | a. | Capital advances | 229.28 | 249.21 | 1,554.73 |
| | b. | Advances for land purchase to related parties | 1.07 | 372.98 | 222.98 |
| | c. | Advances for land purchase to others | 6,308.18 | 7,087.81 | 13,464.14 |
| | d. | Upfront fee paid for projects (Unamortised) | 25,798.93 | 19,127.52 | 20,065.61 |
| | e. | Prepaid expenses | 192.44 | 198.34 | 204.26 |
| | f. | Mat credit entitlement | 2,636.55 | 2,636.54 | 35.49 |
| | g. | Others | 389.99 | 392.49 | 303.33 |
| | | | **35,556.44** | **30,064.89** | **35,850.54** |
| II | Current | | | | |
| | a. | Advances for land purchase to others | 7,364.20 | 6,803.62 | 122,946.79 |
| | b. | Amounts due from customers under construction contracts | 10.00 | 18.43 | - |
| | c. | Upfront fee paid for projects (Unamortised) | 2,836.53 | 173.77 | - |
| | d. | Prepaid expenses | 1,476.74 | 1,269.38 | 1,192.87 |
| | e. | CENVAT credit receivable | 2,517.69 | 2,480.52 | 2,528.37 |
| | f. | Advances to suppliers | 7,454.52 | 5,132.67 | 5,403.95 |
| | g. | Unbilled receivables | 38,461.76 | 28,464.36 | 23,292.53 |
| | h. | Others | 125.20 | 692.69 | 658.40 |
| | | | **60,246.64** | **45,035.44** | **156,022.91** |
| | | | **95,803.08** | **75,100.33** | **191,873.45** |

## 13 Inventories

(₹ in lakhs)

| Particulars | | As at 31-Mar-17 | As at 31-March-16 | As at 1-April-15 |
|---|---|---|---|---|
| Inventories (lower of cost and net realisable value) | | | | |
| a. | Work-in-progress | 326,474.43 | 293,857.10 | 291,742.08 |
| b. | Finished flats/properties | 6,199.00 | 3,832.03 | 3,943.79 |
| | | **332,673.43** | **297,689.13** | **295,685.87** |

Note:
The Company has classified its inventory of work-in-progress and finished properties as current. Details of inventories expected to be realised after more than 12 months from the reporting date is as under:

| Particulars | As at 31-Mar-17 | As at 31-March-16 | As at 1-April-15 |
|---|---|---|---|
| Less than 12 months | 30,000.00 | 17,000.00 | 27,000.00 |
| More than 12 months | 3,02,673.43 | 2,80,689.13 | 2,68,685.87 |
| | **3,32,673.43** | **297,689.13** | **2,95,685.87** |

# Notes to consolidated financial statements

**for the year ended 31 March, 2017**

## 14 Trade receivables

(₹ in lakhs)

| Particulars | As at 31-Mar-17 | As at 31-March-16 | As at 1-April-15 |
|---|---|---|---|
| Unsecured, considered good | | | |
| Trade receivables (see note 48) | 63,039.61 | 65,893.61 | 64,254.03 |
| | **63,039.61** | **65,893.61** | **64,254.03** |

Notes:

1. The average credit period is 30 to 45 days. For payments, beyond credit period, interest is charged at 12 to 18% per annum on outstanding balances.
2 The real estate sales are made on the basis of cash down payment or construction linked payment plans. In case of construction linked payment plans, invoice is raised on the customer in accordance with milestones achieved as per the flat buyer agreement. The final possession of the property is offered to the customer subject to payment of full value of consideration. The possession of the property remains with the Company till full payment is realised. Accordingly, the Company does not expects any credit losses.

## 15 Cash and cash equivalents

(₹ in lakhs)

| Particulars | As at 31-Mar-17 | As at 31-March-16 | As at 1-April-15 |
|---|---|---|---|
| A. Balances with banks:- | | | |
| i. In current accounts | 1,032.96 | 2,772.96 | 9,077.57 |
| ii. In deposit accounts | - | 254.59 | 8,902.50 |
| B. Cheques, draft on hand | 6.00 | 1.27 | 114.12 |
| C. Cash on hand | 363.27 | 709.23 | 544.95 |
| | **1,402.23** | **3,738.05** | **18,639.14** |

Specified Bank notes Disclosure (SBNs)

In accordance with the MCA Notification G.S.R. 308 (E) dated 30 March, 2017, details of Specified Bank Notes (SBN) and Other Denomination Notes (ODN) held and transacted during the period from 8 November, 2016 to 30 December, 2016, is given below :

(₹ in lakhs)

| | Particulars | SBNs | ODNs | Total |
|---|---|---|---|---|
| | Closing Cash on hand as on 8 November, 2016 | 637.37 | 65.17 | 702.54 |
| (+) | Permitted receipts | - | 56.67 | 56.17 |
| (-) | Permitted Payments | 8.10 | 65.18 | 73.28 |
| (-) | Amount Deposited in Banks | 629.27 | - | 629.27 |
| | **Closing Cash on hand as on 30 December, 2016** | **-** | **56.16** | **56.16** |

Note:

For the purposes of this note, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated the 8 November, 2016.

## 16 Bank balances, other than Cash and cash equivalents

(₹ in lakhs)

| Particulars | As at 31-Mar-17 | As at 31-March-16 | As at 1-April-15 |
|---|---|---|---|
| A. Deposits with banks held as margin money or security against borrowings or guarantees | 5,388.27 | 13,556.31 | 11,596.08 |
| B. Balances with banks in earmarked accounts | | | |
| - Unpaid dividend accounts | - | - | 23.57 |
| | **5,388.27** | **13,556.31** | **11,619.65** |

# Notes to consolidated financial statements

for the year ended 31 March, 2017

## 17 Current tax assets and liabilities

(₹ in lakhs)

| Particulars | | As at 31-Mar-17 | As at 31-March-16 | As at 1-April-15 |
|---|---|---|---|---|
| **I.** | **Current tax assets** | | | |
| | Tax refund receivables | 3,101.18 | 2,572.63 | - |
| | | **3,101.18** | **2,572.63** | **-** |
| **II.** | **Current tax liabilities** | | | |
| | Tax payable/provisions | - | - | 4,725.02 |
| | | **-** | **-** | **4,725.02** |

## 18 Equity share capital

| Particulars | | As at 31-Mar-17 | | As at 31-March-16 | | As at 1-April-15 | |
|---|---|---|---|---|---|---|---|
| | | Number of shares | ₹ in lakhs | Number of shares | ₹ in lakhs | Number of shares | ₹ in lakhs |
| **Authorised Share Capital** | | | | | | | |
| i. | Equity shares of ₹ 5 each | 60,00,00,000 | 30,000.00 | 60,00,00,000 | 30,000.00 | 60,00,00,000 | 30,000.00 |
| ii. | Preference shares of ₹ 5 each | 5,00,00,000 | 5,000.00 | 50,000,000 | 5,000.00 | 50,000,000 | 5,000.00 |
| | | **65,00,00,000** | **35,000.00** | **65,00,00,000** | **35,000.00** | **65,00,00,000** | **35,000.00** |
| | | | | | | | |
| **Issued, subscribed and fully paid-up capital** | | | | | | | |
| i. | Equity shares of ₹ 5 each | 43,51,81,170 | 21,759.06 | 43,51,81,170 | 21,759.06 | 43,51,81,170 | 21,759.06 |
| | | **43,51,81,170** | **21,759.06** | **43,51,81,170** | **21,759.06** | **43,51,81,170** | **21,759.06** |

**Refer notes (i) to (iv) below:**

**(i) Rights, preferences and restrictions attached to equity shares:**

The Company has issued only one class of equity shares having a par value of ₹ 5 per share. Each holder of equity shares is entitled to one vote per share held. The dividend, if any, proposed by the Board of Directors is subject to approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(ii) Reconciliation of share capital:**

| Particulars | Number of Shares | Share Capital ₹/lakhs |
|---|---|---|
| Balance as at 1 April , 2015 | 43,51,81,170 | 21,759.06 |
| Movements during the year | - | - |
| Balance as at 31 March , 2016 | **43,51,81,170** | **21,759.06** |
| Movements during the year | - | - |
| Balance as at 31 March, 2017 | **43,51,81,170** | **21,759.06** |

# Notes to consolidated financial statements

**for the year ended 31 March, 2017**

**(iii) Details of shares held by each shareholder holding more than 5% of total share capital:**

| | Name of shareholder | As at March 31, 2017 Number of shares held | As at March 31, 2017 % holding of equity shares | As at March 31, 2016 Number of shares held | As at March 31, 2016 % holding of equity shares | As at 1-April-15 Number of shares held | As at 1-April-15 % holding of equity shares |
|---|---|---|---|---|---|---|---|
| **Equity shares of ₹ 5 each, fully paid up:** | | | | | | | |
| i. | Pradeep Kumar Jain & Sons (HUF) | 10,01,57,571 | 23.02 | 100,406,571 | 23.07 | 112,016,571 | 25.74 |
| ii. | Pradeep Kumar Jain | 11,71,56,162 | 26.92 | 115,470,317 | 26.53 | 113,916,669 | 26.18 |
| iii. | Parasnath And Associates Private Limited | 4,71,86,992 | 10.84 | 46,277,992 | 10.63 | 47,277,992 | 10.86 |
| iv. | Nutan Jain | 4,49,11,886 | 10.32 | 45,045,974 | 10.35 | 45,045,974 | 10.35 |
| v. | Fidelity Securities Fund - Fidelity Blue Chip Growth Fund * | - | - | 21,771,340 | 5.00 | 21,771,340 | 5.00 |

* Equity holding reduced to 1,89,30,597 equity shares equivalent to 4.35% of total share capital as at 31 March, 2017.

**(iv) The Company has not issued any preference share capital.**

## 19 Other Equity

(₹ in lakhs)

| | As at 31-Mar-17 | As at 31-March-16 | As at 1-April-15 |
|---|---|---|---|
| Capital Reserve | 2,045.60 | 2,388.87 | 2,388.87 |
| Captial Redemption Reserve | 230.00 | 230.00 | 230.00 |
| Securities premium reserve | 145,591.47 | 145,591.47 | 145,591.47 |
| Debenture redemption reserve | 14,302.50 | 1,500.00 | 1,500.00 |
| Foreign Currency Translation Reserve | (13.91) | 18.11 | (9.49) |
| General Reserve | 9,310.00 | 9,310.00 | 9,310.00 |
| Retained earnings | 54,924.60 | 82,183.12 | 85,899.11 |
| Other comprehensive income | 69.72 | 88.64 | 80.31 |
| | **226,459.98** | **241,310.21** | **244,990.27** |
| **Capital Reserve** | | | |
| Balance at the beginning of the year | 2,388.87 | 2,388.87 | 2,388.87 |
| Add/(Less): Adjusted upon further acquisition of shares of a subsidiary | (343.27) | - | - |
| **Balance at the end of the year** | **2,045.60** | **2,388.87** | **2,388.87** |
| **Captial Redemption Reserve** | | | |
| Balance at the beginning of the year | 230.00 | 230.00 | 230.00 |
| **Balance at the end of the year** | **230.00** | **230.00** | **230.00** |

# Notes to consolidated financial statements

**for the year ended 31 March, 2017**

(₹ in lakhs)

| | As at 31-Mar-17 | As at 31-March-16 | As at 1-April-15 |
|---|---|---|---|
| **Securities premium Reserve** | | | |
| Balance at the beginning of the year | 145,591.47 | 145,591.47 | 145,591.47 |
| **Balance at the end of the year** | **145,591.47** | **145,591.47** | **145,591.47** |
| **Debenture Redemption Reserve** | | | |
| Balance at the beginning of the year | 1,500.00 | 1,500.00 | 1,500.00 |
| Add : Transferred from retained earnings | 12,802.50 | - | - |
| **Balance at the end of the year** | **14,302.50** | **1,500.00** | **1,500.00** |
| **Foreign Currency Translation Reserve** | | | |
| Balance at the beginning of the year | 18.11 | (9.49) | 2.72 |
| Add/(less): Effect of exchange rate variations during the year | (32.02) | 27.60 | (12.21) |
| **Balance at the end of the year** | **(13.91)** | **18.11** | **(9.49)** |
| **General Reserve** | | | |
| Balance at the beginning of the year | 9,310.00 | 9,310.00 | 9,310.00 |
| **Balance at the end of the year** | **9,310.00** | **9,310.00** | **9,310.00** |
| **Retained earnings** | | | |
| Balance at the beginning of the year | 82,183.12 | 85,899.11 | - |
| Add: Profit for the year | (14,456.02) | (3,715.99) | - |
| Less: Transferred to Debenture Redemption Reserve | 12,802.50 | - | - |
| **Balance at the end of the year** | **54,924.60** | **82,183.12** | **-** |
| **Other comprehensive income** | | | |
| Balance at the beginning of the year | 88.64 | 80.31 | - |
| Add: Remeasurement of defined benefit obligation | (18.92) | 8.33 | - |
| (net of income tax) | 69.72 | 88.64 | - |

**Nature and purpose of reserves:**

a. Capital reserve - Capital reserve represents excess of share of equity in the subsidiaries as on the date of investment in excess of cost of investment of the group, as adjusted for changes in group share in the subsidiaries.

b. Capital redemption reserve - The amount was transferred from retained earnings. The amount of reserve is equal to nominal value of equity shares brought back by the group.

c. General reserve - The group has transferred a part of the net profit of the Company to general reserve in earlier years.

d. Securities premium reserve - The amount received in excess of the face value of the equity shares issued by the group is recognised in securities premium reserve.

e. Debenture redemption reserve - The amount has recognised debenture redemption reserve from its retained earnings. The amount of reserve is equivalent to 25% of the value of redeemable debentures issued by the group. The reserve is to be utilised for the purpose of redemption of debentures.

# Notes to consolidated financial statements

**for the year ended 31 March, 2017**

f. Retained earnings - Retained earnings are profits of the group earned till date less transferred to general reserve and debenture redemption reserve.

g. Foreign currency translation reserve - It represents exchange difference on translation of financial statements of a foreign subsidiary.

## 20 Non-current borrowings

(₹ in lakhs)

| | As at 31-March-17 | | As at 31-March-16 | | As at 1-April-15 | |
|---|---|---|---|---|---|---|
| | Non Current | Current | Non Current | Current | Non Current | Current |
| **Secured - at amortised cost** | | | | | | |
| (i) Debentures | | | | | | |
| 18.00% Non-convertible redeemable debentures (Series XII) | - | - | - | - | - | 128.57 |
| 18.00% Non-convertible redeemable debentures (Series XIII) | - | - | - | - | - | 2,442.86 |
| 13.00% Non-convertible redeemable debentures (Series XIV) | 35,198.16 | - | 35,017.10 | - | 34,835.55 | - |
| 16.00% Non-convertible Redeemable debentures (Series XIV) | 20,177.98 | - | - | | - | - |
| 15.00% Non-convertible Redeemable debentures | 36,000.00 | - | 36,000.00 | - | 36,000.00 | - |
| 15.50% Non-convertible Redeemable debentures (Series B) | 24,439.00 | - | 24,439.00 | - | 24,439.00 | - |
| 21.00% Non-convertible Redeemable debentures | - | - | 21,000.00 | - | 21,000.00 | - |
| 19.00% Non-convertible redeemable debentures (Series XV) | 615.56 | - | - | - | - | - |
| 19.00% Non-convertible redeemable debentures (Series XVI) | 1,093.22 | - | - | - | - | - |
| | 117,523.92 | - | 116,456.10 | - | 116,274.55 | 2,571.43 |
| (ii) Term loans | | | | | | |
| from banks | 950.00 | 212.50 | 3,963.29 | 3,580.28 | 1,176.00 | 10,581.84 |
| from financial institutions / other parties | 166,336.54 | 19,183.94 | 66,121.88 | 20,396.23 | 40,933.95 | 19,066.70 |
| **Total Securesnon-current borrowings** | **284,810.46** | **19,396.44** | **186,541.27** | **23,976.51** | **158,384.50** | **32,219.97** |
| **Unsecured:** | | | | | | |
| (i) Debentures | | | | | | |
| 15.25% Compulsorily Convertible debentures | - | - | 7,578.26 | - | 7,578.26 | - |
| 15.50% Fully Convertible debentures | - | - | 11,177.50 | - | 11,177.50 | - |
| 16.00% Fully Convertible debentures (Series I) | 9,340.73 | - | 9,340.73 | - | 9,340.73 | - |
| 16.00% Fully Convertible debentures (Series II) | 8,792.66 | - | 8,792.66 | - | 8,792.66 | - |
| 17.25% Fully Convertible debentures (Series 'B') | - | - | 2,500.00 | - | 2,500.00 | - |
| 17.75% Fully Convertible debentures (Series 'C') | - | - | 1,740.00 | - | 1,740.00 | - |
| 00.10% Optional convertible debentures (Series X) | 6,550.00 | - | 6,550.00 | - | 6,550.00 | - |
| 00.10% Optional convertible debentures (Series Y) | 16,000.00 | - | 16,000.00 | - | 16,000.00 | - |
| | 40,683.39 | - | 63,679.15 | - | 63,679.15 | - |

# Notes to consolidated financial statements

**for the year ended 31 March, 2017**

| | | | | | | |
|---|---|---|---|---|---|---|
| (ii) Inter corporate deposits | 154.73 | - | 141.96 | - | 130.21 | - |
| | **40,838.12** | **-** | **63,821.11** | **-** | **63,809.36** | **-** |
| **Total non-current borrowings** | **325,648.58** | **19,396.44** | **250,362.38** | **23,976.51** | **222,193.86** | **32,219.97** |
| Less amount disclosed under "other financial liabilities" (refer Note 21 (ii)) | - | 19,396.44 | - | 23,976.51 | - | 32,219.97 |
| | **325,648.58** | **-** | **250,362.38** | **-** | **222,193.86** | **-** |

**Summary of Borrowings arrangements**

(i) The terms of borrowings are stated below:

**As at 31 March, 2017**

(₹ in lakhs)

| | **Security details** | **Amount Outstanding (Rs in Lakhs)** | | | **Rate of Interest** |
|---|---|---|---|---|---|
| | | **As at 31-March-17** | **As at 31-March-16** | **As at 1-April-15** | |
| | **Debentures :** | | | | |
| a. | 13% NCDs of Rs. 35500 lakhs were issued during the year ended 31 March 2015. NCDs are secured by (a) Pledge of certain equity shares of the Company held by promotors group (b) first charge by way of mortgage over a property situated in Parsvnath City Dharuhera, Rahukhedi Indore (c) first charge by way of mortgage over Rohini project and land at Jodhpur (d) second charge on receivables of DMRC projects (i) Azadpur metro station (ii) games village metro station (iii) Seelampur metro station annexe (iv) Seelampur metro station box (v) Inderlok metro station annexe (vi) Inderlok metro station box (vii) Kashmere gate metro station box and (viii) Shahdara metro station. (e)Personal guarantee of Chairman. These NCDs are redeemable in 4 quarterly instalments commencing from July, 2018. | 35,500.00 | 35,500.00 | 35,500.00 | 13.00% |
| b. | 16% Redeemable NCDs of Rs. 20,000 Lakhs were issued by a subsidiary company during the year ended 31 March, 2017. NCDs are secured by i) first charge over the subsidiary's assets, present and future, including underlying land of the project and Jodhpur project of the company; (b) first charge over all accounts established in relation to the proceeds of the Project and the Debentures, cash flows and distributions, agreements and other rights and properties of the subsidiary company and all monies, securities, instruments and/or cash equivalents deposited or required to be deposited in the bank accounts of the subsidiary company; and (c) first charge over all receivables of the Project and Jodhpur Project (specified units); (d) first charge over (i) all shareholder loans advanced to the Company; (ii) the subsidiary company's rights and interests under all Approvals, Insurance Contracts, Project Documents and any completion guarantees provided in relation to Project Documents; (iii) pledge over all shareholding of the subsidiary held by the Company; and (iv) guarantees given by the holding company and personal guarantee of Chairman. These NCDs are repayble on the expiry of 36 months from the date of issue and can be extended for a period of 6 months at the option of the Debenture Holders. | 20,000.00 | - | - | 16.00% |

# Notes to consolidated financial statements

for the year ended 31 March, 2017

| | | | | | |
|---|---|---|---|---|---|
| c. | 15.00% NCDs of Rs. 36,000 lakhs were issued by a subsidiary company during the year ended 31 March, 2013. The NCDs are secured by (a) first charge by way of hypothecation of assets, contracts receivables, all present and future book debts, outstandings, monies receivables, claims and receivables of the said subsidiary company together with all and any interest accruing thereon, (b) first and exclusive charge over the leasehold rights of the said subsidiary company in respect of site parcels already leased / to be leased by RLDA. These NCDs are redeemable after the expiry of a period of 36 months but before the expiry of 120 months from the date of allotment i.e. 20 December, 2012. | 36,000.00 | 36,000.00 | 36,000.00 | 15.00% |
| d. | 15.50% NCDs of Rs. 24,439 lakhs were issued by a subsidiary company during the year ended 31 March, 2014. The NCDs are secured by (a) second charge by way of hypothecation of assets, contracts receivables, all present and future book debts, outstandings, monies receivables, claims and receivables of the said subsidiary company together with all and any interest accruing thereon, (b) second charge over the leasehold rights of the said subsidiary company in respect of site parcels already leased / to be leased by RLDA. These NCDs are redeemable after the expiry of a period of 36 months but before the expiry of 120 months from the date of allotment i.e. 21 August, 2013. | 24,439.00 | 24,439.00 | 24,439.00 | 15.50% |
| | 21% NCDs of Rs. 21,000 lakhs were issued by a subsidiary company during the year ended 31 March, 2014. The NCDs are secured by first ranking and exclusive charge and hypothecation of (a) monies and investments made by the said subsidiary company and on all receivables, subject to payment obligation owned by the subsidiary company to Delhi Metro Rail Corporation (DMRC) under the Concession Agreement entered by subsidiary Company with DMRC, and (b) Bank accruals and floating charge on all other assets of the subsidiary company. The NCDs are further secured by corporate guarantee of the Company, pledge of equity shares, share warrants and optionally convertible debentures to the extent of its holding in that subsidiary company and personal guarantee of Chairman. These NCDs are redeemable after the expiry of a period of 12 months but before the expiry of 42 months from the date of allotment i.e. 5 February, 2014. The NCDs were fully repaid during the year. | - | 21,000.00 | 21,000.00 | 21.00% |
| e. | 19% NCDs of Rs.616 lakhs were issued during the year ended 31 March 2017. The NCDs are secured by (a) 1st pari passu charge by way of Mortgage over development rights of Palacia Project situated in Greater Noida U.P.(b) Mortgage of Residential Plots at Gurgaon (c) charge on receivables of these projects and (d) personal guarantee of Chairman, Managing Director and a wholetime Director of the company. These NCDs are redeemable in 2 quarterly instalments commencing from April, 2018. | 616.00 | - | - | 19.00% |

# Notes to consolidated financial statements

for the year ended 31 March, 2017

| | | | | | |
|---|---|---|---|---|---|
| f. | 19% NCDs of Rs.616 lakhs were issued during the year ended 31 March 2017. The NCDs are secured by (a) 1st pari passu charge by way of Mortgage over development rights of Palacia Project situated in Greater Noida U.P.(b) Mortgage of Residential Plots at Gurgaon (c) charge on receivables of these projects and (d) personal guarantee of Chairman, Managing Director and a wholetime Director of the company. These NCDs are redeemable in 11 quarterly instalments commencing from April, 2018. | 1,094.00 | - | - | 19% |
| | 18% NCDs of Rs.300 lakhs were issued during the year ended 31 March 2014. The NCDs are secured by 1st pari passu charge by way of Mortgage over development rights of Exotica Gurgaon Project, and all unsold units developed/being developed of the project by the company, Parsvnath Hessa Developers Pvt. Ltd.and Parsvnath Sharmistha Realtors Pvt. Ltd. and charge on receivables of the project and personal guarantee of Chairman, Managing Director and a wholetime Director of the company. These NCDs are redeemable in 7 quarterly instalments commencing from June,2014. The NCDs were fully repaid during the previous year. | - | - | 128.57 | 18% |
| | 18% NCDs of Rs.5700 lakhs were issued during the year ended 31 March 2014. The NCDs are secured by 1st pari passu charge by way of Mortgage over development rights of Exotica Gurgaon Project, and all unsold units developed/being developed of the project by the company, Hessa Developers Pvt. Ltd. and Parsvnath Sharmistha Realtors Pvt. Ltd. and charge on receivables of the project and personal guarantee of Chairman, Managing Director and a wholetime Director of the company. These NCDs are redeemable in 7 quarterly instalments commencing from June,2014. The NCDs were fully repaid during the previous year. | - | - | 2,442.86 | 18% |
| g. | IND AS Adjustments | (125.08) | (482.90) | (664.45) | |
| | | **117,523.92** | **116,456.10** | **118,845.98** | |
| | **Term Loans :** | | | | |
| a. | Term loan from a bank, sanctioned to a subsidiary company, is secured by mortgage of hotel land at Shirdi and buildings thereon, first charge on all the movable and immovable assets including receivables of Shirdi Hotel, corporate guarantee of the Company and personal guarantee of Chairman. Loan is repayable in thirty quarterly instalments ending in March, 2023. | 1,162.50 | 1,224.27 | 1,260.00 | 3.25% above the Bank's base rate |
| b. | Term loan from a bank is secured by mortgage of project land at Greater Noida, hypothecation of present and future receivables of the said project and personal guarantee of Chairman. The term loan is repayable in 6 quarterly instalments quarter commencing from November, 2014. The loan was fully repaid during the year. | - | 3,488.01 | 10,497.84 | 15.10% to 16.50% |
| c. | Term loan from banks is secured by way of pledge of fixed deposits with the bank. The loan has been fully repaid during the year. | - | 2,831.29 | - | 11.45% |

# Notes to consolidated financial statements

for the year ended 31 March, 2017

| | | | | | |
|---|---|---|---|---|---|
| d. | Term loan from a non banking financial institution, sanctioned to a subsidiary company, is secured by a) Second-ranking hypothecation/charge on and escrow of all Receivables received/ to be received from the project "Parsvnath Capital Tower" at Bhai Veer Singh Marg, near Gole Market, New Delhi subject to first charge of Delhi Metro Rail Corporation (DMRC); Corporate Guarantee of the Company and and a fellow subsidiary company; b) First-ranking and exclusive pledge/charge of 49% of each class of present and/or future shares/securities and/or the convertible/voting instruments issued/to be issued by the aforesaid subsidiary company. Further, 51% of each class of shares is under negative lien. Term loan upto Rs. 32,810 lakhs is repayable in monthly instalments commencing from April, 2017; upto Rs. 10,574 lakhs in monthly instalments from May, 2018 and balance Rs. 47,800 lakhs in monthly instalments from June, 2018 | 91,184.00 | - | - | 13.15% -15.27% |
| e. | Term Loan from a non-banking finance company is secured by (a) mortgage & escrow of receivables of (1) project land at Sonepat, (2) project land at Kurukshetra, (3) over development rights of group housing project at Gurgaon , and all unsold units of the project by the company, Parsvnath Hessa Developers Pvt. Ltd.and Parsvnath Sharmistha Realtors Pvt. Ltd, (b) corporate guarantee of land owning companies (c) personal guarantee of Chairman. The term loan is repayable in quarterly instalments commencing from November, 2018. | 10,500.00 | 10,500.00 | - | 13.00% |
| f. | Term loan from a financial institution is secured by mortgage of a project land at Indore, charge on receivables of project 'Pragati' Dharuhera and personal guarantee of Chairman. The term loan is repayable in 57 monthly instalments commencing from October, 2012. | 12,491.13 | 12,491.13 | 13,642.57 | 13.50% |
| g. | Term loan from a financial institution is secured by pledge of certain equity shares of the company held by promoters group and mortgage of commercial land at Jodhpur and personal guarantee of Chairman, Managing Director and a wholetime Director of the company. The term loan is repayable in 36 monthly instalments commencing from March 15. | 276.52 | 568.52 | 1,945.00 | 17.50% |
| h. | Term loan from a non-banking finance company is secured by (1) mortgage of (a) commercial/other lands at New Delhi, (b) Commercial land at Derrabassi, (c) land in Rajpura (d) land of Royale Punchkula, (2) Charge on receivables of (a) commercial/ other lands, New Delhi, (b) plots, floors and villas at Dharuhera, (c) Parsvnath Royale-Punchkula (d) commercial & plotted area at Derabassi (e) Rajpura ,(3) Cross Collaterization of the securities with other loans from the lender and (4) personal guarantee of Chairman, Managing Director and a wholetime Director of the company. The term loan is repayable in monthly instalments commencing from May, 17. | 31,755.00 | - | - | 13.93 to 16.70% |

# Notes to consolidated financial statements

for the year ended 31 March, 2017

| | | | | | |
|---|---|---|---|---|---|
| i. | Term loan from a non-banking finance company is secured by (1) extention of equitable mortgage of (a)commercial project land at New Delhi, (b) Gp. Housing & Commercial land at Derrabassi, (c) land at Alipur, New Delhi and (2) Charge on receivables of the projects through escrow mechanism at (a) commercial project land, New Delhi, (b) plotted area, floors and villas at Dharuhera, (c) Parsvnath Royale-Punchkula (d) Gr. Housing, commercial & plotted area at Derabassi (e) plotted area of township at Jaipur, (f) Plotted area at Panipat and (3) Cross Collaterization of the securities with other loans from the lender and personal guarantee of Chairman, Managing Director and a wholetime Director of the company. The term loan is repayable in monthly instalments commencing from May 17. | - | 7,307.00 | 5,630.00 | 11.83 % to 19.41% |
| j. | Term loan from a non-banking finance company is secured by (1) extension of mortgage of (a)commercial/other lands at New Delhi, (b) Commercial land at Derrabassi, (c) land in Rajpura(d) land of Royale Punchkula and (2) Charge on receivables of (a) commercial/other lands, New Delhi, (b) plots, floors and villas at Dharuhera, (c) Parsvnath Royale-Punchkula (d) commercial & plotted area at Derabassi ,(3) Cross Collaterization of the securities with other loans from the lender and (4) personal guarantee of Chairman, Managing Director and a wholetime Director of the company. The term loan is repayable in monthly instalments commencing from May 17. | 10,242.00 | - | - | 11.54 % to 19.41% |
| k. | Term loan from a non-banking finance company is secured by (1) extension of mortgage of (a)commercial/other lands at New Delhi, (b) Commercial land at Derrabassi, (c) land in Rajpura(d) land of Royale Punchkula and (2) Charge on receivables of (a) commercial/other lands, New Delhi, (b) plots, floors and villas at Dharuhera, (c) Parsvnath Royale-Punchkula (d) commercial & plotted area at Derabassi ,(3) Cross Collaterization of the securities with other loans from the lender and (4) personal guarantee of Chairman, Managing Director and a wholetime Director of the company. The term loan is repayable in monthly instalments commencing from January 18. | 22,000.00 | - | - | 13.77% |
| l. | Term loan from a non-banking finance company is secured by mortgage of project land at Greater Noida, hypothecation of present and future receivables of the said project and personal guarantee of Chairman. The term loan is repayable in 4 quarterly instalments quarter commencing from September, 2019 | 12,000.00 | - | - | 13.00% |

# Notes to consolidated financial statements

for the year ended 31 March, 2017

| | | | | | |
|---|---|---|---|---|---|
| m. | Term loan from a non-banking finance company, sanctioned to a subsidiary company, is secured by (1) extension of equitable mortgage of (a) commercial project land at New Delhi, (b) Group Housing and Commercial land at Derrabassi, (c) land at Alipur, New Delhi and (2) extension of Charge on receivables of the projects through escrow mechanism at (a) commercial project land, New Delhi, (b) plotted area, floors and villas at Dharuhera, (c) Parsvnath Royale-Punchkula (d) Group Housing, commercial & plotted area at Derabassi (e) plotted area of township at Jaipur, (f) Plotted area at Panipat and (3) Cross Collateralization of the securities with other loans availed by the group from the lender and personal guarantee of Chairman, Managing Director and a wholetime Director of the the Company. The term loan is repayable in monthly instalments commencing from September, 16. The loan was fully repaid during the year. | - | 2,635.00 | - | 17.95% |
| n. | Term loan from a non-banking finance company, sanctioned to a subsidiary company, is secured by mortgage of (a) Farm House at New Delhi, (b) Group Housing & Commercial land at Derrabassi, (c) land at Alipur, New Delhi and (d) Land at Rajpura (e) Land at Sonepat. The term loan is repayable in monthly instalments commencing from May, 17. | 2,495.00 | - | - | 17.95% |
| o. | Term loan from a non-banking finance company is secured by (1) equitable mortgage of (a) commercial project land at New Delhi, (b) Gp. Housing & Commercial land at Derrabassi, (c) land at Alipur, New Delhi and (2) Charge on receivables of the projects through escrow mechanism at (a) commercial project land, New Delhi, (b) plotted area, floors and villas at Dharuhera, (c) land of Parsvnath Royale-Punchkula (d) Gr. Housing, commercial & plotted area at Derabassi (e) plotted area of township at Jaipur, (f) Plotted area at Panipat and (3) Cross Collaterization of the securities with other loans from the lender and personal guarantee of Chairman, Managing Director and a wholetime Director of the company. The term loan is repayable in monthly instalments commencing from July 14. The loan was fully repaid during the year. | - | 35,743.99 | 35,099.99 | 16.20% |
| p. | Term loan from a non-banking finance company is secured by (1) extention of equitable mortgage of (a)commercial project land at New Delhi, (b) Gp. Housing & Commercial land at Derrabassi, (c) land at Alipur, New Delhi and (2) Charge on receivables of the projects through escrow mechanism at (a) commercial project land, New Delhi, (b) plotted area, floors and villas at Dharuhera, (c) Parsvnath Royale-Punchkula (d) Gr. Housing, commercial & plotted area at Derabassi (e) plotted area of township at Jaipur, (f) Plotted area at Panipat and (3) Cross Collaterization of the securities with other loans from the lender and personal guarantee of Chairman, Managing Director and a wholetime Director of the company. The term loan is repayable in monthly instalments commencing from May 17. The loan was fully repaid during the year. | - | 19,700.00 | - | 12.92% |

# Notes to consolidated financial statements

for the year ended 31 March, 2017

| | | | | | |
|---|---|---|---|---|---|
| q. | Term loan from a non-banking financial company, sanctioned to a subsidiary Company, is secured by exclusive first charge and registered mortgage over all the assets present and future, properties including lease hold interest on the project land of 'La Tropicana Project' and receivables of the said project. The loan is further secured by corporate guarantee of the Company along with pledge of all Class 'A' shares of the subsidiary Company held by the Company. Loan is repayable in twelve quarterly instalments commencing from March, 2012. The loan was fully repaid during the year. | - | 4,666.67 | 4,666.67 | 19.67% |
| r. | Term loan from a non banking financial company, sanctioned to a subsidiary company, is secured by equitable mortgage of land situated at Kochi and Ujjain belonging to M/s Bakul Infrastructure Private Limited and the Company respectively and charge on receivables of the said land, corporate guarantee of the shareholders of the subsidiary company and personal guarantee of Chairman. The loan was fully repaid during the year. | - | 3,000.00 | - | 19.00% |
| s. | Term loan from a non-banking finance company is secured by mortgage of property at Hauz Khas, pledge of 1.50 Crore (fixed) equity shares of the company held by promoters, cross default clause with other loans from the lender, personal guarantee of Chairman, Managing Director and a wholetime Director of the company and charge on receivables of project Sonepat Group Housing II through an escrow account. The term loan is repayable in 30 monthly instalments commencing from August, 2013. The loan was fully repaid during the previous year. | - | - | 2,319.73 | 19.97% |
| t. | Term loan from a non-banking finance company is secured by(1) mortgage of (a) project land at Bohar, Rohtak (b) mortgage of project land at Rajpura, Patiala and (2) charge on receivables of both the projects through escrow mechanism and (3) cross-collaterizaion of the securites with others loans from the lender and personal guarantee of Chairman, Managing Director and a wholetime Director of the company. The term loan is repayable in 57 monthly instalments commencing from November 13. The loan was fully repaid during the previous year. | - | - | 139.94 | 16.20% |
| u. | Term loan from a financial institution, sanctioned to a subsidiary company, is secured by pledge of entire paid up capital of the company, equitable mortgage of its land situated at Kochi and further secured by the corporate guarantee of shareholders of the said subsidiary company. The loan was fully repaid during the previous year. | - | - | 500.00 | 19.00% |
| v. | IND AS Adjustments | (7,423.16) | (10,094.20) | (3,943.25) | |
| | | **186,682.98** | **94,061.68** | **71,758.49** | |

# Notes to consolidated financial statements

for the year ended 31 March, 2017

| | | | | | |
|---|---|---|---|---|---|
| | **Unsecured debentures:** | | | | |
| a. | 16% Fully Convertible Debentures (Series I) issued by a subsidiary company. Each debenture is convertible into one equity share entitled to dividend and/or one different class of share (collectively entitled to 0.001% of the voting rights in the issuing subsidiary) on the terms and conditions mentioned in the 'Investment and Security Holder's Agreement' dated 23 November, 2010 as amended by the first supplementary agreement dated 31 March, 2011. | 9,340.73 | 9,340.73 | 9,340.73 | 16.00% |
| b. | 16% Fully Convertible Debentures (Series II) issued by a subsidiary company. Each debenture is convertible into one different class of share entitled to dividend (collectively entitled to 0.001% of the voting rights in the issuing subsidiary) on the terms and conditions mentioned in the 'Investment and Security Holder's Agreement' dated 23 November, 2010 as amended by the first supplementary agreement dated 31 March, 2011. | 8,792.66 | 8,792.66 | 8,792.66 | 16.00% |
| c. | 0.1% Optionally convertible debentures (Series X) (OCDs) issued by a subsidiary company. These OCDs shall be converted into Equity Shares in the manner set out in Optionally Convertible Debentures Subscription Agreement dated 21 August, 2013. The holders of these OCDs shall also have a right to convert these OCDs into Non-Convertible Debentures at any time within a period of 12 months from the date of allotment, i.e. 21 August, 2013, on same terms as other NCDs of Series B issued by the said subsidiary company. These OCDs will be redeemed on or before the expiry of 10 years from the date of allotment, at a premium as per the agreement. | 6,550.00 | 6,550.00 | 6,550.00 | 0.10% |
| d. | 0.1% Optionally convertible debentures (Series Y) (OCDs) issued by a subsidiary company. These OCDs shall be converted into Equity Shares in the manner set out in Optionally Convertible Debentures Subscription Agreement dated 21 August, 2013. The holders of these OCDs shall also have a right to convert these OCDs into Non-Convertible Debentures at any time within a period of 12 months from the date of allotment, i.e. 21 August, 2013, on same terms as other NCDs of Series B issued by the said subsidiary company. These OCDs will be redeemed on or before the expiry of 10 years from the date of allotment, at a premium as per the agreement. | 16,000.00 | 16,000.00 | 16,000.00 | 0.10% |
| e. | 15.25% Compulsorily Convertible Debentures issued by a subsidiary company are convertible at the option of the holder at anytime on or prior to mandatory conversion date 12 June, 2024 in such number of equity shares at such price as may be mutually decided. These debentures were fully repaid during the previous year. | - | 7,578.26 | 7,578.26 | 15.25% |

| | | | | | |
|---|---|---|---|---|---|
| f. | 15.50% Fully Convertible Debentures issued by a subsidiary company. Each debenture shall be converted into 10 Class 'B' shares of the issuing subsidiary company at a time and manner as mutually decided in accordance with the Amended and Restated Investment and Security Holders Agreement dated 14 September, 2010. These debentures were fully repaid during the previous year. | - | 11,177.50 | 11,177.50 | 15.50% |
| g. | 17.25% Fully Convertible Debentures (Series 'B') issued by a subsidiary company. Each debenture shall be converted into 10 Class 'B' shares of the issuing subsidiary company at a time and manner as mutually decided in accordance with the Amended and Restated Investment and Security Holders Agreement dated 14 September, 2010. These debentures were fully repaid during the previous year. | - | 2,500.00 | 2,500.00 | 17.25% |
| h. | 17.75% Fully Convertible Debentures (Series 'C') issued by a subsidiary company. Each debenture shall be converted into 10 Class 'B' shares of the issuing subsidiary company at a time and manner as mutually decided in accordance with the Amended and Restated Investment and Security Holders Agreement dated 14 September, 2010. These debentures were fully repaid during the previous year. | - | 1,740.00 | 1,740.00 | 17.75% |
| | | **40,683.39** | **63,679.15** | **63,679.15** | |

(ii) **Loans guaranteed by directors**

(₹ in lakhs)

| | | As at 31-March-17 | As at 31-March-16 | As at 1-April-15 |
|---|---|---|---|---|
| a. | Debentures (net of Ind AS adjustment) | 57,084.92 | 56,017.10 | 58,406.98 |
| b. | Term loans from banks | 1,162.50 | 4,712.28 | 11,757.84 |
| c. | Term loans from financial institutions/others (net of Ind AS adjustment) | 91,841.48 | 81,851.44 | 54,833.98 |
| | | **150,088.90** | **142,580.82** | **124,998.80** |

(iii) There were some delays in repayment of Principal and interest during the year which were regularised before the end of the year. The amount of defaults as at the year end are given below:

**As at 31 March, 2017**

| | Name | Type | Nature of dues | Amount ₹ in lakhs | Delayed Days |
|---|---|---|---|---|---|
| 1 | LIC of India, Mumbai | Financial Institution | Principal | 4,200.00 | Upto 365 |
| | | | | 7,248.56 | Above 365 |
| 2 | LIC of India, Mumbai | Financial Institution | Interest | 557.39 | 1 to 89 |
| | | | | 550.62 | 90 to 179 |
| | | | | 1,536.19 | Above 180 |
| 3 | ECL Finance Limited | NBFC | Interest | 559.81 | 1 to 60 |
| 4 | Indiabulls Housing Finance Limited | NBFC | Interest | 146.58 | 1 to 30 |
| 5 | Indiabulls Commercial Credit Limited | NBFC | Interest | 15.93 | 1 to 30 |
| 6 | UCO Bank | Bank | Interest | 12.79 | 1 |

# Notes to consolidated financial statements

**for the year ended 31 March, 2017**

**As at 31 March, 2016**

| | Name | Type | Nature of dues | Amount ₹ in lakhs | Delayed Days |
|---|---|---|---|---|---|
| 1 | LIC of India, Mumbai | Financial Institution | Principal | 3,600.00 | upto 366 |
| | | | Principal | 3,798.56 | Above 366 |
| 2 | Punjab National Bank | Bank | Principal | 3,488.01 | 1 to 31 |
| 3 | LIC of India, Mumbai | Financial Institution | Interest | 508.77 | 1 to 89 |
| | | | Interest | 490.92 | 90 to 179 |
| | | | Interest | 274.56 | 180 to 214 |
| 4 | J P Morgan | Real Estate Fund | Principal | 4,666.67 | Above 366 |
| 5 | J P Morgan | Real Estate Fund | Interest | 1,255.85 | upto 366 |
| | | | | 1,258.25 | Above 366 |
| 6 | Debentures | | Interest | 1,281.12 | Above 366 |
| 7 | Indiabulls | NBFC | Interest | 39.49 | 1 |

| | Name | Type | Nature of dues | Amount ₹ in lakhs | Delayed Days |
|---|---|---|---|---|---|
| **As at 1 April, 2015** | | | | | |
| 1 | LIC of India, Mumbai | Financial Institution | Principal | 3,300.00 | upto 365 |
| | | | Principal | 1,650.00 | Above 365 |
| | | | Interest | 201.05 | 1 to 32 |
| 2 | J P Morgan | Real Estate Fund | Principal | 4666.67 | upto 365 |
| 3 | J P Morgan | Real Estate Fund | Interest | 1,258.25 | upto 365 |
| 4 | Debentures | | Interest | 808.98 | upto 365 |
| | | | | 472.15 | Above 365 |
| 5 | Religare Finvest Limited | NBFC | Interest | 6.60 | 1 |

**Note:**

The Company has requested LIC of India, Mumbai for reschedulement of outstanding loan.

# Notes to consolidated financial statements

**for the year ended 31 March, 2017**

## 21 Other financial liabilities

(₹ in lakhs)

| | | As at 31-Mar-17 | As at 31-March-16 | As at 1-April-15 |
|---|---|---|---|---|
| **(i)** | **Non-Current** | | | |
| a. | Trade/security deposits received | 2,452.80 | 2,771.71 | 2,593.99 |
| | | **2,452.80** | **2,771.71** | **2,593.99** |
| **(ii)** | **Current** | | | |
| a. | Current maturities of long term debt (Refer Note 20) | 19,396.44 | 23,976.51 | 32,219.97 |
| b. | Interest accrued but not due on borrowings | 12,858.56 | 21,301.64 | 14,665.14 |
| c. | Interest accrued and due on borrowings | 3,702.41 | 5,531.52 | 2,747.03 |
| d. | Interest accrued but not due on others | 3,507.21 | 3,196.70 | 2,514.75 |
| e. | Unclaimed dividends | - | - | 23.57 |
| f. | Trade/security deposits received | 3,787.50 | 3,682.83 | 4,967.01 |
| g. | Book overdraft - Banks | 446.47 | 5.57 | 129.28 |
| h. | Payables on purchase of fixed assets | 312.68 | 155.00 | 239.86 |
| i. | Advances from companies | 34.92 | - | - |
| j. | Others | 264.48 | 1,925.17 | 45.67 |
| | | **44,310.67** | **59,774.94** | **57,552.28** |

## 22 Provisions

(₹ in lakhs)

| | | As at 31-Mar-17 | As at 31-March-16 | As at 1-April-15 |
|---|---|---|---|---|
| Employee benefits | | 471.67 | 456.17 | 460.99 |
| | | **471.67** | **456.17** | **460.99** |
| i) | Non-Current | 416.17 | 387.27 | 395.29 |
| ii) | Current | 55.50 | 68.90 | 65.70 |
| | | **471.67** | **456.17** | **460.99** |

## 23 Other liabilities

(₹ in lakhs)

| | | As at 31-Mar-17 | As at 31-March-16 | As at 1-April-15 |
|---|---|---|---|---|
| **Non-current** | | | | |
| (i) | Advances from customers | 649.44 | 688.13 | 754.49 |
| (ii) | Trade / Security deposits received | 3,500.00 | 3,500.00 | 3,500.00 |
| | | **4,149.44** | **4,188.13** | **4,254.49** |
| **Current** | | | | |
| a. | Trade / Security deposits received | 4.45 | 7.41 | 7.41 |
| b. | Advances from customers | 28,357.06 | 35,397.62 | 52,095.44 |
| c. | Statutory dues (Contributions to PF, Withholding Tax, Sales Tax, VAT, Service Tax, etc.) | 8,004.77 | 4,308.80 | 2,679.80 |
| d. | Rent received in advance | 1,438.22 | 1,536.38 | 1,330.57 |
| | | **37,804.50** | **41,250.21** | **56,113.22** |

# Notes to consolidated financial statements

**for the year ended 31 March, 2017**

## 24 Current borrowings

(₹ in lakhs)

| | | | As at 31-Mar-17 | As at 31-March-16 | As at 1-April-15 |
|---|---|---|---|---|---|
| **I.** | **Unsecured** | | | | |
| | a. | Loans repayable on demand | | | |
| | | i. From banks (Bank Overdraft) | - | 585.13 | - |
| | | ii. From others | 2,315.75 | 1,500.00 | 5,562.89 |
| | b. | Loans from related parties | - | - | 649.57 |
| **II.** | **Secured** | | | | |
| | a. | Loans repayable on demand | | | |
| | | i. From banks (Cash credit) | 8,887.77 | 9,888.99 | 9,657.60 |
| | | ii. From banks (Bank Overdraft) | - | - | 1,850.00 |
| | b. | Short-term loans from banks | 1,750.00 | 2,000.00 | - |
| | c. | Loans from other parties | 33,047.88 | 24,166.61 | 23,776.10 |
| | d. | Other loans (against vehicles) | | | |
| | | i. From banks | 74.85 | 148.05 | 403.24 |
| | | ii. From others | - | - | 9.79 |
| | | | **46,076.25** | **38,288.78** | **41,909.19** |

| | | As at 31-Mar-17 | As at 31-March-16 | As at 1-April-15 | Effective interest rate |
|---|---|---|---|---|---|
| | | **₹ in lakhs** | **₹ in lakhs** | **₹ in lakhs** | **Percentage** |
| **24.1** | **Details of securities provided in respect of short term borrowings from banks - cash credit are as under:** | | | | |
| a. | Cash Credit is secured by first pari passu charge over current assets of the company excluding those assets specifically charged to other Banks/FIs and mortgage of land & building at Moradabad and Greater Noida and personal guarantee of Chairman, Managing Director and a wholetime Director of the company. | 4,748.45 | 5,000.00 | 4,984.50 | 13.65 to 17.35% |
| b. | Cash Credit is secured by first pari-passu charge over current assets of the company excluding those assets specifically charged to other Banks/FIs, mortgage of commercial land at Panipat & Sonepat and personal guarantee of Chairman, Managing Director and a wholetime Director of the company. | 2,498.86 | 2,500.00 | 2,439.13 | 13.65 to 17.35% |
| c. | Cash Credit is secured by first pari-passu charge over current assets of the company excluding those assets specifically charged to other Banks/FIs, mortgage of commercial land at Karnal, personal guarantee of Chairman, Managing Director and a wholetime Director of the company and corporate guarantee of Land owning companies. | 645.27 | 1,388.99 | 1,355.36 | 13.65 to 17.35% |

# Notes to consolidated financial statements

for the year ended 31 March, 2017

| | | As at 31-Mar-17 | As at 31-March-16 | As at 1-April-15 | Effective interest rate |
|---|---|---|---|---|---|
| | | ₹ in lakhs | ₹ in lakhs | ₹ in lakhs | Percentage |
| d. | Cash Credit is secured by first pari-passu charge over current assets of the company excluding those assets specifically charged to other Banks/FIs, mortgage of commercial plot at Rajpura and commercial space at Saharanpur, pledge of term deposit of ₹ 232 lakhs, personal guarantee of Chairman, Managing Director and a wholetime Director of the company and corporate guarantee of land owning company. | 995.19 | 1,000.00 | 878.61 | 13.65 to 17.35% |
| | | **8,887.77** | **9,888.99** | **9,657.60** | |
| **24.2** | **Details of securities provided in respect of overdraft from banks are as under:** | | | | |
| a. | The overdraft loan from bank is secured by way of pledge of fixed deposits with the bank. | - | - | 1,850.00 | 9.00% |
| | | **-** | **-** | **1,850.00** | |
| **24.3** | **Details of securities provided in respect of short term loans from banks are as under:** | | | | |
| a. | Term loan from a bank is secured by mortgage of commercial units/ spaces at Faridabad and personal guarantee of Chairman, Managing Director and a wholetime Director of the company. | 1,750.00 | 2,000.00 | - | 14.85% to 15.10% |
| | | **1,750.00** | **2,000.00** | **-** | |
| **24.4** | **Details of securities provided in respect of loans from financial institutions and others are as under:** | | | | |
| a. | Term loan from a financial institution is secured by pledge of certain equity shares of the company held by promoters group and mortgage of commercial land at Noida and receivables of the said land, personal guarantee of Chairman, Managing Director and a wholetime Director of the company and corporate guarantee of land owning companies. | 1,967.94 | 2,912.38 | 4,427.00 | 17.50% |
| b. | Term loan from a non-banking finance company is secured by pledge of certain equity shares of the company held by promoters group , mortgage of land at Sonepat and personal guarantee of Chairman and cross collateral clause with another term loan from the lender. | 2,969.36 | 2,969.36 | 2,969.36 | 17.25% |
| c. | Term loan from a financial institution is secured against keyman Insurance Policy taken by the company. | 962.29 | 962.29 | 801.84 | 9.00% |
| d. | Term loan from a non-banking financial company is secured by (1) pledge of certain equity shares of the company held by promoters group , (2) mortgage & escrow of receivables of (a) project land at Rohtak (b) commercial project at Bhiwadi & Sonepat, (c) land in Indore, Ujjain & Kochi (d) institutional land at Sonipat, (3) pledge of equity shares of land owing companies (4) charge on receivables from Avlon Bhiwadi project and (5) personal guarantee of Chairman. | 18,000.00 | 6,755.55 | 13,511.11 | 19.00% |

# Notes to consolidated financial statements

for the year ended 31 March, 2017

| | | As at 31-Mar-17 ₹ in lakhs | As at 31-March-16 ₹ in lakhs | As at 1-April-15 ₹ in lakhs | Effective interest rate Percentage |
|---|---|---|---|---|---|
| e. | Term loan from a non-banking financial company is secured by mortgage of project at Pratibha plot No. 11, Moradabad, land at Sonepat and personal guarantee of Chairman and cross collateral clause with another term loan from the lender. | 2,648.29 | 4,067.03 | - | 16.95% |
| f. | Term loan from a non-banking financial companies are secured by pledge of certain equity shares of the company held by promoters group, mortgage of land at Sonepat and personal guarantee of Chairman. | 1,000.00 | 1,000.00 | - | 21.00% |
| g. | Term loan taken by a subsidiary company from others is secured by exclusive mortgage of five hectares of group housing land of the holding company, hypothecation of holding company's share of cash flows from a residential project, pledge of 51% shareholding in the subsidiary company held by the holding company, Pari passu charge on assignment of leasehold rights for the Sarai Rohilla project, hypothecation of entire movable assets, assignment of all book debts, operating cash flows, receivables, commissions, and further secured by corporate gaurantee of the holding company and personal guarantee of Chairman. | 5,500.00 | 5,500.00 | - | 16.00% |
| h. | Term loan from a financial institution is secured by Pari passu charged by way of mortgage of commercial land at Jodhpur and pledge of certain equity shares of company held by the promoters group and personal guarantee of Chairman, Managing Director and whole-time director of the company. | - | - | 425.53 | 17.50% |
| i. | Term loan from a non-banking financial company is secured by mortgage of project land at Pratibha phase-I, Moradabad and charge on its receivables through escrow mechanism, personal guarantee of Chairman and collateral clause with another term loan from the same non-banking financial company. | - | - | 1,641.26 | 17.25% |
| | | **33,047.88** | **24,166.61** | **23,776.10** | |
| **24.5** | **Details of securities provided in respect of vehicle loans from banks and others are as under:** | | | | |
| a. | Loan taken from a bank for vehicles is secured by way of hypothecation of specific vehicles financed and personal guarantee of Chairman. | 74.85 | 148.05 | 403.24 | 10 to10.70% |
| b. | Loan taken from a non-banking financial company for a vehicle is secured by way of hypothetication of specific vehicle financed. | - | - | 9.79 | 10.15% |
| | | 74.85 | 148.05 | 413.03 | |

# Notes to consolidated financial statements

**for the year ended 31 March, 2017**

| | | | | |
|---|---|---|---|---|
| **24.6** | **Details of short term borrowings guaranteed by some of the directors:** | | | |
| a. | Loans repayable on demand from banks | 8,887.77 | 9,888.99 | 9,657.60 |
| b. | Term loans from financial institutions, banks & others | 32,085.59 | 23,204.32 | 22,974.26 |
| c. | Vehicle Loans from bank | 74.85 | 148.05 | 403.24 |
| | | **41,048.21** | **33,241.36** | **33,035.10** |

**24.7 Details of Period and amount of default in loan repayment as at year end:**

**As at 31 March, 2017**

| | Name | Type | Nature of dues | Amount ₹ in lakhs | Delayed Days |
|---|---|---|---|---|---|
| 1 | SREI Infrastructure Finance Limited | NBFC | Principal | 267.94 | 1 to 60 |
| 2 | Religare Finvest Limited | NBFC | Principal | 282.10 | 1 to 60 |
| 3 | Religare Finvest Limited | NBFC | Interest | 181.64 | 1 to 60 |
| 4 | SREI Infrastructure Finance Limited | NBFC | Interest | 141.45 | 1 to 60 |

**As at 31 March, 2016**

| | Name | Type | Nature of dues | Amount ₹ in lakhs | Delayed Days |
|---|---|---|---|---|---|
| 1 | SREI Infrastructure Finance Limited | NBFC | Principal | 78.02 | 1 to 60 |
| 2 | Religare Finvest Limited | NBFC | Principal | 120.03 | 31 to 60 |
| 3 | Religare Finvest Limited | NBFC | Interest | 102.77 | 1 to 60 |
| 4 | IL & FS | Corporate | Interest | 323.79 | 33 to 120 |

## 25 Trade Payables

(₹ in lakhs)

| | | As at 31-Mar-17 | As at 31-March-16 | As at 1-April-15 |
|---|---|---|---|---|
| (i) | Trade payables for goods and services | 60,331.75 | 58,407.84 | 54,954.40 |
| (ii) | Trade payables for land | 9,217.94 | 9,493.16 | 8,914.50 |
| | **Total** | **69,549.69** | **67,901.00** | **63,868.90** |

| | | | | |
|---|---|---|---|---|
| **Notes:** | | | | |
| 1. | The disclosure of the amount outstanding to micro enterprises and small enterprises are as follows: | | | |
| a. | Amount of principal remaining unpaid to such suppliers | 48.21 | 54.12 | 67.42 |
| b. | Interest due thereon remaining unpaid | 34.60 | 25.33 | 14.60 |
| c. | Payments made to supplier beyond the appointed day along with Interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED), during the year | 5.81 | 13.30 | 89.39 |

# Notes to consolidated financial statements

**for the year ended 31 March, 2017**

| | | | | |
|---|---|---|---|---|
| d. | Amount of interest due and payable for delay in payment (which have been paid beyond the appointed day during the year) but without adding interest specified under MSMED | 9.27 | 10.73 | 14.60 |
| e. | Amount of interest accrued and remaining unpaid | 34.60 | 25.33 | 14.60 |
| f. | Interest remaining due and payable even in succeeding years, until such date when the interest dues as above are actually paid to such suppliers | 1.62 | 1.62 | 2.68 |

The above information is based on intimations received by the Company from its suppliers

## 26 Revenue from operations

(₹ in lakhs)

| | | | Year ended 31 March, 2017 | Year ended 31 March, 2016 |
|---|---|---|---|---|
| **a.** | **Revenue from sale of properties** | | 19,102.38 | 33,831.18 |
| | | | 19,102.38 | 33,831.18 |
| **b.** | **Sale of services** | | | |
| | i. | Licence fee income | 7,849.84 | 5,719.97 |
| | ii. | Rent income | 63.89 | 63.28 |
| | iii. | Maintenance charges income | 610.81 | 559.86 |
| | | | 8,524.54 | 6,343.11 |
| **c.** | **Other operating revenue** | | | |
| | i. | Sale of scrap | 87.86 | 186.75 |
| | ii. | Others | 174.77 | 232.64 |
| | | | 262.63 | 419.39 |
| | | | **27,889.55** | **40,593.68** |

## 27 Other income

(₹ in lakhs)

| | | | Year ended 31 March, 2017 | Year ended 31 March, 2016 |
|---|---|---|---|---|
| a. | Interest Income: | | | |
| | i. | From bank deposits | 839.32 | 958.52 |
| | ii. | From customers/others | 1,134.00 | 643.09 |
| b. | Excess provision written off | | - | 753.67 |
| c. | Net gain on disposal of property, plant and equipment | | - | 315.11 |
| d. | Net gain on disposal of investments | | 136.29 | 32.90 |
| e. | Miscellaneous income | | 653.92 | 849.47 |
| | | | **2,763.53** | **3,552.76** |

# Notes to consolidated financial statements

**for the year ended 31 March, 2017**

## 28 Cost of materials consumed

(₹ in lakhs)

| | Year ended 31 March, 2017 | Year ended 31 March, 2016 |
|---|---|---|
| Construction material | 5,813.24 | 3,753.81 |
| | **5,813.24** | **3,753.81** |

## 29 Changes in inventories of finished goods and work-in-progress

(₹ in lakhs)

| | | | Year ended 31 March, 2017 | Year ended 31 March, 2016 |
|---|---|---|---|---|
| a. | Inventories at the beginning of the year: | | | |
| | i | Work-in-progress (projects) | 293,857.10 | 291,742.08 |
| | | Add /(Less): Transferred during the year | 256.19 | (12,350.10) |
| | | | 294,113.29 | 279,391.98 |
| | ii | Finished flats | 3,832.03 | 3,943.79 |
| | | | 297,945.32 | 283,335.77 |
| b. | Add : Finance costs allocated to inventory of work-in-progress | | 20,353.56 | 14,806.36 |
| | (Refer note (i) to note 31) | | | |
| c. | Inventories at the end of the year: | | | |
| | i | Work-in-progress (projects) | 326,474.43 | 293,857.10 |
| | ii | Finished flats | 6,199.00 | 3,832.03 |
| | | | 332,673.43 | 297,689.13 |
| d. | Net (increase) /decrease (a+b-c) | | **(14,374.55)** | **453.00** |

## 30 Employee benefits expense

(₹ in lakhs)

| | | Year ended 31 March, 2017 | Year ended 31 March, 2016 |
|---|---|---|---|
| a. | Salaries and Wages | 2,937.83 | 3,521.43 |
| b. | Contribution to provident and other funds | 51.10 | 59.44 |
| c. | Staff Welfare expenses | 71.22 | 89.79 |
| | | **3,060.15** | **3,670.66** |

## 31 Finance costs

(₹ in lakhs)

| | | | Year ended 31 March, 2017 | Year ended 31 March, 2016 |
|---|---|---|---|---|
| a. | Interest costs: | | | |
| | i. | On borrowings | 39,220.32 | 29,222.71 |
| | ii. | To customers / others | 2,483.80 | 2,675.26 |
| | iii. | On delayed / deferred payment of statutory liabilities | 881.06 | 373.83 |
| | | | 42,585.18 | 32,271.80 |
| | Less: | | | |

# Notes to consolidated financial statements

for the year ended 31 March, 2017

| | | | |
|---|---|---|---|
| | i. Interest cost allocated to inventory of work-in-progress | 20,353.56 | 14,806.36 |
| | (Refer note (i) below) | | |
| | | **22,231.62** | **17,465.44** |
| b. | Other borrowing cost | 1,126.10 | 1,112.98 |
| | | **1,126.10** | **1,112.98** |
| | | **23,357.72** | **18,578.42** |

Note:

(i) Interest allocable to inventory of projects under progress (work-in-progress) has been segregated from finance cost and reflected under changes in inventories of work-in progress for better presentation (Also refer note 29).

## 32 Depreciation and amortisation expense

(₹ in lakhs)

| | | Year ended 31 March, 2017 | Year ended 31 March, 2016 |
|---|---|---|---|
| a. | Depreciation of Property, plant and equipment | 176.00 | 341.53 |
| b. | Depreciation of investment property | 30.86 | 30.94 |
| c. | Amortisation of intangible assets | 2,587.23 | 2,518.66 |
| | | **2,794.09** | **2,891.13** |

## 33 Other expenses

(₹ in lakhs)

| | | Year ended 31 March, 2017 | Year ended 31 March, 2016 |
|---|---|---|---|
| a. | Power and fuel | 1,210.55 | 1,249.15 |
| b. | Rent including lease rentals | 1,813.81 | 1,764.11 |
| c. | Repair and maintenance | | |
| | - Building | 113.23 | 156.33 |
| | - Machinery | 58.97 | 31.43 |
| | - Others | 662.18 | 905.46 |
| d. | Insurance | 76.37 | 70.90 |
| e. | Rates and taxes | 513.03 | 307.28 |
| f. | Postage and telegram | 87.10 | 102.22 |
| g. | Travelling and conveyance | 161.97 | 203.84 |
| h. | Printing and stationery | 71.66 | 77.43 |
| i. | Advertisement and business promotion | 152.60 | 233.55 |
| j. | Sales commission | 54.27 | 898.49 |
| k. | Vehicle running and maintenance | 79.69 | 75.57 |
| l. | Rebate and discount | 375.04 | 675.22 |
| m. | Legal and professional charges | 1,150.35 | 2,322.54 |
| n. | Payment to auditors (see note below) | 87.71 | 129.03 |
| o. | Project consultancy fee | 169.15 | 100.97 |
| p. | Loss on sale of fixed assets | 4.61 | - |
| q. | Compensation paid to customers | 1,232.46 | 641.78 |
| r. | Miscellaneous expenses | 220.00 | 257.84 |
| | | **8,294.75** | **10,203.14** |
| Note : | | | |

# Notes to consolidated financial statements

for the year ended 31 March, 2017

| | | | |
|---|---|---|---|
| **Payment to auditors comprise:** | | | |
| **i.** | **To statutory auditors** | | |
| | a. Statutory audit fee | 43.54 | 83.89 |
| | b. Tax audit fee | 2.40 | 3.15 |
| | c. Limited reviews fee | 30.00 | 24.00 |
| | d. Certification and other services | 0.10 | - |
| | e. Reimbursement of out-of-pocket expenses | 0.65 | 1.36 |
| | f. Service tax on above | 6.59 | 12.24 |
| | | 83.28 | 124.64 |
| **ii.** | **To cost auditor** | 4.43 | 4.39 |
| | | **87.71** | **129.03** |

## 34 Income tax

(₹ in lakhs)

| | | Year ended 31 March, 2017 | Year ended 31 March, 2016 |
|---|---|---|---|
| i. | Income tax expense/(benefit) recognised in Statement of Profit and Loss | | |
| | **Current tax** | | |
| | In respect of the current year | 15.85 | 38.20 |
| | Tax adjustment for earlier years | 406.53 | (2,462.58) |
| | | 422.38 | (2,424.38) |
| | **Deferred tax** | | |
| | In respect of the current year | (1,646.59) | (1,638.11) |
| | | (1,646.59) | (1,638.11) |
| | **Total income tax expense recognised** | **(1,224.21)** | **(4,062.49)** |
| ii. | Income tax expense/(benefit) reconciliation with effective tax rate on accounting profit: | | |
| | Profit/(loss) before tax | (16,113.46) | (9,000.43) |
| | Income tax expense calculated at 30.90% (2015-16: 30.90%) | (4,979.06) | (2,781.13) |
| | Effect of expenses that are not deductible in determining taxable profit | 1,434.11 | 884.14 |
| | Adjustments recognised in the current year in relation to the current tax of previous years | 406.53 | (2,462.58) |
| | Deffered tax not recognised in susidiary on carry forward losses due to prudence | 355.49 | 214.51 |
| | Tax on unrealised profits on inter-group sales | 1,524.31 | - |
| | Others | 34.41 | 82.57 |
| | Income tax expense/(benefit) recognised in statement of profit and loss | **(1,224.21)** | **(4,062.49)** |

# Notes to consolidated financial statements

**for the year ended 31 March, 2017**

| | | | |
|---|---|---|---|
| | The tax rate used for the years 2016-2017 and 2015-2016 reconciliations above is the corporate tax rate of 30% plus education cess of 3% on corporate tax, payable by corporate entities in India on taxable profits under the Indian tax law | | |
| iii. | Income tax recognised in other comprehensive income | | |
| | Remeasurements of defined benefit obligation | (8.46) | 3.73 |
| | **Total income tax recognised in other comprehensive income** | **(8.46)** | **3.73** |

## 35 Contingencies

(₹ in lakhs)

| | | | As at 31-March-17 | As at 31-March-16 | As at 1-April-15 |
|---|---|---|---|---|---|
| a. | Claims against the Group not acknowledged as debts*: | | | | |
| | i. | Demand for payment of stamp duty | 855.00 | 855.00 | 822.00 |
| | ii. | Customer complaints pending in courts | 19,235.67 | 20,535.82 | 16,982.09 |
| | iii. | Civil cases against the Company | 651.00 | 202.15 | 63.31 |
| | iv. | Income tax demand | 941.42 | 944.46 | 810.30 |
| | v. | Value Added Tax / Trade tax demand | 2,015.17 | 675.62 | 294.76 |
| | vi. | Entry Tax demand | - | 45.23 | - |
| | vii. | Licence fee to DMRC (see note 39) | 1,717.90 | 1,266.38 | 2,262.55 |
| | viii. | Others | 9.07 | 9.07 | 9.07 |
| b. | Future export obligations against EPCG licence | | 87.55 | 87.55 | 87.55 |
| c. | Security / performance guarantees issued by the banks to Government authorities, for which the Group has provided counter guarantee | | 35.06 | 35.06 | 35.06 |

* It is not possible for the Company to estimate cash outflows. The extent to which an outflow of funds will be required is dependent on the pending resolution of the respective proceedings/legal cases and it is determinable on receipt of judgement/ decision pending with various forums/authorities/court.

## 36 Commitments

| | | | | |
|---|---|---|---|---|
| a. | Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances) | 17174.16 | 17,400.92 | 17,008.97 |
| b. | The Group has other commitments, for purchase orders which are issued after considering requirements as per the operating cycle for purchase of goods and services, in the normal course of business. | | | |

**37** The Group did not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.

**38** There were no amounts which were required to be transferred to the Investor Education and Protection Fund, during the year.

**39** The Company has entered into concession agreements with Delhi Metro Rail Corporation Limited (DMRC) for various projects on Build-Operate-Transfer (BOT) basis. In case of Tis Hazari project, the Company was unable to commercially utilise the properties due

# Notes to consolidated financial statements

**for the year ended 31 March, 2017**

to lack of clarity between DMRC and Municipal Corporation of Delhi (MCD) with respect to authority for sanction of building plans. In view of the delay, the Company has sought concessions from DMRC and has invoked the Arbitration clause under the concession agreement in case of this project.

In case of another project, viz. Welcome Mall, construction activities had to be suspended as the property development area allotted to the Company was infringing the proposed line of Metro Station to be constructed by DMRC under phase III. Consequently, the construction activities could not be restarted due to DMRC's inability to provide necessary clarification regarding FAR availability on the property development area and final approved revised layout plan from MCD. The Company has invoked the Arbitration clause under the concession agreement and the proceedings are going on.

Pending arbitration award / necessary clarifications and documents, the Company has not provided for recurring licence fees amounting to ₹ 1,717.90 lakhs (previous year ₹ 1,266.38 lakhs) and has shown the same under contingent liabilities. However, the Company has continued to carry forward the advances / costs incurred on these projects after charging for amortisation / depreciation on periodical basis.

In case of another project, viz. Netaji Subhash Place, after the earlier arbitration award in favour the Company, a settlement deed was signed between DMRC and the Company. However, there was a dispute on deciding the first date of escalation of recurring payment. The Company has invoked the arbitration clause under the concession agreement and the proceedings are going on.

In case of another project, viz. Seelampur Plot, the sanction of building plans by MCD got delayed for want of No Objection Certificate (NOC) from Government agencies. Accordingly, DMRC was approached to waive the recurring payment liability for the disputed period. Since an amicable resolution could not be reached out between the Company and DMRC, the Company invoked "Arbitration Clause" under the concession agreement in case of this project.

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

a. The project shall be completed within the agreed completion schedule. Construction cost for completion of project shall not exceed the amount set out in the agreement and the project revenue from sold area shall be at least the amount set out in the agreement.

b. In case of delays in completion of the project, any penalties or compensation payable to customers shall be borne by the Company.

c. The Company shall not, directly or indirectly, create any encumbrance over or transfer any Equity securities held by it in PBPL during the lock in period (till completion of project) except for securing construction loan.

The project has been delayed due to non-receipt of approval for the revised building plans.

The collaborators (land owners) are seeking cancellation of the Development Agreement and other related agreements and have taken legal steps in this regard. The matter is under sub-judice before the Court and the arbitration proceedings are also expected to commence.

During the year the Company had entered into a Settlement Agreement with Investors for which Execution Petition for enforcement is pending before Delhi High Court.

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

a. It shall complete the project within the completion schedule and construction cost as set out in the Agreement.

# Notes to consolidated financial statements

**for the year ended 31 March, 2017**

b. The project revenues from the sold area shall be at least the amount set out in the Agreement

c In the event of construction cost overrun or revenue shortfall, the Company shall contribute such excess/shortfall amount against allotment of equity shares or other instruments at such premium as may be mutually determined by the parties.

The progress of the project had been hampered due to non-receipt of approval for revised building plans by South Delhi Municipal Corporation and the matter is pending before the tribunal for adjudication

Resident Welfare Association (RWA) has filed complaint against the subsidiary Company and its Directors which is pending before the Delhi High Court.

**42** The Company had entered into a Development Agreement (DA) with Chandigarh Housing Board (CHB) for the development of an integrated project ('the project') at Chandigarh. Owing to various factors, disputes had arisen between the Company and CHB. Consequently, the Company had invoked the arbitration clause in the DA. Hon'ble Sole Arbitrator had pronounced the award in January, 2015 which was accepted by the Company and the CHB. Pursuant to the arbitration award, the project was discontinued and surrendered to CHB. The loss of ₹ 46,971.24 lakhs incurred on surrender of project was written off and was shown as 'Exceptional Item' in the statement of Profit and Loss during the financial year 2014-15.

Subsequent to the acceptance and implementation of the award, it was noticed that due to a computational error in the award, the awarded amount was deficient by approximately ₹ 14,602.00 lakhs. Consequently, the Company made an application to the Hon'ble Sole Arbitrator for correction of the computational error. However, the Sole Arbitrator in his findings, while admitting the error, stated that after acceptance and implementation of the award by both the parties he had become non-functionary and therefore rejected the claims made by the Company. The Company has since filed its objections under section 34 of the Arbitration and Conciliation Act, 1996 read with section 151 of Code of Civil Procedure (CPC) before the Additional District Judge cum MACT, Chandigarh and the Court has issued notice to CHB for filing its reply and has also called for the Arbitral Record from the Sole Arbitrator. Pending decision of the Additional District Judge, the amount of ₹ 14,045 lakhs (net of tax deducted at source) has been shown as recoverable and included under 'other financial assets' in Note 10.

**43** Parsvnath Film City Limited (PFCL), a subsidiary of the Company had given an advance of Rs. 4,775.00 lakhs to 'Chandigarh Administration' (CA), being 25% of the consideration amount for acquisition of development rights in respect of a plot of land admeasuring 30 acres, under Development Agreement dated 2 March, 2007 for development of a "Multimedia-cum-Film City" Complex. Since CA could not handover the possession of the said land to PFCL in terms of the said Development Agreement. PFCL invoked the arbitration clause for seeking refund of the allotment money paid along with compensation, cost incurred and interest thereon.

The Arbitral Panel vide its order dated 10 March, 2012, had decided the matter in favour of PFCL and awarded refund of Rs. 4,919.00 lakhs towards the earnest money paid and other expenses incurred by PFCL along with interest @ 12% per annum. Subsequently, the CA filed a petition before the Additional District Judge at Chandigarh challenging the award under section 34 of The Arbitration and Conciliation Act, 1996. The said petition was dismissed by the Hon'ble District Judge vide his order dated 07 May, 2015.

The Execution Petition was filed before Additional District Judge (ADJ), Chandigarh for the execution of the Arbitral Award by PFCL. In the meantime, CA filed an appeal under section 37 of the Arbitration and Conciliation Act, 1996 before the Punjab and Haryana High Court at Chandigarh against the orders of the ADJ, Chandigarh pertaining to the Award of Arbitral Tribunal. The Hon'ble High Court allowed the appeal filed by CA and set aside the arbitral award vide its orders dated 17 March, 2016. PFCL has now filed a Special Leave Petition (SLP) before the Hon'ble Supreme Court of India.

**44** The Company had executed an 'Amended and Restated Investment and Security Holders Agreement' dated 14 September, 2010 with one of its subsidiaries, Parsvnath Estate Developers Private Limited (PEDPL), two Overseas Investment Entities (Investors) and others for development of an office complex on a plot of land admeasuring 15,583.83 square meters situated at Bhai Veer Singh Marg, New Delhi, on the terms and conditions contained in the Agreement and as amended from time to time. The Rights in the said plot have been allotted on 'Build Operate Transfer' (BOT) basis to the Company by Delhi Metro Rail Corporation Ltd. (DMRC). These Rights have been assigned by the Company in favour of PEDPL for implementation of the Project on obtaining approval of DMRC.

PEDPL had completed phase I of the project and commenced its commercial operations during the financial year 2014-15. Phase II of the project is under construction/development.

# Notes to consolidated financial statements

**for the year ended 31 March, 2017**

The Company has acquired all the securities held by the Investors, and consequently, PEDPL had become a wholly owned subsidiary of the Company with effect from 24 May, 2016.

**45** The Company had executed a 'PDL Support Agreement' in favour of Parsvnath Landmark Developers Private Limited (PLDPL) and JP Morgan Advisors India Private Limited (JP Morgan) being the Security Trustees for the Term Loan of ₹ 14,000.00 lakhs given by JP Morgan to PLDPL. In terms of the said Agreement, the Company has given an undertaking for completion of construction of 'La Tropicana' Project, New Delhi, within the amount set out in the Agreement and within the Completion Schedule, as stated therein. Any escalation in the construction cost is to be funded by the Company. Further, the Company has also undertaken that it shall maintain at all times not less than 78% of the ownership interest and voting rights in PLDPL.

During the year, PLDPL has repaid the outstanding loan availed from JP Morgan out of a fresh issue of Non-convertible Debentures (NCDs) worth ₹ 20,000.00 lakhs issued on 13 October, 2016. Consequently, the PDL Support Agreement has become redundant. The Company also purchased the securities held by the overseas investors, and therefore, PLDPL became a wholly owned subsidiary of the Company with effect from 02 November, 2016.

**46** The Company was declared as the "Selected Bidder" for grant of lease for development of project on a plot of land at Sarai Rohilla, Kishanganj, Delhi by 'Rail Land Development Authority' (RLDA) vide its 'Letter of Acceptance' (LOA) dated 26 November, 2010. In terms of the LOA, the project was being implemented through a Special Purpose Vehicle (SPV), Parsvnath Promoters and Developers Private Limited (PPDPL). Subsequently, in terms of the requirements of RLDA, another Company in the name of Parsvnath Rail Land Project Private Limited (PRLPPL) was incorporated as an SPV to implement the project. RLDA has accepted PRLPPL as the SPV vide its letter dated 3 August, 2012.

The Company has executed an 'Investment and Security Holders' Agreement dated 20 December, 2012 with PRLPPL and two overseas Investment entities (Investors) in relation to the project. Subsequently, the Company has executed an 'Amended and Restated Investment and Security Holders Agreement' on 21 August, 2013 with PRLPPL and aforesaid Investors for financing of the project.

Due to multifarious reasons, including the lack of statutory approvals of lay out and building plans by NDMC,PRLPPL was not able to achieve 'Financial Closure' as per Article 7 of the Agreement which resulted in deemed termination of the agreement. The Company has invoked the arbitration clause in the development agreement for recovery of amount paid to RLDA together with interest thereon on deemed termination of agreement. The arbitration proceedings have since commenced. Advance amount paid amounting to ₹ 129,472.18 lakhs to RLDA for allotment of project including amount spent on development of the said project has been shown as recoverable from RLDA and accordingly reflected under 'Other financial assets' in Note 10.

## 47 Managerial Remuneration

During the previous year, the Company had filed applications with the Ministry of Corporate Affairs, Government of India, for approvals in respect of payment of Managerial Remuneration in excess of the limits specified under Schedule V to the Companies Act, 2013. The Ministry of Corporate Affairs vide its letters dated 10 May, 2016 rejected the Company's applications. The Company had reversed/adjusted managerial remuneration during the previous year ended 31 March, 2016 and accordingly amount paid to directors of ₹ 340.56 lakhs was shown as recoverable from the directors, which has been recovered during the current year. No remuneration has been paid to Whole time Directors during current financial year.

## 48 Trade receivables

Trade receivables include ₹ 48,100.03 lakhs (Previous year ₹ 43,129.75 lakhs) outstanding for a period exceeding six months. Due to continued recession in the industry, there have been delays in collections from customers. In view of industry practice and terms of agreement with customers, all these debts are considered good for recovery and hence no provision is considered necessary.

**49** In the opinion of the Board of directors, 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.

**50** Pursuant to the Income Tax assessment order dated 30 March, 2016, provision for income tax amounting to ₹ 6,460.77 lakhs was adjusted against deferred tax assets and Minimum Alternate Tax (MAT) credit of ₹ 2,601.08 lakhs was recognised during the previous year. Consequent to these adjustments, amount of ₹ 2,462.58 lakhs (Net of other short/excess tax provisions relating to earlier years)

# Notes to consolidated financial statements

**for the year ended 31 March, 2017**

was credited to the Statement of Profit and Loss as tax adjustment of earlier years.

## 51 Corporate social responsibility

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

52 The Group has no outstanding derivative or foreign currency exposure as at the end of the current year and previous year.

53 The Group is engaged in the business of real estate development, which has been classified as infrastructural facilities as per Schedule VI to the Companies Act, 2013. Accordingly, provisions of section 186 of the Companies Act are not applicable to the company and hence no disclosure under that section is required.

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

(₹ in lakhs)

| | | Year ended 31-March-17 | Year ended 31-March-16 |
|---|---|---|---|
| a. | Salaries and wages | 2.28 | 1.33 |
| b. | Contribution to provident and other funds | 0.77 | 0.98 |
| c. | Legal and professional charges | 63.19 | 4.87 |
| d. | Licence fee | 1,784.87 | 757.18 |
| e. | Miscellaneous expenses | 65.84 | 48.87 |
| | | **1,916.95** | **813.23** |

55 The Group is setting up SEZs and Hotels. Costs incurred on these Projects till completion of the project are reflected as 'Capital work-in-progress'. Details of incidental expenditure incurred during construction in respect of these projects debited to 'Capital work-in-progress' are as under:

(₹ in lakhs)

| | | Year ended 31-March-17 | Year ended 31-March-16 |
|---|---|---|---|
| a. | Legal and professional charges | 3.23 | 1.24 |
| b. | Miscellaneous expenses | 24.38 | 21.14 |
| | | **27.61** | **22.38** |

56 Details of borrowing costs capitalised during the year:

(₹ in lakhs)

# Notes to consolidated financial statements

**for the year ended 31 March, 2017**

| | | Year ended 31-March-17 | Year ended 31-March-16 |
|---|---|---|---|
| a. | Intangible assets/assets under development | 4,744.27 | 4,555.95 |
| b. | Capital work-in-progress | 157.90 | 167.70 |
| c. | Inventory | 20,353.56 | 14,806.36 |
| | | **25,255.73** | **19,530.01** |

## 57 Segment information

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.

## 58 Employee benefit plans

### a Defined contribution plan

The Group makes Provident Fund contributions to Regional Provident Fund Commissioner (RPFC) and ESI contributions to Employees State Insurance Corporation (ESIC), which are defined contribution plans, for qualifying employees. The Group contributes a specified percentage of salary to fund the benefits. The contributions payable to these plans by the Group are at the rates specified in the rules of the scheme. The amount of contribution is as under:

(₹ in lakhs)

| | | Year ended 31 March, 2017 | Year ended 31 March, 2016 |
|---|---|---|---|
| a. | Contribution to Provident Fund | 43.56 | 52.11 |
| b. | Contribution to ESI | 7.54 | 7.33 |
| | | **51.10** | **59.44** |

### b Defined benefit plan

The Group 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 present value of the defined benefit obligation and the related current service cost were measured using the Projected Unit Credit Method with actuarial valuations being carried out at each balance sheet date.

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

(₹ in lakhs)

| | Particulars | 2016-17 | 2015-16 | 2014-15 |
|---|---|---|---|---|
| i | **Components of employer's expenses:** | | | |
| | Current service cost | 41.58 | 42.10 | 46.64 |
| | Interest cost | 27.15 | 27.01 | 33.52 |
| | Actuarial (gain)/loss | 30.96 | (0.14) | (79.98) |
| | **Net charge/(credit)** | **99.69** | **68.97** | **0.18** |
| ii | **Actual contribution and benefit payments for year** | | | |
| | Actual benefit payments | 82.70 | 70.08 | 82.35 |
| | Actual contributions | - | - | - |
| | | **82.70** | **70.08** | **82.35** |
| iii | **Net liabilities/ (assets) recognised in the balance sheet** | | | |
| | Present value of defined benefit obligation | 363.02 | 346.03 | 347.14 |
| | Fair value of plan assets | - | - | - |
| | **Net liabilities/ (assets) recognised in the balance sheet** | **363.02** | **346.03** | **347.14** |
| | Note: The fair value of plan assets is Nil, since defined benefit plans are unfunded | | | |
| | Short-term provisions | 40.69 | 49.73 | 49.95 |
| | Long-term provisions | 322.33 | 296.30 | 297.19 |
| | | **363.02** | **346.03** | **347.14** |

| | Particulars | 2016-17 | 2015-16 | 2014-15 |
|---|---|---|---|---|
| iv | **Change in defined benefit obligation during the year** | | | |
| | Present value of defined benefit obligation at beginning of the year | 346.03 | 347.14 | 429.31 |
| | Current service cost | 41.58 | 42.10 | 46.64 |
| | Liabilities assumed on acquisition (see note 30) | | | |
| | Interest cost | 27.15 | 27.01 | 33.52 |
| | Actuarial (gains)/losses on obligations | 30.96 | (0.14) | (79.98) |
| | Benefits paid | (82.70) | (70.08) | (82.35) |
| | **Present value of DBO at the end of the year** | **363.02** | **346.03** | **347.14** |
| v | **Other comprehensive income (OCI)** | | | |
| | Remeaurment of defined benefit obligation | **(30.96)** | **0.14** | - |
| vi | **Balance sheet reconciliation** | | | |
| | Net liability at the beginning of the year | 346.03 | 347.14 | 429.31 |
| | Expenses recognised/(reversed) during the year | 68.73 | 69.11 | 0.18 |
| | Actuarial gain/(losses) | 30.96 | (0.14) | - |
| | Benefits paid | (82.70) | (70.08) | (82.35) |
| | Amount recognised in the balance sheet | **363.02** | **346.03** | **347.14** |

**vii Experience adjustments:**

(₹ in lakhs)

| | Particulars | 31.03.2017 | 31.03.2016 | 31.03.2015 | 31.03.2014 | 31.03.2013 |
|---|---|---|---|---|---|---|
| i. | Present value of Defined Benefit Obligation | 363.02 | 346.03 | 347.14 | 429.31 | 381.01 |
| ii. | Fair Value of plan assets | - | - | - | - | - |
| iii. | Funded status [Surplus/ (Deficit)] | 363.02 | 346.03 | 347.14 | 429.31 | 381.01 |
| iv. | Experience gain/(loss) adjustments on plan liabilities | 30.96 | 0.14 | (79.98) | 5.27 | 22.16 |
| v. | Experience gain/loss adjustments on plan assets | - | - | - | - | - |

**viii Actuarial assumptions**

| | | | 31.03.2017 | 31.03.2016 | 31.03.2015 |
|---|---|---|---|---|---|
| | a. | **Financial assumptions** | | | |
| | i. | Discount rate (p.a.) | 7.35% | 8.00% | 8.00% |
| | ii. | Salary escalation rate (p.a.) | 4.00% | 4.00% | 4.00% |
| | b. | **Demographic assumptions** | | | |
| | i. | Retirement age | 70 years | | 70 years |
| | ii | Mortality rate | Indian Assured Lives Mortality (2006-08) ultimate table | | |
| | | - Withdrawal rate | | | |
| | | Upto 30 years | 3.00 | 3.00 | 3.00 |
| | | From 31 to 44 years | 2.00 | 2.00 | 2.00 |
| | | Above 44 years | 1.00 | 1.00 | 1.00 |

**ix. Sensivity analysis**

The sensitivity of the plan obligations to changes in key assumptions are:

(₹ in lakhs)

| | | | | Change in assumption | Change in plan obligation |
|---|---|---|---|---|---|
| | | Discount rate | Increase | 0.50 % | (20.56) |
| | | | Decrease | 0.50 % | 22.71 |
| | | Salary escalation rate | Increase | 0.50 % | 23.37 |
| | | | Decrease | 0.50 % | (21.29) |

**c. Actuarial assumptions for long-term compensated absences**

| | | | 31.03.2017 | 31.03.2016 | 31.03.2015 |
|---|---|---|---|---|---|
| | a. | **Financial assumptions** | | | |
| | i. | Discount rate (p.a.) | 7.35% | 8.00% | 8.00% |
| | ii. | Salary escalation rate (p.a.) | 4.00% | 4.00% | 4.00% |
| | b. | **Demographic assumptions** | | | |
| | i. | Retirement age | 70 years | | 70 years |
| | ii | Mortality rate | Indian Assured Lives Mortality (2006-08) ultimate table | | |
| | | - Withdrawal rate | | | |
| | | Upto 30 years | 3.00 | 3.00 | 3.00 |
| | | From 31 to 44 years | 2.00 | 2.00 | 2.00 |
| | | Above 44 years | 1.00 | 1.00 | 1.00 |

## 59 Earnings per Equity Share

| | | Year ended 31 March, 2017 | Year ended 31 March, 2016 |
|---|---|---|---|
| Profit for the year | ₹ in lakhs | (14,474.94) | (3,707.66) |
| Weighted average number of equity shares | No's | 4,35,181,170 | 4,35,181,170 |
| Earning per share - basic | ₹ | (3.33) | (0.85) |
| Weighted average number of potential equity shares | No's | - | - |
| Weighted average number of equity shares | No's | 4,35,181,170 | 4,35,181,170 |
| Earnings per share - diluted | ₹ | (3.33) | (0.85) |
| Face value per equity share | ₹ | 5.00 | 5.00 |

## 60 Operating lease arrangements - As lessee

The Group has entered into Concession Agreements with Delhi Metro Rail Corporation (DMRC) and has acquired the License Rights to develop properties and sub license it to the customers for a defined period of time. License fees recognised during the year are as follows:

(₹ in lakhs)

| | Year ended 31 March, 2017 | Year ended 31 March, 2016 |
|---|---|---|
| Licence fee | | |
| a. Charged to statement of profit and loss | 1,182.87 | 1,155.17 |
| b. Capitalised in Intangible assets | 1,506.28 | 820.75 |
| | **2,689.15** | **1,975.92** |
| Other lease charges | | |
| a. Charged to statement of profit and loss | **488.39** | **479.21** |

Note: Upfront fee paid by the Group has amortised over licence period and included in licence fee

The total of future minimum lease payments are as follows:

(₹ in lakhs)

| | As at 31 March, 2017 | As at 31 March, 2016 | As at 1-April-15 |
|---|---|---|---|
| a. Not later than one year | 3,831.35 | 3,560.06 | 4,687.77 |
| b. Later than one year but not later than five years | 15,235.63 | 14,345.20 | 19,518.35 |
| c. Later than five years | 125,252.83 | 121,819.25 | 182,399.40 |
| | **144,319.81** | **139,724.51** | **206,605.52** |

## 61 Operating lease arrangements - As lessor

The Group has given certain building and facilities under non-cancellable operating leases.
Lease income (licence fee) recognised in the Statement of Profit and Loss is as under:

(₹ in lakhs)

| | Year ended 31 March, 2017 | Year ended 31 March, 2016 |
|---|---|---|
| Licence fee income | | |
| a. Recognised in statement of profit and loss | 7,849.84 | 5,719.97 |
| | **7,849.84** | **5,719.97** |

The total of future minimum lease receivables are as follows:

(₹ in lakhs)

| | | As at 31 March, 2017 | As at 31 March, 2016 | As at 1-April-15 |
|---|---|---|---|---|
| a. | Not later than one year | **5,653.83** | 5,568.98 | 3,189.93 |
| b. | Later than one year but not later than five years | **8,248.45** | 12,091.75 | 14,403.09 |
| c. | Later than five years | **1,989.82** | 427.00 | 795.94 |
| | | **15,892.10** | **18,087.73** | **18,388.96** |

## 62 Jointly controlled entity

a. The Group has interests in following joint venture - jointly controlled entity

| Name of jointly controlled entity | Nature of project | Ownership interest | Country of residence |
|---|---|---|---|
| Ratan Parsvnath Developers AOP | Real estate | 50% | India |

b. Financial interest of the Group in jointly controlled entity is as under

(₹ in lakhs)

| | | As at 31 March, 2017 | As at 31 March, 2016 | As at 1-April-15 |
|---|---|---|---|---|
| Company's share of: | | | | |
| a. | Assets | 468.70 | 466.28 | 419.97 |
| b. | Liabilities | 0.56 | 0.41 | 48.05 |
| c. | Income | - | - | - |
| d. | Expenditure | 0.22 | 0.22 | 0.21 |
| e. | Tax | - | - | - |

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

# Notes to consolidated financial statements

for the year ended 31 March, 2017

## Note 63: Related party transactions

a. **List of related parties**

i. **Entities over which the Company, subsidiary companies or key management personnel or their relatives, exercise significant influence**

- Adela Buildcon Private Limited
- Amazon India Limited *
- Ashirwad Realtors Private Limited
- Baasima Buildcon Private Limited
- Baidehi Infrastructure Private Limited
- Balbina Real Estates Private Limited
- Charushila Buildwell Private Limited
- Congenial Real Estates Private Limited
- Cyanea Real Estate Private Limited
- Deborah Real Estate Private Limited
- Deleena Developers Private Limited
- Enormity Buildcon Private Limited
- Farhad Realtors Private Limited
- Gauranga Realtors Private Limited
- Gauresh Buildwell Private Limited
- Homelife Real Estate Private Limited *
- Janak Finance & Leasing Private Limited
- Jarul Promoters & Developers Private Limited
- Jodhpur Infrastructure Private Limited
- K.B. Realtors Private Limited
- Laban Real Estates Private Limited
- Landmark Malls and Towers Private Limited
- Landmark Township Planners Private Limited
- Madhukanta Real Estate Private Limited
- Magic Promoters Private Limited
- Mahanidhi Buildcon Private Limited
- Neha Infracon (India) Private Limited
- Nilanchal Realtors Private Limited
- Noida Marketing Private Limited
- P.S. Realtors Private Limited
- Panchvati Buildwell Private Limited (upto 17 February, 2017)
- Parasnath And Associates Private Limited
- Parasnath Travels & Tours Private Limited
- Parsvnath Biotech Private Limited
- Parsvnath Cyber City Private Limited
- Parsvnath Dehradun Info Park Private Limited
- Parsvnath Developers (GMBT) Private Limited
- Parsvnath Developers (SBBT) Private Limited
- Parsvnath Gurgaon Info Park Private Limited
- Parsvnath Indore Info Park Private Limited
- Parsvnath Knowledge Park Private Limited
- Parsvnath Retail Limited
- Parsvnath Realty Ventures Limited #
- Parikrama Infrastructure Private Limited (upto 25 February, 2017)
- Pearl Propmart Private Limited
- Pradeep Kumar Jain & Sons (HUF)
- Prasidhi Developers Private Limited (upto 25 February, 2017)
- Prastut Real Estate Private Limited (upto 25 February, 2017)
- Rangoli Buildcon Private Limited
- Sadgati Buildcon Private Limited
- Scorpio Realtors Private Limited
- Snigdha Buildwell Private Limited
- Suksma Buildtech Private Limited
- Timebound Contracts Private Limited
- Vardaan Buildtech Private Limited *

* Associates of the Company

#Became wholly-owned subsidiary w.e.f. 16 July, 2016.

ii. **Joint Ventures**

Joint venture of the Company

- Ratan Parsvnath Developers (AOP)

Joint venture of a Subsidiary Company

- Palakkad Infrastructure Private Limited (upto 12 March, 2016)*

* The Company has been dissolved upon the striking off of its name from the Register of ROC, Ernakulam, Kerala, with effect from 13 March, 2016.

iii. **Entities which can exercise significant influence over subsidiaries/joint venture**

- Anuradha SA Investments LLC, Mauritius (ASA)
- Anuradha Ventures Limited, Cyprus (AVL)
- City Centre Monuments (Upto 25 May, 2016)
- Emtons Holding Limited (Upto 23 May, 2016)
- Green Destination Holding Limited (GDHL)
- Crimsonstar Ventures Limited, Cyprus
- Banrod Investments Limited, Cyprus (Upto 28 September, 2016)
- Sterling Pathway(Upto 2 November, 2016)

iv. **Key Management Personnel**

- Mr.Pradeep Kumar Jain, Chairman
- Mr. Sanjeev Kumar Jain, Managing Director and CEO
- Dr. Rajeev Jain, Whole-time Director

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

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

vi. **Non-Executive and Independent Directors**

- Mr. Ashok Kumar
- Dr. Pritam Singh
- Ms. Deepa Gupta
- Mr. Mahendra Nath Verma

# Notes to consolidated financial statements

**for the year ended 31 March, 2017**

**b. Transactions / balances outstanding with related parties:**

(₹ in lakhs)

| **Transaction / outstanding balances** | **Entities under significant influence** | **Joint Venture entities** | **Key management personnel and their relative** | **Entities exercise significant influence** | **Total** |
|---|---|---|---|---|---|
| **(i) Transactions during the year** | | | | | |
| **Unsecured loan received** | | | | | |
| Pradeep Kumar Jain & Sons (HUF) | - | - | - | - | - |
| | *40.55* | - | - | - | *40.55* |
| Parasnath And Associates Private Limited | - | - | - | - | - |
| | *940.25* | - | - | - | ***940.25*** |
| Lakshya Realtors Private Limited | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | ***980.80*** | - | - | - | *980.80* |
| **Unsecured loan repaid** | | | | | |
| Pradeep Kumar Jain | - | - | - | - | - |
| | - | - | *30.35* | - | ***30.35*** |
| Pradeep Kumar Jain & Sons (HUF) | - | - | - | - | - |
| | *659.77* | - | - | - | ***659.77*** |
| Parasnath And Associates Private Limited | - | - | - | - | - |
| | *940.25* | - | - | - | ***940.25*** |
| Lakshya Realtors Private Limited | - | - | - | - | - |
| | - | - | - | - | - |
| | - | - | - | - | - |
| | ***1,600.02*** | - | ***30.35*** | - | *1,630.37* |
| **Advances repaid** | | | | | |
| Jodhpur Infrastructure Private Limited | - | - | - | - | - |
| | ***0.15*** | - | - | - | ***0.15*** |
| **Purchase of development rights** | | | | | |
| Time Bound Contractors Private Limited | **2.25** | - | - | - | **2.25** |
| | - | - | - | - | - |
| **Advance paid for purchase of land** | | | | | |
| Prasidhi Developers Private Limited | - | - | - | - | - |
| | *95.00* | - | - | - | ***95.00*** |
| Scorpio Realtors Private Limited | 50.00 | - | - | - | **50.00** |
| | - | - | - | - | - |
| Baidehi Infrastructure Private Limited | - | - | - | - | - |
| | *55.00* | - | - | - | ***55.00*** |
| Associates (each having less than 10% of transaction) | 0.50 | - | - | - | **0.50** |
| | - | - | - | - | - |
| | **50.50** | - | - | - | **50.50** |
| | ***150.00*** | - | - | - | *150.00* |

# Notes to consolidated financial statements

**for the year ended 31 March, 2017**

(₹ in lakhs)

| Transaction / outstanding balances | Entities under significant influence | Joint Venture entities | Key management personnel and their relative | Entities exercise significant influence | Total |
|---|---|---|---|---|---|
| **Purchase of investments/shares** | | | | | |
| Parasnath And Associates Private Limited | 2.50 | - | - | - | **2.50** |
| | - | - | - | - | **-** |
| **Interest expenses on debentures** | | | | | |
| Anuradha Venture Limited, Cyprus | - | - | - | 1,356.41 | **1,356.41** |
| | - | - | - | *1,356.41* | ***1,356.41*** |
| Banrod Investments Limited | - | - | - | (1,281.12) | **(1,281.12)** |
| | - | - | - | *(284.96)* | ***(284.96)*** |
| Sterling Pathway | - | - | - | 1,755.16 | **1,755.16** |
| | - | - | - | - | **-** |
| | **-** | **-** | **-** | **1,830.45** | **1,830.45** |
| | **-** | **-** | **-** | ***1,071.45*** | ***1,071.45*** |
| **Interest paid (Expense)** | | | | | |
| Parasnath And Associates Private Limited | - | - | - | - | **-** |
| | *16.23* | - | - | - | ***16.23*** |
| Pradeep Kumar Jain | - | - | - | - | **-** |
| | - | - | *0.39* | - | ***0.39*** |
| Pradeep Kumar Jain & Sons (HUF) | - | - | - | - | **-** |
| | *4.73* | - | - | - | ***4.73*** |
| | **-** | **-** | **-** | **-** | **-** |
| | ***20.96*** | **-** | ***0.39*** | **-** | *21.35* |
| **Rent paid (Expense)** | | | | | |
| Pradeep Kumar Jain | - | - | 6.91 | - | **6.91** |
| | - | - | *6.10* | - | ***6.10*** |
| Nutan Jain | - | - | 45.90 | - | **45.90** |
| | - | - | *42.65* | - | ***42.65*** |
| Pradeep Kumar Jain & Sons (HUF) | 7.78 | - | - | - | **7.78** |
| | *6.84* | - | - | - | ***6.84*** |
| | **7.78** | **-** | **52.81** | **-** | **60.59** |
| | ***6.84*** | **-** | ***48.75*** | **-** | *55.59* |
| **Reimbursement of expenses (Paid)** | | | | | |
| Scorpio Realtors Private Limited | 49.27 | - | - | - | **49.27** |
| | - | - | - | - | **-** |
| Baidehi Infrastructure Private Limited | 54.65 | - | - | - | **54.65** |
| | - | - | - | - | **-** |
| | **103.92** | **-** | **-** | **-** | **103.92** |
| | **-** | **-** | **-** | **-** | - |
| **Recovery of excess managerial remuneration paid** | | | | | |
| Pradeep Kumar Jain | - | - | - | - | **-** |
| | - | - | *85.00* | - | ***85.00*** |

# Notes to consolidated financial statements

for the year ended 31 March, 2017

(₹ in lakhs)

| Transaction / outstanding balances | Entities under significant influence | Joint Venture entities | Key management personnel and their relative | Entities exercise significant influence | Total |
|---|---|---|---|---|---|
| Sanjeev Kumar Jain | - | - | - | - | - |
| | - | - | *85.00* | - | ***85.00*** |
| Rajeev Jain | - | - | - | - | - |
| | - | - | *85.00* | - | ***85.00*** |
| | **-** | **-** | **-** | **-** | **-** |
| | **-** | **-** | ***255.00*** | **-** | ***255.00*** |
| **Purchase of Debentures** | | | | | |
| City Centre Monuments | **-** | **-** | **-** | **15,417.50** | **15,417.50** |
| | **-** | **-** | **-** | **-** | **-** |
| **Non-Convertable debentures (Borrowings)** | | | | | |
| Sterling Pathway | - | - | - | 20,177.98 | **20,177.98** |
| | - | - | - | - | **-** |
| **Share of profit / (loss) from associates** | | | | | |
| Amazon India Limited | 0.01 | - | - | - | **0.01** |
| | *0.01* | - | - | - | ***0.01*** |
| Home Life Real Estate Private Limited | 2.20 | - | - | - | **2.20** |
| | *2.17* | - | - | - | ***2.17*** |
| | **2.21** | **-** | **-** | **-** | **2.21** |
| | ***2.18*** | **-** | **-** | **-** | *2.18* |
| **Sitting fees paid to Directors** | | | | | |
| Mr. Ashok Kumar | - | - | - | 5.10 | **5.10** |
| | - | - | - | *6.60* | ***6.60*** |
| Dr. Pritam Singh | - | - | - | 3.00 | **3.00** |
| | - | - | - | 4.20 | **4.20** |
| Ms. Deepa Gupta | - | - | - | 4.20 | **4.20** |
| | - | - | - | 0.30 | **0.30** |
| Mr. Mahendra Nath Verma | - | - | - | 4.80 | **4.80** |
| | - | - | - | 4.80 | **4.80** |
| | **-** | **-** | **-** | **17.10** | **17.10** |
| | **-** | **-** | **-** | ***15.90*** | ***15.90*** |
| **(ii) Balances at year end** | | | | | |
| **Advances for land purchase / properties** | | | | | |
| Baidehi Infrastructure Private Limited | 0.35 | - | - | - | **0.35** |
| | *55.00* | - | - | - | ***55.00*** |
| | (-) | (-) | (-) | (-) | **(-)** |
| Scorpio Realtors Private Limited | 0.73 | - | - | - | **0.73** |
| | - | - | - | - | **-** |
| | (-) | (-) | (-) | (-) | **(-)** |
| Prasidhi Developers Private Limited | - | - | - | - | **-** |
| | *98.11* | - | - | - | ***98.11*** |
| | (3.10) | (-) | (-) | (-) | **(3.10)** |

# Notes to consolidated financial statements

**for the year ended 31 March, 2017**

(₹ in lakhs)

| Transaction / outstanding balances | Entities under significant influence | Joint Venture entities | Key management personnel and their relative | Entities exercise significant influence | Total |
|---|---|---|---|---|---|
| Panchvati Buildwell Private Limited | - | - | - | - | **-** |
| | *218.69* | - | - | - | ***218.69*** |
| | (218.68) | (-) | (-) | (-) | **(218.68)** |
| Associates (each having less than 10% of transaction) | - | - | - | - | **-** |
| | *1.20* | - | - | - | ***1.20*** |
| | (1.20) | (-) | (-) | (-) | **(1.20)** |
| | **1.08** | **-** | **-** | **-** | **1.08** |
| | ***373.00*** | **-** | **-** | **-** | *373.00* |
| | **(222.98)** | **(-)** | **(-)** | **(-)** | **(222.98)** |
| **Security deposit (assets)** | | | | | |
| Nutan Jain | - | - | 11.36 | - | **11.36** |
| | - | - | *11.36* | - | ***11.36*** |
| | (-) | (-) | (11.36) | (-) | **(11.36)** |
| **Trade/ other payables** | | | | | |
| Pradeep Kumar Jain (HUF) | 1.17 | - | - | - | **1.17** |
| | - | - | - | - | **-** |
| | (1.89) | (-) | (-) | (-) | **(1.89)** |
| Nutan Jain | - | - | 6.94 | - | **6.94** |
| | - | - | - | - | **-** |
| | (-) | (-) | (5.80) | (-) | **(5.80)** |
| Pradeep Kumar Jain | - | - | 0.52 | - | **0.52** |
| | - | - | - | - | **-** |
| | (-) | (-) | (1.56) | (-) | **(1.56)** |
| Timebound Contracts Private Limited | 2.25 | - | - | - | **2.25** |
| | - | - | - | - | **-** |
| | (-) | (-) | (-) | (-) | **(-)** |
| Jodhpur Infrasture Private Limited | 12.17 | - | - | - | **12.17** |
| | *12.67* | - | - | - | ***12.67*** |
| | (12.82) | (-) | (-) | (-) | **(12.82)** |
| | **15.59** | **-** | **7.46** | **-** | **23.05** |
| | ***12.67*** | **-** | **-** | **-** | *12.67* |
| | **(14.71)** | **(-)** | **(7.36)** | **(-)** | **(22.07)** |
| **Unsecured loans** | | | | | |
| Pradeep Kumar Jain | - | - | - | - | **-** |
| | - | - | - | - | **-** |
| | (-) | (-) | (30.35) | (-) | **(30.35)** |
| Pradeep Kumar Jain & Sons (HUF) | - | - | - | - | **-** |
| | - | - | - | - | **-** |
| | (619.22) | (-) | (-) | (-) | **(619.22)** |

# Notes to consolidated financial statements

**for the year ended 31 March, 2017**

(₹ in lakhs)

| Transaction / outstanding balances | Entities under significant influence | Joint Venture entities | Key management personnel and their relative | Entities exercise significant influence | Total |
|---|---|---|---|---|---|
| | - | - | - | - | - |
| | - | - | - | - | - |
| | **(619.22)** | **(-)** | **(30.35)** | **(-)** | **(649.57)** |
| **Amount due from Directors** | | | | | |
| Pradeep Kumar Jain | - | - | - | - | **-** |
| | - | - | *129.47* | - | ***129.47*** |
| | (-) | (-) | (151.74) | (-) | **(151.74)** |
| Sanjeev Kumar Jain | - | - | - | - | **-** |
| | - | - | *117.79* | - | ***117.79*** |
| | (-) | (-) | (21.40) | (-) | **(21.40)** |
| Rajeev Jain | - | - | - | - | **-** |
| | - | - | *93.30* | - | ***93.30*** |
| | (-) | (-) | (-) | (-) | **(-)** |
| | **-** | **-** | **-** | **-** | - |
| | **-** | **-** | ***340.56*** | **-** | *340.56* |
| | **(-)** | **(-)** | **(173.14)** | **(-)** | **(173.14)** |
| **Interest accrued and due on debentures** | | | | | |
| Banrod Investments Limited | **-** | **-** | **-** | **-** | - |
| | **-** | **-** | **-** | ***1,281.12*** | ***1,281.12*** |
| | **(-)** | **(-)** | **(-)** | **(1,281.12)** | **(1,281.12)** |
| **Interest accrued but not due on debentures** | | | | | |
| Banroid Investments Limited | - | - | - | - | **-** |
| | - | - | - | - | **-** |
| | (-) | (-) | (-) | (199.47) | **(199.47)** |
| Anuradha Venture Limited | - | - | - | 2,441.53 | **2,441.53** |
| | - | - | - | *1,898.97* | ***1,898.97*** |
| | (-) | (-) | (-) | (2,058.02) | **(2,058.02)** |
| City Centre Monuments | - | - | - | - | **-** |
| | - | - | - | *4,596.12* | ***4,596.12*** |
| | (-) | (-) | (-) | (4,596.12) | **(4,596.12)** |
| Crimsonstar Ventures Limited | - | - | - | 7.15 | **7.15** |
| | - | - | - | *7.15* | ***7.15*** |
| | (-) | (-) | (-) | (7.15) | **(7.15)** |
| | **-** | **-** | **-** | **2,448.68** | **2,448.68** |
| | **-** | **-** | **-** | ***6,502.24*** | *6,502.24* |
| | **(-)** | **(-)** | **(-)** | **(6,860.76)** | **(6,860.76)** |
| **Investments held (Equity Shares)** | | | | | |
| Amazon India Limited | 253.36 | - | - | - | **253.36** |
| | *253.35* | - | - | - | ***253.35*** |
| | (253.34) | (-) | (-) | (-) | **(253.34)** |

# Notes to consolidated financial statements

**for the year ended 31 March, 2017**

(₹ in lakhs)

| Transaction / outstanding balances | Entities under significant influence | Joint Venture entities | Key management personnel and their relative | Entities exercise significant influence | Total |
|---|---|---|---|---|---|
| Home Life Real Estate Private Limited | 106.13 | - | - | - | **106.13** |
| | *103.94* | - | - | - | ***103.94*** |
| | (101.77) | (-) | (-) | (-) | **(101.77)** |
| Vardaan Buildtech Private Limited | 6.38 | - | - | - | **6.38** |
| | *6.38* | - | - | - | ***6.38*** |
| | (6.38) | (-) | (-) | (-) | **(6.38)** |
| Adela Buildcon Private Limited | 0.50 | - | - | - | **0.50** |
| | *0.50* | - | - | - | ***0.50*** |
| | (0.50) | (-) | (-) | (-) | **(0.50)** |
| Ashirwad Realtors Private Limited | 0.50 | - | - | - | **0.50** |
| | *0.50* | - | - | - | ***0.50*** |
| | (0.50) | (-) | (-) | (-) | **(0.50)** |
| Baasima Buildcon Private Limited | 1.00 | - | - | - | **1.00** |
| | *1.00* | - | - | - | ***1.00*** |
| | (1.00) | (-) | (-) | (-) | **(1.00)** |
| Baidehi Infrastructure Private Limited | 0.50 | - | - | - | **0.50** |
| | *0.50* | - | - | - | ***0.50*** |
| | (0.50) | (-) | (-) | (-) | **(0.50)** |
| Balbina Real Estates Private Limited | 0.50 | - | - | - | **0.50** |
| | *0.50* | - | - | - | ***0.50*** |
| | (0.50) | (-) | (-) | (-) | **(0.50)** |
| Charushila Buildwell Private Limited | 0.50 | - | - | - | **0.50** |
| | *0.50* | - | - | - | ***0.50*** |
| | (0.50) | (-) | (-) | (-) | **(0.50)** |
| Congenial Real Estates Private Limited | 0.50 | - | - | - | **0.50** |
| | *0.50* | - | - | - | ***0.50*** |
| | (0.50) | (-) | (-) | (-) | **(0.50)** |
| Cyanea Real Estate Private Limited | 0.50 | - | - | - | **0.50** |
| | *0.50* | - | - | - | ***0.50*** |
| | (0.50) | (-) | (-) | (-) | **(0.50)** |
| Deborah Real Estate Private Limited | 0.50 | - | - | - | **0.50** |
| | *0.50* | - | - | - | ***0.50*** |
| | (0.50) | (-) | (-) | (-) | **(0.50)** |
| Deleena Developers Private Limited | 0.50 | - | - | - | **0.50** |
| | *0.50* | - | - | - | ***0.50*** |
| | (0.50) | (-) | (-) | (-) | **(0.50)** |
| Enormity Buildcon Private Limited | 0.50 | - | - | - | **0.50** |
| | *0.50* | - | - | - | ***0.50*** |
| | (0.50) | (-) | (-) | (-) | **(0.50)** |
| Farhad Realtors Private Limited | 0.50 | - | - | - | **0.50** |
| | *0.50* | - | - | - | ***0.50*** |
| | (0.50) | (-) | (-) | (-) | **(0.50)** |

# Notes to consolidated financial statements

for the year ended 31 March, 2017

(₹ in lakhs)

| Transaction / outstanding balances | Entities under significant influence | Joint Venture entities | Key management personnel and their relative | Entities exercise significant influence | Total |
|---|---|---|---|---|---|
| Gauranga Realtors Private Limited | 0.50 | - | - | - | **0.50** |
| | *0.50* | - | - | - | ***0.50*** |
| | (0.50) | (-) | (-) | (-) | **(0.50)** |
| Gauresh Buildwell Private Limited | 0.50 | - | - | - | **0.50** |
| | *0.50* | - | - | - | ***0.50*** |
| | (0.50) | (-) | (-) | (-) | **(0.50)** |
| Jarul Promoters & Developers Private Limited | 5.00 | - | - | - | **5.00** |
| | *5.00* | - | - | - | ***5.00*** |
| | (5.00) | (-) | (-) | (-) | **(5.00)** |
| Jodhpur Infrastructure Private Limited | 0.50 | - | - | - | **0.50** |
| | *0.50* | - | - | - | ***0.50*** |
| | (0.50) | (-) | (-) | (-) | **(0.50)** |
| K.B. Realtors Private Limited | 0.50 | - | - | - | **0.50** |
| | *0.50* | - | - | - | ***0.50*** |
| | (0.50) | (-) | (-) | (-) | **(0.50)** |
| Laban Real Estates Private Limited | 0.50 | - | - | - | **0.50** |
| | *0.50* | - | - | - | ***0.50*** |
| | (0.50) | (-) | (-) | (-) | **(0.50)** |
| Landmark Malls and Towers Private Limited | 0.50 | - | - | - | **0.50** |
| | *0.50* | - | - | - | ***0.50*** |
| | (0.50) | (-) | (-) | (-) | **(0.50)** |
| Landmark Township Planners Private Limited | 0.50 | - | - | - | **0.50** |
| | *0.50* | - | - | - | ***0.50*** |
| | (0.50) | (-) | (-) | (-) | **(0.50)** |
| Madhukanta Real Estate Private Limited | 0.50 | - | - | - | **0.50** |
| | *0.50* | - | - | - | ***0.50*** |
| | (0.50) | (-) | (-) | (-) | **(0.50)** |
| Magic Promoters Private Limited | 0.50 | - | - | - | **0.50** |
| | *0.50* | - | - | - | ***0.50*** |
| | (0.50) | (-) | (-) | (-) | **(0.50)** |
| Mahanidhi Buildcon Private Limited | 0.50 | - | - | - | **0.50** |
| | *0.50* | - | - | - | ***0.50*** |
| | (0.50) | (-) | (-) | (-) | **(0.50)** |
| Nilanchal Realtors Private Limited | 0.50 | - | - | - | **0.50** |
| | *0.50* | - | - | - | ***0.50*** |
| | (0.50) | (-) | (-) | (-) | **(0.50)** |
| P.S. Realtors Private Limited | 0.50 | - | - | - | **0.50** |
| | *0.50* | - | - | - | ***0.50*** |
| | (0.50) | (-) | (-) | (-) | **(0.50)** |
| Parsvnath Biotech Private Limited | 2.50 | - | - | - | **2.50** |
| | *2.50* | - | - | - | ***2.50*** |
| | (2.50) | (-) | (-) | (-) | **(2.50)** |
| Parsvnath Cyber City Private Limited | 1.00 | - | - | - | **1.00** |
| | *1.00* | - | - | - | ***1.00*** |
| | (1.00) | (-) | (-) | (-) | **(1.00)** |
| Parsvnath Dehradun Info Park Private Limited | 2.50 | - | - | - | **2.50** |
| | *2.50* | - | - | - | ***2.50*** |
| | (2.50) | (-) | (-) | (-) | **(2.50)** |

# Notes to consolidated financial statements

for the year ended 31 March, 2017

(₹ in lakhs)

| Transaction / outstanding balances | Entities under significant influence | Joint Venture entities | Key management personnel and their relative | Entities exercise significant influence | Total |
|---|---|---|---|---|---|
| Parsvnath Developers (GMBT) Private Limited | 2.50 | - | - | - | **2.50** |
| | *2.50* | - | - | - | ***2.50*** |
| | (2.50) | (-) | (-) | (-) | **(2.50)** |
| Parsvnath Developers (SBBT) Private Limited | 2.00 | - | - | - | **2.00** |
| | *2.00* | - | - | - | ***2.00*** |
| | (2.00) | (-) | (-) | (-) | **(2.00)** |
| Parsvnath Gurgaon Info Park Private Limited | 2.50 | - | - | - | **2.50** |
| | *2.50* | - | - | - | ***2.50*** |
| | (2.50) | (-) | (-) | (-) | **(2.50)** |
| Parsvnath Indore Info Park Private Limited | 2.50 | - | - | - | **2.50** |
| | *2.50* | - | - | - | ***2.50*** |
| | (2.50) | (-) | (-) | (-) | **(2.50)** |
| Parsvnath Knowledge Park Private Limited | 1.00 | - | - | - | **1.00** |
| | *1.00* | - | - | - | ***1.00*** |
| | (1.00) | (-) | (-) | (-) | **(1.00)** |
| Parsvnath Retail Limited | 4.00 | - | - | - | **4.00** |
| | *4.00* | - | - | - | ***4.00*** |
| | (4.00) | (-) | (-) | (-) | **(4.00)** |
| Panchvati Buildwell Private Limited | - | - | - | - | **-** |
| | *0.50* | - | - | - | ***0.50*** |
| | (0.50) | (-) | (-) | (-) | **(0.50)** |
| Parsvnath Realty Ventures Limited | - | - | - | - | **-** |
| | *1.50* | - | - | - | ***1.50*** |
| | (1.50) | (-) | (-) | (-) | **(1.50)** |
| Parikrama Infrastructure Private Limited | - | - | - | - | **-** |
| | *0.50* | - | - | - | ***0.50*** |
| | (0.50) | (-) | (-) | (-) | **(0.50)** |
| Prasidhi Developers Private Limited | - | - | - | - | **-** |
| | *0.50* | - | - | - | ***0.50*** |
| | (0.50) | (-) | (-) | (-) | **(0.50)** |
| Prastut Real Estates Private Limited | - | - | - | - | **-** |
| | *0.50* | - | - | - | ***0.50*** |
| | (0.50) | (-) | (-) | (-) | **(0.50)** |
| Pearl Propmart Private Limited | 0.50 | - | - | - | **0.50** |
| | *0.50* | - | - | - | ***0.50*** |
| | (0.50) | (-) | (-) | (-) | **(0.50)** |
| Rangoli Buildcon Private Limited | 0.50 | - | - | - | **0.50** |
| | *0.50* | - | - | - | ***0.50*** |
| | (0.50) | (-) | (-) | (-) | **(0.50)** |
| Sadgati Buildcon Private Limited | 0.50 | - | - | - | **0.50** |
| | *0.50* | - | - | - | ***0.50*** |
| | (0.50) | (-) | (-) | (-) | **(0.50)** |
| Scorpio Realtors Private Limited | 0.50 | - | - | - | **0.50** |
| | *0.50* | - | - | - | ***0.50*** |
| | (0.50) | (-) | (-) | (-) | **(0.50)** |

# Notes to consolidated financial statements

**for the year ended 31 March, 2017**

(₹ in lakhs)

| Transaction / outstanding balances | Entities under significant influence | Joint Venture entities | Key management personnel and their relative | Entities exercise significant influence | Total |
|---|---|---|---|---|---|
| Snigdha Buildwell Private Limited | 0.50 | - | - | - | **0.50** |
| | *0.50* | - | - | - | ***0.50*** |
| | (0.50) | (-) | (-) | (-) | **(0.50)** |
| Suksma Buildtech Private Limited | 0.50 | - | - | - | **0.50** |
| | *0.50* | - | - | - | ***0.50*** |
| | (0.50) | (-) | (-) | (-) | **(0.50)** |
| Timebound Contracts Private Limited | 5.00 | - | - | - | **5.00** |
| | *5.00* | - | - | - | ***5.00*** |
| | (5.00) | (-) | (-) | (-) | **(5.00)** |
| | **411.87** | **-** | **-** | **-** | **411.87** |
| | ***413.17*** | **-** | **-** | **-** | ***413.17*** |
| | **(410.99)** | **(-)** | **(-)** | **(-)** | **(410.99)** |
| **Corporate guarantee given for** | | | | | |
| Home Life Real Estate Private Limited | **35.06** | **-** | **-** | **-** | **35.06** |
| | ***35.06*** | **-** | **-** | **-** | ***35.06*** |
| | **(35.06)** | **(-)** | **(-)** | **(-)** | **(35.06)** |
| **Guarantee for loans** | | | | | |
| Chairman and whole-time directors | - | - | 1,91,137.11 | - | **1,91,137.11** |
| | - | - | *1,75,822.18* | - | ***1,75,822.18*** |
| | (-) | (-) | (1,58,033.90) | (-) | **(1,58,033.90)** |
| **Borrowings** | | | | | |
| Anuradha Venture Limited | - | - | - | 8,751.00 | **8,751.00** |
| | - | - | - | *8,751.00* | ***8,751.00*** |
| | (-) | (-) | (-) | (8,751.00) | **(8,751.00)** |
| Crimsonstar Ventures Limited | - | - | - | 18,133.39 | **18,133.39** |
| | - | - | - | *18,133.39* | ***18,133.39*** |
| | (-) | (-) | (-) | (18,133.39) | **(18,133.39)** |
| Banrod Investment Limited | - | - | - | - | **-** |
| | - | - | - | *7,578.26* | ***7,578.26*** |
| | (-) | (-) | (-) | (7,578.26) | **(7,578.26)** |
| City Centre Monuments | - | - | - | - | **-** |
| | - | - | - | *15,417.50* | ***15,417.50*** |
| | (-) | (-) | (-) | (15,417.50) | **(15,417.50)** |
| | **-** | **-** | **-** | **26,884.39** | **26,884.39** |
| | **-** | **-** | **-** | **49,880.15** | **49,880.15** |
| | **(-)** | **(-)** | **(-)** | **(49,880.15)** | **(49,880.15)** |

**Note:**

- Figures in italics represents as at and for the year ended 31 March, 2016.

- Figures in brackets represents figures as at 1 April, 2015.

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

All related party transactions entered during the year were in ordinary course of business and are on arm's length basis. For the year ended 31 March, 2017, the Group has not recorded any impairment of recivables from related parties ( 31 March, 2016 - Nil: 1 April, 2015 - Nil).

# Notes to consolidated financial statements

**for the year ended 31 March, 2017**

The Group makes this assessment each fianncial year through examination of the financial position of the related party and the market condition in which the related party operates.

## 64 Financial Instruments

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

(₹ in lakhs)

| | | As at 31-March-17 | | | | As at 31-March-16 | | | | As at 1-April-15 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| | | Total | Amortised Cost | At cost | FVTPL | Total | Amortised Cost | At cost | FVTPL | Total | Amortised Cost | At cost | FVTPL |
| | **Financial assets** | | | | | | | | | | | | |
| i. | Investments | 1,460.12 | - | 411.87 | 1,048.25 | 1,461.42 | - | 413.17 | 1,048.25 | 1,517.65 | - | 410.99 | 1,106.66 |
| ii. | Trade receivables | 63,039.61 | 63,039.61 | - | - | 65,893.61 | 65,893.61 | - | - | 64,254.03 | 64,254.03 | - | - |
| iii. | Cash and cash equivalents | 1,402.23 | 1,402.23 | - | - | 3,738.05 | 3,738.05 | - | - | 18,639.14 | 18,639.14 | - | - |
| iv. | Bank balances other than (iii) above | 5,388.27 | 5,388.27 | - | - | 13,556.31 | 13,556.31 | - | - | 11,619.65 | 11,619.65 | - | - |
| v. | Loans | 2,322.95 | 2,322.95 | - | - | 2,809.16 | 2,809.16 | - | - | 192.34 | 192.34 | - | - |
| vi. | Other financial assets | 1,61,067.12 | 1,61,067.12 | - | - | 1,56,303.74 | 1,56,303.74 | - | - | 27,659.28 | 27,659.28 | - | - |
| | **Total financial assets** | **2,34,680.30** | **2,33,220.18** | **411.87** | **1,048.25** | **2,43,762.29** | **2,42,300.87** | **413.17** | **1,048.25** | **1,23,882.09** | **1,22,364.44** | **410.99** | **1,106.66** |
| | **Financial liabilities** | | | | | | | | | | | | |
| i. | Borrowings | 3,71,724.83 | 3,71,724.83 | - | - | 2,88,651.16 | 2,88,651.16 | - | - | 2,64,103.05 | 2,64,103.05 | - | - |
| ii. | Trade Payables | 69,549.69 | 69,549.69 | - | - | 67,901.00 | 67,901.00 | - | - | 63,868.90 | 63,868.90 | - | - |
| iii. | Other financial liabilities | 46,763.47 | 46,763.47 | - | - | 62,546.65 | 62,546.65 | - | - | 60,146.27 | 60,146.27 | - | - |
| | **Total financial liabilities** | **488,037.99** | **488,037.99** | **-** | **-** | **4,19,098.81** | **4,19,098.81** | **-** | **-** | **3,88,118.22** | **3,88,118.22** | **-** | **-** |

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

**Fair value hierarchy**

The fair value of financial instruments have been classified into three categories depending on the inputs used in the valuation technique

The categories used are as follows:

Level 1: Quoted prices for identical instruments in an active market

Level 2: Directly or indirectly observable market inputs, other than Level 1 inputs

Level 3: Inputs which are not based on observable market date

(₹ in lakhs)

| | As at 31-March-2017 | | As at 31-March-2016 | | As at 1-April-15 | |
|---|---|---|---|---|---|---|
| | Carrying amount | Category | Carrying amount | Category | Carrying amount | Category |
| Investment carried at fair value through profit and loss | 1,048.25 | Level 3 | 1,048.25 | Level 3 | 1,106.66 | Level 3 |

# Notes to consolidated financial statements

**for the year ended 31 March, 2017**

## 65 Financial Risk Management

The Group's business operations are exposed to various financial risks such as liquidity risk, market risks, credit risk, interest rate risk, funding risk etc. The Group's financial liabilities mainly includes borrowings taken for the purpose of financing group's operations. Financial assets mainly includes trade receivables, investment in subsidiaries/joint venture/associates and loans to its subsidiaries.

The Group has a system based approach to financial risk management. The Group 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 Group'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 Group may face to meet its obligations for financial liabilities. The objective of liquidity risk management is that the Group has sufficient funds to meet its liabilities when due. The Group is under stressed conditions, which has resulted in delays in meeting its liabilities. The Group, regularly monitors the cash outflow projections and arrange funds to meet its liabilities.

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

(₹ in lakhs)

| | Carrying amount | Payable within 1 year | Payable in 1-3 years | Payable in 3-5 years | Payable more than 5 years |
|---|---|---|---|---|---|
| **As at 31 March, 2017** | | | | | |
| Borrowings | 3,91,121.27 | 43,226.84 | 1,61,160.90 | 67,405.68 | 119,327.85 |
| Trade payables | 69,549.69 | 64,624.07 | 4,705.62 | 220.00 | - |
| Other financial liabilities | 27,367.03 | 22,349.36 | 1,331.28 | 2,555.62 | 1,130.77 |
| | **4,88,037.99** | **1,30,200.27** | **1,67,197.80** | **70,181.30** | **1,20,458.62** |
| **As at 31 March, 2016** | | | | | |
| Borrowings | 3,12,627.67 | 63,049.67 | 1,12,313.63 | 38,738.73 | 98,525.64 |
| Trade payables | 67,901.00 | 59,763.54 | 7,917.46 | 220.00 | - |
| Other financial liabilities | 38,570.14 | 33,575.42 | 1,349.13 | 2,329.64 | 1,315.95 |
| | **4,19,098.81** | **1,56,388.63** | **1,21,580.22** | **41,288.37** | **99,841.59** |
| **As at 1 April,2015** | | | | | |
| Borrowings | 2,96,323.02 | 60,562.33 | 88,693.72 | 48,899.09 | 98,167.88 |
| Trade payables | 63,868.90 | 51,499.89 | 12,151.01 | 218.00 | - |
| Other financial liabilities | 27,926.30 | 22,696.58 | 953.24 | 2,567.33 | 1,709.15 |
| | **3,88,118.22** | **1,34,758.80** | **1,01,797.97** | **51,684.42** | **99,877.03** |

Note : Current maturities of long term dept have been excluded from other financial liablities and included under Borrowings.

# Notes to consolidated financial statements

**for the year ended 31 March, 2017**

**Financing facilities**

**Secured bank overdraft facility :**

| | | | |
|---|---|---|---|
| - amount used | 8,887.77 | 9,888.99 | 9,657.60 |
| - amount unused | 8.23 | 1.01 | 232.40 |

**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 Group is mainly exposed to the interest rate risk due to its borrowings. The Group manages its interest rate risk by having balanced portfolio of fixed and variable rate borrowings. The Group does not enter into any interest rate swaps.

**Interest rate sensitivity analysis**

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

(₹ in lakhs)

| | As at 31 March, 2017 | As at 31 March, 2016 | As at 1-April-15 |
|---|---|---|---|
| **Variable rate borrowings** | | | |
| Long Term | 1,28,748.43 | 80,044.44 | 69,471.91 |
| Short Term | 40,576.25 | 35,788.78 | 36,164.08 |
| **Total Variable rate Borrowing** | **1,69,324.68** | **1,15,833.22** | **1,05,635.99** |
| **Fixed Rate Borrowings** | | | |
| Long Term | 2,16,296.59 | 1,94,294.45 | 1,84,941.92 |
| Short Term | 5,500.00 | 2,500.00 | 5,745.11 |
| **Total Fixed rate Borrowing** | **2,21,796.59** | **1,96,794.45** | **1,90,687.03** |
| **Total Borrowing** | **3,91,121.27** | **3,12,627.67** | **2,96,323.02** |

**Sensitivity**

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

(₹ in lakhs)

| | Year ended 31 March, 2017 | Year ended 31 March, 2016 |
|---|---|---|
| Actual interest cost | 39,220.32 | 29,222.71 |
| if ROI is increased by 1% on outstanding loan | 1,770.51 | 1,247.58 |
| Total interest cost | 40,990.83 | 30,470.29 |
| if ROI is decreased by 1% on outstanding loan | 1,770.51 | 1,247.58 |

# Notes to consolidated financial statements

**for the year ended 31 March, 2017**

| | | |
|---|---|---|
| Total interest cost | 37,449.81 | 27,975.13 |

**B. Price risk**

The Group 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 Group is exposed to credit risk for receivables from its real estate customers and refundable security deposits.

Customers credit risk is managed, generally by receipt of sale consideration before handing over of possession and/or transfer of legal ownership rights. The Group credit risk with respect to customers is diversified due to large number of real estate projects with different customers spread over different geographies.

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

(₹ in lakhs)

| | As at 31 March, 2017 | As at 31 March, 2016 | As at 1-April-15 |
|---|---|---|---|
| Outstanding for more than 6 months | 48,100.03 | 43,129.75 | 36,741.73 |
| Outstanding for 6 months or less | 2,956.65 | 10,474.49 | 14,773.54 |
| Not due for payment | 11,982.93 | 12,289.37 | 12,738.76 |
| | **63,039.61** | **65,893.61** | **64,254.03** |

## 66 Capital Management

For the purpose of capital management, capital includes equity capital, share premium and retained earnings. The Group maintains balance between debt and equity. The Group 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:

(₹ in lakhs)

| | As at 31 March, 2017 | As at 31 March, 2016 | As at 1-April-15 |
|---|---|---|---|
| **Borrowings:** | | | |
| - Long term | 3,25,648.58 | 2,50,362.38 | 2,22,193.86 |
| - Short term | 46,076.25 | 38,288.78 | 41,909.19 |
| - Current maturities of long term | 19,396.44 | 23,976.51 | 32,219.96 |
| borrowings | | | |
| **Total borrowings - A** | **3,91,121.27** | **3,12,627.67** | **2,96,323.01** |
| **Equity** | | | |
| - Share capital | 21,759.06 | 21,759.06 | 21,759.06 |
| - Other equity | 2,26,459.98 | 2,41,310.21 | 2,44,990.27 |
| **Total Equity - B** | **2,48,219.04** | **2,63,069.27** | **2,66,749.33** |

# Notes to consolidated financial statements

for the year ended 31 March, 2017

| | | | |
|---|---|---|---|
| Debt to equity ratio (A/B) | 1.58 | 1.19 | 1.11 |

## 67 First time Ind AS adoption reconciliations:

### A. Effect of Ind AS adoption on the balance sheet as at 31 March, 2016 and 1 April, 2015

(₹ in lakhs)

| Particulars | Notes | Balance sheet as at 1 April 2015 | | | Balance sheet as at 31 March 2016 | | |
|---|---|---|---|---|---|---|---|
| | | IGAAP | Effects of transition to Ind-AS | Ind AS | IGAAP | Effects of transition to Ind-AS | Ind AS |
| **Assets** | | | | | | | |
| **1 Non-current assets** | | | | | | | |
| a. Property, plant and equipment | (a), (b) | 46,990.19 | (45,808.46) | 1,181.73 | 45,041.63 | (44,181.64) | 859.99 |
| b. Capital work-in-Progress | | 5,851.32 | - | 5,851.32 | 6,036.51 | - | 6,036.51 |
| c. Investment property | (b) | | 6,283.66 | 6,283.66 | | 6,411.66 | 6,411.66 |
| d. Goodwill on consolidation | | 4,618.96 | - | 4,618.96 | 4,618.96 | - | 4,618.96 |
| e. Other intangible assets | (a) | | 44,076.98 | 44,076.98 | | 42,491.41 | 42,491.41 |
| f. Intangible assets under development | | 56,604.15 | - | 56,604.15 | 61,797.29 | - | 61,797.29 |
| g. Financial assets | | | | | | | |
| i. Investments | (g) | 1,466.44 | 51.21 | 1,517.65 | 1,410.21 | 51.21 | 1,461.42 |
| ii. Other financial assets | | 8,512.44 | 135.10 | 8,647.54 | 138,426.02 | (367.59) | 138,058.43 |
| h. Deferred tax assets (net) | (i) | 10,118.13 | 253.77 | 10,371.90 | 5,191.68 | 353.83 | 5,545.51 |
| i. Other non-current assets | (c) (h) | 51,752.78 | (15,902.24) | 35,850.54 | 51,438.33 | (21,373.44) | 30,064.89 |
| | | **185,914.41** | **(10,909.98)** | **175,004.43** | **313,960.63** | **(16,614.56)** | **297,346.07** |
| **2 Current assets** | | | | | | | |
| a. Inventories | (d) | 266,974.57 | 28,711.30 | 295,685.87 | 269,922.23 | 27,766.90 | 297,689.13 |
| b. Financial assets | | | | - | | | |
| i. Trade receivables | (e) | 66,226.40 | (1,972.37) | 64,254.03 | 67,208.19 | (1,314.58) | 65,893.61 |
| ii. Cash and cash equivalents | (i) | 18,195.76 | 443.38 | 18,639.14 | 3,082.86 | 655.19 | 3,738.05 |
| iii. Bank balances other than (ii) above | | 11,619.00 | 0.65 | 11,619.65 | 13,556.31 | - | 13,556.31 |
| iv. Loans | (j) | 192.34 | - | 192.34 | 359.48 | 2,449.68 | 2,809.16 |
| v. Other financial assets | | 19,494.16 | (482.42) | 19,011.74 | 18,237.99 | 7.32 | 18,245.31 |
| c. Current tax assets (Net) | | | - | - | 2,514.32 | 58.31 | 2,572.63 |
| d. Other current assets | (f) | 1,60,771.84 | (4,748.93) | 1,56,022.91 | 50,564.64 | (5,529.20) | 45,035.44 |
| | | **5,43,474.07** | **21,951.61** | **5,65,425.68** | **4,25,446.02** | **24,093.62** | **4,49,539.64** |
| **Total assets** | | **7,29,388.48** | **11,041.63** | **7,40,430.11** | **7,39,406.65** | **7,479.06** | **7,46,885.71** |
| **Equity and liabilities** | | | | | | | |
| **1 Equity** | | | | | | | |
| a. Equity share capital | | 21,759.06 | - | 21,759.06 | 21,759.06 | - | 21,759.06 |
| b. Other equity | | 2,45,374.59 | (384.32) | 2,44,990.27 | 2,41,845.52 | (535.31) | 2,41,310.21 |
| **Total equity** | | **2,67,133.65** | **(384.32)** | **2,66,749.33** | **2,63,604.58** | **(535.31)** | **2,63,069.27** |
| **Non- Controling Interest** | (k) | 10,922.98 | 9,085.86 | 20,008.84 | 9,670.66 | 9,152.46 | 18,823.12 |
| **2 Non-current liabilities** | | | | | | | |
| a. Financial liabilities | | | | | | | |
| i. Borrowings | (k) (l) | 2,35,136.56 | (12,942.70) | 2,22,193.86 | 2,61,224.18 | (10,861.80) | 2,50,362.38 |
| ii. Other financial liabilities | (m)(n) | 7,443.38 | (4,849.39) | 2,593.99 | 7,883.70 | (5,111.99) | 2,771.71 |
| b. Provisions | | 395.29 | - | 395.29 | 387.27 | - | 387.27 |
| c. Other non-current liabilities | (n) | 754.49 | 3,500.00 | 4,254.49 | 688.13 | 3,500.00 | 4,188.13 |
| | | **2,43,729.72** | **(14,292.09)** | **2,29,437.63** | **2,70,183.28** | **(12,473.79)** | **2,57,709.49** |
| **Current liabilities** | | | | | | | |
| a. Financial liabilities | | | | | | | |
| i. Borrowings | (o) | 41,909.19 | - | 41,909.19 | 41,288.79 | (3,000.01) | 38,288.78 |
| ii. Trade Payables | | 63,575.20 | 293.70 | 63,868.90 | 67,615.80 | 285.20 | 67,901.00 |
| iii. Other financial liabilities | (p) | 57,639.31 | (87.03) | 57,552.28 | 58,169.76 | 1,605.18 | 59,774.94 |
| b. Provisions | | 65.70 | - | 65.70 | 68.90 | - | 68.90 |
| c. Current tax liabilities (Net) | | 4,723.27 | 1.75 | 4,725.02 | - | - | - |
| d. Other current liabilities | (q) | 39,689.46 | 16,423.76 | 56,113.22 | 28,804.88 | 12,445.33 | 41,250.21 |

# Notes to consolidated financial statements

**for the year ended 31 March, 2017**

| | | | | | | |
|---|---|---|---|---|---|---|
| | 2,07,602.13 | 16,632.18 | 2,24,234.31 | 1,95,948.13 | 11,335.70 | 2,07,283.83 |
| Total liabilities | 4,62,254.83 | 11,425.95 | 4,73,680.78 | 4,75,802.07 | 8,014.37 | 4,83,816.44 |
| Total equity and liabilities | 7,29,388.48 | 11,041.63 | 7,40,430.11 | 7,39,406.65 | 7,479.06 | 7,46,885.71 |

**B. Effect of Ind AS adoption on the Statement of Profit and loss for the year ended 31 March, 2016**

(₹ in lakhs)

| | Particulars | | For the year ended 31 March, 2016 | | |
|---|---|---|---|---|---|
| | | | IGAAP | Effects of transition to Ind-AS | Ind AS |
| **I.** | Revenue from operations | **(s)** | 39,616.85 | 976.83 | 40,593.68 |
| **II.** | Other income | **(t)** | 3,108.29 | 444.47 | 3,552.76 |
| **III** | **Total income** | | **42,725.14** | **1,421.30** | **44,146.44** |
| **IV.** | **Expenses** | | | | |
| | a. Cost of land / development rights | | 8,240.61 | - | 8,240.61 |
| | b. Cost of materials consumed | | 3,753.81 | - | 3,753.81 |
| | c. Contract cost, labour and other charges | | 5,356.10 | - | 5,356.10 |
| | d. Changes in inventories of finished goods and work-in-progress | **(s)** | (537.31) | 990.31 | 453.00 |
| | e. Employee benefits expense | | 3,658.60 | 12.06 | 3,670.66 |
| | f. Finance costs | **(u)** | 17,937.75 | 640.67 | 18,578.42 |
| | g. Depreciation and amortisation expense | | 2,891.09 | 0.04 | 2,891.13 |
| | h. Other expenses | | 10,224.69 | (21.55) | 10,203.14 |
| | **Total expenses** | | **51,525.34** | **1,621.53** | **53,146.87** |
| **V** | **Profit/(loss) before tax** | | **(8,800.20)** | **(200.23)** | **(9,000.43)** |
| **VI** | Tax expenses | | | | |
| | a. Current tax | | 32.00 | 6.20 | 38.20 |
| | b. Tax adjustment for earlier years | | (2,462.58) | - | (2,462.58) |
| | c. Deferred tax | **(r)** | (1,534.32) | (103.79) | (1,638.11) |
| | **Total tax expenses** | | **(3,964.90)** | **(97.59)** | **(4,062.49)** |
| **VII** | **Profit/(loss) for the year** | | **(4,835.30)** | **(102.64)** | **(4,937.94)** |
| **VIII** | **Share of profit/(loss) in Associates (Net)** | | **2.18** | **-** | **2.18** |
| **IX** | **Profit/(loss) for the year (VII+VIII)** | | (4,833.12) | (102.64) | (4,935.76) |
| **X** | Less: Share of profit/(loss) transferred to minority interest | | (1,276.46) | 102.64 | (1,219.77) |
| **XI** | **Profit/(loss) for the year (IX-X)** | | **(3,556.66)** | **(205.28)** | **(3,715.99)** |
| **XII** | **Other comprehensive income** | | | | |
| | Items that will not be reclassified to profit or loss | | | | |
| | i. Re-measurement of defined benefit plans | **(v)** | - | 12.06 | 12.06 |
| | ii. Income tax relating to items that will not be reclassified to profit or loss | | - | 3.73 | 3.73 |

# Notes to consolidated financial statements

**for the year ended 31 March, 2017**

| | | | | |
|---|---|---|---|---|
| | Other comprehensive income for the year, net of tax | - | **8.33** | **8.33** |
| **XIII** | **Total comprehensive income for the year** | **(3,556.66)** | **(196.95)** | **(3,707.66)** |

**C. Reconciliation of total equity as at 31 March, 2016 and 1 April, 2015**

(₹ in lakhs)

| | As at 1-April-15 | As at 31 March, 2016 |
|---|---|---|
| **Total equity (shareholders' fund) under previous GAAP** | **2,67,133.65** | **2,63,604.58** |
| Adjustment: | | |
| Impact of fair valuation of assets and liabilities | 18.81 | 75.61 |
| Impact on net revenue (revenue less cost) due to interest capitalisation using effective interest rate and adjustments with respect to revenue recognition | (656.90) | (812.88) |
| Deferred tax impact | 253.77 | 201.96 |
| **Total equity under Ind AS** | **2,66,749.33** | **2,63,069.27** |

**D. Effect of Ind AS adoption on statement of cash flow for the year ended 31 March, 2016**

(₹ in lakhs)

| Particulars | For the year ended 31 March, 2016 | | |
|---|---|---|---|
| | IGAAP | Effects of transition to Ind-AS | Ind AS |
| Net cash flows from operating activities | (4,282.34) | 1,126.28 | (3,156.06) |
| Net cash flows from investing activities | (5,514.18) | 712.29 | (4,801.89) |
| Net cash flows from financing activities | (5,316.38) | (1,626.76) | (6,943.14) |
| **Net increase (decrease) in cash and cash equivalent** | **(15,112.90)** | **211.81** | **(14,901.09)** |
| **Cash and cash equivalent at the beginning of the period** | **18,195.76** | **443.38** | **18,639.14** |
| **Cash and cash equivalent at the end of the period** | **3,082.86** | **655.19** | **3,738.05** |

**E. Analysis of cash and cash equivalents as at 31 March, 2016 and as at 1 April, 2015 for the purpose of statement of cash flow under Ind AS**

(₹ in lakhs)

| | | As at 1-April-15 | As at 31 March, 2016 |
|---|---|---|---|
| Cash and cash equivalent for the purpose of statement of cash flows as per previous GAAP | | 3,082.86 | 18,195.76 |
| Adjustment: | (i) | 655.19 | 443.38 |
| Cash and cash equivalent for the purpose of statement of cash flows under Ind AS | | **3,738.05** | **18,639.14** |

**Notes to the reconciliations**

**(a) Presentation and disclosure of intangible assets**

The group has constructed buildings on leasehold land on 'Build-operate-Transfer' (BOT) basis. The group 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. Under previous GAAP, these assets were classified as tangible assets. Since, the group has no ownership rights over these assets and has limited right of use during the specified period, these assets are classified as intangible assets under Ind AS. There is no impact on profits due to this reclassification.

**(b) Investment properties**

# Notes to consolidated financial statements

**for the year ended 31 March, 2017**

The group has given certain unsold flats on long-term lease for the purpose of rental income. Under, previous GAAP, there was no requirement to present investment property separately and these flats/buildings was disclosed under tangible fixed assets at cost less accumulated depreciation. Under Ind AS, these rented flats have been reclassified as investment properties. There is no effect on profits due to reclassification.

**(c) Prepaid expenses**

Under Ind As, prepaid processing fee and upfront fee has been adjusted with borrowings.

**(d) Inventory**

(i) The group had given advances for purchase of land to its group companies. These advances were classified as other non-current assets in previous Gaap. Under Ind AS, based on control, these companies have been assessed as subsidiaries and accordingly consolidated. Due to consolidation, inventory held by these group companies have been reflected in the consolidated financial statements.

(ii) The group has followed guidance note on 'Accounting for Real Estate Transactions' issued by the Institute of Chartered Accountants of India (ICAI) for entities under Ind AS. In accordance with the guidance note, certain projects of the group does not meet the criteria for recognition of revenue. Accordingly, revenue on such projects has been de-recognised and cost incurred in respect of sold units in respect of such projects has been reflected as inventory

**(e) Trade receivables**

(i) In accordance with the guidance note as mentioned in (d) above, revenue recognised as per Previous GAAP has been reversed and accordingly trade receivables have reduced.

(ii) Under Ind AS, long-term trade receivables have been discounted at present value.

**(f) Other current assets**

(i) In accordance with the guidance note as mentioned in (d) above, revenue recognised as per Previous GAAP has been reversed and accordingly Unbilled receivable (grouped under 'Other current asset') have reduced.

(ii) Under Ind As, prepaid processing fee and upfront fee has been adjusted with borrowings.

**(g) Investments**

The Company has assessed the control over its group companies. Based on that assessment, some associates have been consolidated as subsidiaries. Under the previous Gaap, these were considered as associates. Due to consolidation of these subsidiaries, investments held by them have been reflected in consolidated financial statements.

**(h) Other non-current assets**

The group had given advances for purchase of land to its group companies. These advances were classified as other non-current assets in previous Gaap. Under Ind AS, based on control, these companies have been assessed as subsidiaries and accordingly consolidated. The land advances have been eliminated on consolidation.

**(i) Cash and cash equivalents**

As explained in (g) above, cash and cash equivalents of subsidiaries consolidated as per Ind AS, is reflected in consolidated financial statements.

**(j) Loans**

As explained in (g) above, loans given by these subsidiaries consolidated as per Ind AS, is reflected in consolidated financial statements.

**(k) Non-controlling interest**

(i) One of the subsidiary company had issued fully convertible debentures to its investors. Under the previous Gaap, these were

# Notes to consolidated financial statements

**for the year ended 31 March, 2017**

reflected as borrowings. As per Ind AS, these debentures have been considered as compound financial instruments and allocated between equity and debt. The equity portion has been reflected as non-controlling interest in consolidated financial statements.

(ii) Non-controlling interest of new subsidiaries consolidated under Ind AS.

**(l) Borrowings**

(i) Under Ind AS, borrowings have been measured at amortised cost using effective interest rate.

(ii) under Previous GAAP, Prepaid loan processing fee was classified under other assets. As per Ind AS, prepaid loan processing fee is netted off with borrowings.

**(m) Non-current financial liabilities**

Under Previous GAAP, long term financial liabilities are recorded at historical cost. Under Ind AS, these long term liabilities have been discounted.

**(n) Other non-current liabilities**

Security deposits received have been re-grouped to other non-current liabilities from financial liabilities

**(o) Borrowings**

Borrowings from subsidiaries consolidated as per Ind AS have been eliminated on consolidation.

**(p) Other financial liabilities - current**

Security deposits (liability) of subsidiaries consolidated as per Ind AS have been included on consolidation.

**(q) Other current liabilities**

The group has followed guidance note on 'Accounting for Real Estate Transactions' issued by the Institute of Chartered Accountants of India (ICAI) for entities under Ind AS. In accordance with the guidance note, certain projects of the group does not meet the criteria for recognition of revenue. Accordingly, revenue on such projects has been de-recognised. Amounts received from customers in respect of these projects is reflected as advances from customers.

**(r) Deferred tax assets**

Various transitional adjustments leads to temporary differences between accounting income and tax income. Deferred tax adjustment relating to these transitional adjustments have been recognised in statement of profit and loss, other comprehensive income or retained earnings.

**(s) Revenue from operations**

In accordance with the guidance note as mentioned in (d) above, revenue recognised as per Previous GAAP was reversed on transition date of 1 April, 2015 and net margin adjusted in retained earnings. Part of the revenue recognised on percentage completion method during the financial year 2015-16 has also been reversed. Corresponding cost has been adjusted in inventory.

**(t) Other income**

Under Ind AS, long-term financial assets have been discounted as on transition date and being re-measured at each reporting period. Difference has been recognised as interest income.

**(u) Finance cost**

Under Ind AS, long-term financial liabilities have been measured at amortised cost (discounted value). Difference in amortised cost on reporting date has been recognised as finance cost.

**(v) Remeasurement of post-employment benefit obligations and Deferred tax**

Under Ind AS, measurements i.e.. Actuarial gains and losses are recognised in other comprehensive income instead of profit or loss. Under the previous GAAP, these remeasurements were forming part of the profit or loss for the year. Correspondingly deferred tax adjusted in Other comprehensive income and statement of profit and loss.

# Notes to consolidated financial statements

**for the year ended 31 March, 2017**

## Note 68: Additional information as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiaries/ Joint Venture / Associates

(₹ in lakhs)

| Name of the entity | Net Assets, i.e total assets minus total liabilities | | Share in profit or loss | |
|---|---|---|---|---|
| | As % of consolidated net assets | Amount | As % of consolidated profit or (loss) | Amount |
| **Parent** | | | | |
| Parsvnath Developers Limited | 103.10 | 255,903.75 | (24.19) | (3,502.06) |
| **Subsidiaries** | | | | |
| **Indian** | | | | |
| Parsvnath Landmark Developers Private Limited | 4.95 | 12,283.41 | (4.31) | (623.45) |
| Parsvnath Infra Limited | 2.44 | 6,049.24 | (0.12) | (17.82) |
| Parsvnath Hotels Limited | 0.27 | 661.31 | (0.04) | (6.41) |
| Parsvnath Hessa Developers Private Limited | 3.96 | 9,824.65 | 0.19 | 27.47 |
| Parsvnath Estate Developers Private Limited | (3.63) | (9,021.46) | (28.91) | (4,184.76) |
| Parsvnath Promoters and Developers Private Limited | 1.20 | 2,980.76 | (0.63) | (91.62) |
| Parsvnath Buildwell Private Limited | 8.06 | 20,013.68 | (0.42) | (60.46) |
| Parsvnath HB Projects Private Limited | (0.21) | (509.28) | (0.82) | (119.31) |
| Parsvnath Film City Limited | (0.01) | (24.15) | (0.08) | (11.22) |
| Parsvnath Telecom Private Limited | 0.00 | 0.05 | (0.00) | (0.17) |
| Parsvnath Realcon Private Limited | 0.10 | 251.09 | (0.16) | (23.05) |
| Parsvnath MIDC Pharma SEZ Private Limited | 0.08 | 209.74 | 0.00 | 0.02 |
| PDL Assets Limited | (0.00) | (0.46) | (0.00) | (0.30) |
| Primetime Realtors Private Limited | 0.00 | 0.56 | (0.01) | (1.10) |
| Parsvnath Realty Ventures Limited | 0.00 | 2.92 | 0.00 | 0.03 |
| Vasavi PDL Ventures Private Limited | 0.00 | 3.98 | (0.01) | (1.02) |
| **Foreign** | | | | |
| Parsvnath Developers Pte. Ltd. | 0.27 | 662.94 | (0.11) | (16.30) |
| **Subsidiaries by virtue of Accounting Standard (Ind AS - 110) on Consolidated financial statements** | | | | |
| **Indian** | | | | |
| Parsvnath Rail Land Project Private Limited | 1.16 | 2,891.07 | (6.95) | (1,005.56) |
| Aahna Realtors Pvt. Ltd. | 0.00 | 2.72 | 0.00 | 0.02 |
| Afra Infrastructure Pvt. Ltd. | 0.00 | 5.02 | 0.00 | 0.01 |
| Anubhav Buildwell Pvt. Ltd. | 0.00 | 8.75 | 0.00 | 0.11 |
| Arctic Buildwell Pvt. Ltd. | 0.00 | 3.65 | 0.00 | 0.02 |
| Arunachal Infrastructure Pvt. Ltd. | 0.00 | 1.25 | 0.00 | 0.02 |
| Bae Buildwell Pvt Ltd | 0.00 | 1.27 | 0.00 | 0.02 |
| Bakul Infrastructure Pvt. Ltd. | 0.00 | 2.29 | 0.00 | 0.01 |

# Notes to consolidated financial statements

**for the year ended 31 March, 2017**

| | | | | |
|---|---|---|---|---|
| Banita Buildcon Pvt. Ltd. | 0.00 | 3.36 | 0.00 | 0.03 |
| Bliss Infrastructure Pvt. Ltd. | 0.00 | 2.50 | 0.00 | 0.02 |
| Brinly Properties Pvt. Ltd. | 0.00 | 1.61 | 0.00 | 0.03 |

(₹ in lakhs)

| Name of the entity | Net Assets, i.e total assets minus total liabilities | | Share in profit or loss | |
|---|---|---|---|---|
| | As % of consolidated net assets | Amount | As % of consolidated profit or (loss) | Amount |
| Coral Buildwell Pvt. Ltd. | 0.00 | 1.21 | 0.00 | 0.01 |
| Dae Realtors Pvt Ltd | 0.00 | 1.46 | 0.00 | 0.01 |
| Dai Real Estates Pvt Ltd | 0.00 | 3.65 | 0.01 | 0.83 |
| Dhiren Real Estates Pvt. Ltd. | 0.00 | 1.78 | 0.00 | 0.01 |
| Digant Realtors Pvt. Ltd. | 0.00 | 2.82 | 0.01 | 1.80 |
| Elixir Infrastructure Pvt. Ltd. | 0.00 | 3.35 | 0.00 | 0.01 |
| Emerald Buildwell Pvt. Ltd. | 0.00 | 12.29 | 0.00 | 0.02 |
| Evergreen Realtors Pvt. Ltd. | 0.00 | 1.57 | 0.00 | 0.01 |
| Gem Buildwell Pvt. Ltd. | 0.00 | 2.05 | 0.00 | 0.01 |
| Generous Buildwell Pvt. Ltd. | 0.00 | 1.23 | 0.00 | 0.01 |
| Himsagar Infrastructure Pvt. Ltd. | 0.00 | 1.26 | 0.00 | 0.01 |
| Izna Realcon Pvt. Ltd. | 0.00 | 1.24 | 0.00 | 0.01 |
| Jaguar Buildwell Pvt. Ltd. | 0.00 | 1.53 | 0.00 | 0.01 |
| Label Real Estates Pvt Ltd | 0.00 | 2.32 | 0.00 | 0.01 |
| Lakshya Realtors Pvt. Ltd. | 0.00 | 11.22 | 0.05 | 7.15 |
| LSD Realcon Pvt. Ltd. | 0.00 | 1.16 | 0.00 | 0.01 |
| Mirage Buildwell Pvt. Ltd. | 0.00 | 3.26 | 0.00 | 0.01 |
| Navneet Realtors Pvt. Ltd. | 0.00 | 5.60 | 0.00 | 0.01 |
| Neelgagan Realtors Pvt. Ltd. | 0.00 | 7.02 | 0.00 | 0.08 |
| New Hind Enterprises Pvt. Ltd. | 0.18 | 438.00 | 0.00 | 0.48 |
| Oni Projects Pvt. Ltd. | 0.00 | 1.15 | 0.00 | 0.02 |
| Paavan Buildcon Pvt. Ltd. | 0.00 | 1.24 | - | - |
| Perpetual Infrastructure Pvt. Ltd. | 0.00 | 5.84 | 0.00 | 0.01 |
| Prosperity Infrastructures Pvt. Ltd. | 0.00 | 3.84 | 0.00 | 0.02 |
| Rangoli Infrastructure Pvt. Ltd. | 0.00 | 3.24 | 0.00 | 0.02 |
| Samiksha Realtors Pvt. Ltd. | 0.00 | 1.30 | 0.00 | 0.01 |
| Sapphire Buildtech Pvt. Ltd. | 0.08 | 200.96 | 0.00 | 0.13 |
| Silverstreet Infrastructure Pvt.Ltd. | 0.00 | 5.31 | 0.00 | 0.01 |
| Spearhead Realtors Pvt. Ltd. | 0.00 | 3.59 | 0.00 | 0.02 |
| Springdale Realtors Pvt. Ltd. | 0.00 | 4.88 | 0.00 | 0.06 |
| Stupendous Buildtech Pvt. Ltd. | 0.00 | 1.31 | 0.00 | 0.02 |

| | | | | |
|---|---|---|---|---|
| Sumeru Developers Pvt. Ltd. | 0.00 | 3.89 | 0.00 | 0.02 |
| Trishla Realtors Pvt. Ltd. | 0.00 | 3.68 | 0.00 | 0.01 |
| Vital Buildwell Pvt. Ltd. | 0.00 | 2.49 | 0.00 | 0.03 |
| Yamuna Buildwell Pvt. Ltd. | 0.00 | 7.66 | 0.00 | 0.05 |

(₹ in lakhs)

| Name of the entity | Net Assets, i.e total assets minus total liabilities | | Share in profit or loss | |
|---|---|---|---|---|
| | As % of consolidated net assets | Amount | As % of consolidated profit or (loss) | Amount |
| **Minority interest in all subsidiaries** | (6.83) | (16,960.16) | 2.98 | 431.02 |
| **Joint Venture (as per proportionate consolidation)** | | | | |
| **Indian** | | | | |
| Ratan Parsvnath Developers (AOP) | 0.19 | 468.14 | (0.00) | (0.22) |
| Adjustment arising out of consolidation | (15.41) | (38,259.55) | (36.49) | (5,282.08) |
| **Sub-Total (a)** | **100.00** | **248,219.04** | | **(14,477.15)** |
| Associates (Investments as per equity method) | | | | |
| **Indian** | | | | |
| Amazon India Limited | | 253.36 | 0.00 | 0.01 |
| Homelife Real Estate Private Limited | | 106.13 | 0.02 | 2.20 |
| Vardaan Buildtech Private Limited | | 4.78 | - | - |
| **Sub-Total (b)** | | **364.27** | | **2.21** |
| **Total (a+b)** | | | **(100.00)** | **(14,474.94)** |

## 69 Events after the reporting period

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

## 70 Approval of the financial statements

The financial statements were approved for issue by Board of Directors on 29 May, 2017

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

Sd/-
**Pradeep Kumar Jain**
Chairman
(DIN 00333486)

Sd/-
**Sanjeev Kumar Jain**
Managing Director & CEO
(DIN 00333881)

Sd/-
**M. C. Jain**
Group Chief Financial Officer

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

Place: New Delhi
Date: 29 May, 2017

# FORM AOC - I

## (Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules ,2014)

## Statement containing salient features of the financial statements of subsidiary companies as on March 31 , 2017

## PART -"A" - Subsidiaries

(₹ in lakhs)

| Sr. No. | Name of the Subsidiary Company | Date since when subsidiary was acquired | Reporting Period of the subsidiary | Reporting currency and exchange rate as on March 31, 2017 | Share Capital | Reserves & Surplus (adjusted for debit balance in Profit & Loss Account, wherever applicable) | Total Assets (Fixed Assets + Investments + Current assets) | Total Liabilities ( Loans + Current Liabilities) | Investments (other than investment in subsidiaries) | Turnover (including Other Income) | Profit / (Loss) before taxation | Provision for taxation | Profit / (Loss) after taxation | Proposed Dividend | % of shareholding |
|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|---|
| 1 | Parsvnath Infra Limited | 19.09.2006 | 31.03.2017 | INR | 2,745.77 | 3,303.47 | 6,120.38 | 71.14 | - | 0.10 | (17.82) | - | (17.82) | - | 94.87% |
| 2 | Parsvnath Film City Limited | 28.02.2007 | 31.03.2017 | INR | 175.00 | (199.15) | 4,826.87 | 4,851.02 | - | - | (11.22) | - | (11.22) | - | 100.00% |
| 3 | Parsvnath Landmark Developers Private Limited | 08.03.2007 | 31.03.2017 | INR | 328.21 | 11,955.21 | 35,729.31 | 23,445.89 | - | 1,553.60 | (705.64) | (82.19) | (623.45) | - | 100.00% |
| 4 | Parsvnath Telecom Private Limited | 16.10.2007 | 31.03.2017 | INR | 103.00 | (102.95) | 0.17 | 0.12 | - | - | (0.17) | - | (0.17) | - | 100.00% |
| 5 | Parsvnath Hotels Limited | 02.11.2007 | 31.03.2017 | INR | 540.00 | 121.31 | 2,601.82 | 1,940.51 | - | - | (6.41) | - | (6.41) | - | 100.00% |
| 6 | Parsvnath Developers Pte. Limited | 01.11.2007 | 31.03.2017 | 1 SGD= INR 46.306 | 356.77 | 306.16 | 666.13 | 3.20 | - | - | (16.30) | - | (16.30) | - | 53.32% |
| 7 | PDL Assets Limited | 03.12.2007 | 31.03.2017 | INR | 6.00 | (6.46) | 0.68 | 1.14 | - | - | (0.30) | - | (0.30) | - | 100.00% |
| 8 | Primetime Realtors Private Limited | 16.04.2008 | 31.03.2017 | INR | 1.00 | (0.44) | 1.42 | 0.86 | - | - | (1.10) | - | (1.10) | - | 100.00% |
| 9 | Parsvnath Estate Developers Private Limited | 27.08.2010 | 31.03.2017 | INR | 500.00 | (9,521.46) | 86,156.28 | 95,177.74 | - | 6,271.26 | (4,674.76) | (490.00) | (4,184.76) | | 100.00% |
| 10 | Parsvnath Promoters And Developers Private Limited | 19.11.2010 | 31.03.2017 | INR | 33.20 | 2,947.56 | 36,175.77 | 33,195.00 | - | - | (91.62) | - | (91.62) | - | 51.00% |
| 11 | Parsvnath MIDC Pharma SEZ Private Limited (Refer note 1) | 29.03.2011 | 31.03.2017 | INR | 499.00 | (292.67) | 206.42 | 0.09 | - | 0.13 | 0.03 | 0.01 | 0.02 | - | - |
| 12 | Parsvnath HB Projects Private Limited | 19.10.2012 | 31.03.2017 | INR | 4.90 | (514.18) | 13,377.49 | 13,886.77 | - | 23.92 | (55.02) | 64.29 | (119.31) | - | 51.00% |
| 13 | Parsvnath Hessa Developers Private Limited | 02.07.2013 | 31.03.2017 | INR | 496.00 | 9,328.65 | 15,134.40 | 5,309.75 | - | 865.38 | 34.17 | 6.70 | 27.47 | - | 100.00% |
| 14 | Parsvnath Buildwell Private Limited | 12.09.2013 | 31.03.2017 | INR | 9,953.69 | 10,059.99 | 27,489.13 | 7,475.45 | - | 632.49 | (93.69) | (33.23) | (60.46) | - | 90.05% |
| 15 | Parsvnath Realcon Private Limited (Refer note 2) | 12.09.2013 | 31.03.2017 | INR | 1.00 | 250.09 | 4,930.03 | 4,678.94 | - | 10.20 | (23.05) | - | (23.05) | - | - |
| 16 | Parsvnath Realty Ventures Limited | 16.07.2016 | 31.03.2017 | INR | 5.00 | (2.08) | 3.35 | 0.42 | | 0.32 | 0.03 | - | 0.03 | | 100.00% |
| 17 | Vasavi PDL Ventures Private Limited | 31.10.2016 | 31.03.2017 | INR | 5.00 | (1.02) | 4.99 | 1.01 | - | - | (1.02) | - | (1.02) | - | 51.00% |

Note:

1 Subsidiary in terms of Section 2(87)(ii) of the Companies Act, 2013, since 100% of the equity capital is held by Parsvnath Infra Limited, a subsidiary of Parsvnath Developers Limited.

2 Subsidiary in terms of Section 2(87)(ii) of the Companies Act, 2013, since 100% of the equity capital is held by Parsvnath Buildwell Private Limited, a subsidiary of Parsvnath Developers Limited.

3 Names of subsidiaries which are yet to commence operations

i. Parsvnath Film City Limited
ii. Parsvnath Telecom Private Limited
iii. Parsvnath Developers Pte. Limited
iv. PDL Assets Limited
v. Parsvnath Promoters And Developers Private Limited
vi. Parsvnath MIDC Pharma SEZ Private Limited
vii. Parsvnath Realty Ventures Ltd
viii. Vasavi PDL Ventures Private Limited

4 Names of subsidiaries which have been liquidated during the year

NIL

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

Sd/-
**Pradeep Kumar Jain**
Chairman
(DIN 00333486)

Sd/-
**Sanjeev Kumar Jain**
Managing Director & CEO
(DIN 00333881)

Sd/-
**M. C. Jain**
Group Chief Financial Officer

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

Place: New Delhi
Date: 29 May, 2017

# FORM AOC - I

## (Pursuant to Section 129(3) of the Companies Act, 2013 read with Rule 5 of Companies (Accounts) Rules ,2014)
## Statement containing salient features of the financial statements of associates/joint ventures as on March 31, 2017
## PART -"B" - Associates and Joint Ventures

(₹ in lakhs)

| Sr. No. | Name of Associates / Joint Ventures | Latest Audited Balance Sheet Date | Date on which the Associate or Joint Venture was associated or acquired | Shares of Associate / Joint Venture held by the company on year end | | | Description of how there is significant influence | Reason why the associate / joint venture is not consolidated | Net worth attributable to shareholding as per latest audited Balance Sheet | Profit/ Loss for the period | |
|---|---|---|---|---|---|---|---|---|---|---|---|
| | | | | Number | Amount of investment | Extent of holding % | | | | Considered in consolidation | Not considered in consolidation |
| 1 | Amazon India Limited | 31.03.2017 | 02.04.2004 | 25,000 | 212.50 | 48.31% | Holding more than 20 % of voting power | NA | 43.37 | 0.01 | - |
| 2 | Vardaan Buildtech Pvt Ltd | 31.03.2017 | 19.03.2007 | 16,000 | 1.60 | 33.33% | Holding more than 20 % of voting power | NA | 4.66 | 0.00 | - |
| 3 | Homelife Real Estates Pvt Ltd | 31.03.2017 | 12.01.2005 | 775,000 | 77.50 | 50.00% | Holding more than 20 % of voting power | NA | 106.13 | 2.20 | - |
| 4 | Parsvnath Rail Land Projects Private Limited | 31.03.2017 | 21.08.2013 | 120,000 | 1,145.00 | 28.30% | Holding more than 20 % of voting power | NA | 818.17 | (284.57) | |
| 5 | Ratan Parsvnath Developers (AOP) | 31.03.2017 | 18.09.2006 | - | 817.92 | 50.00% | Joint venture agreement | NA | 468.14 | (0.22) | - |

Note:

1 **Names of associates/ joint ventures which are yet to commence operations**
   i. Parsvnath Rail Land Projects Private Limited
   ii. Ratan Parsvnath Developers (AOP)

**2 Names of associates/ joint ventures which have been liquidated during the year**
   NIL

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

**Sd/-**
**Pradeep Kumar Jain**
Chairman
(DIN 00333486)

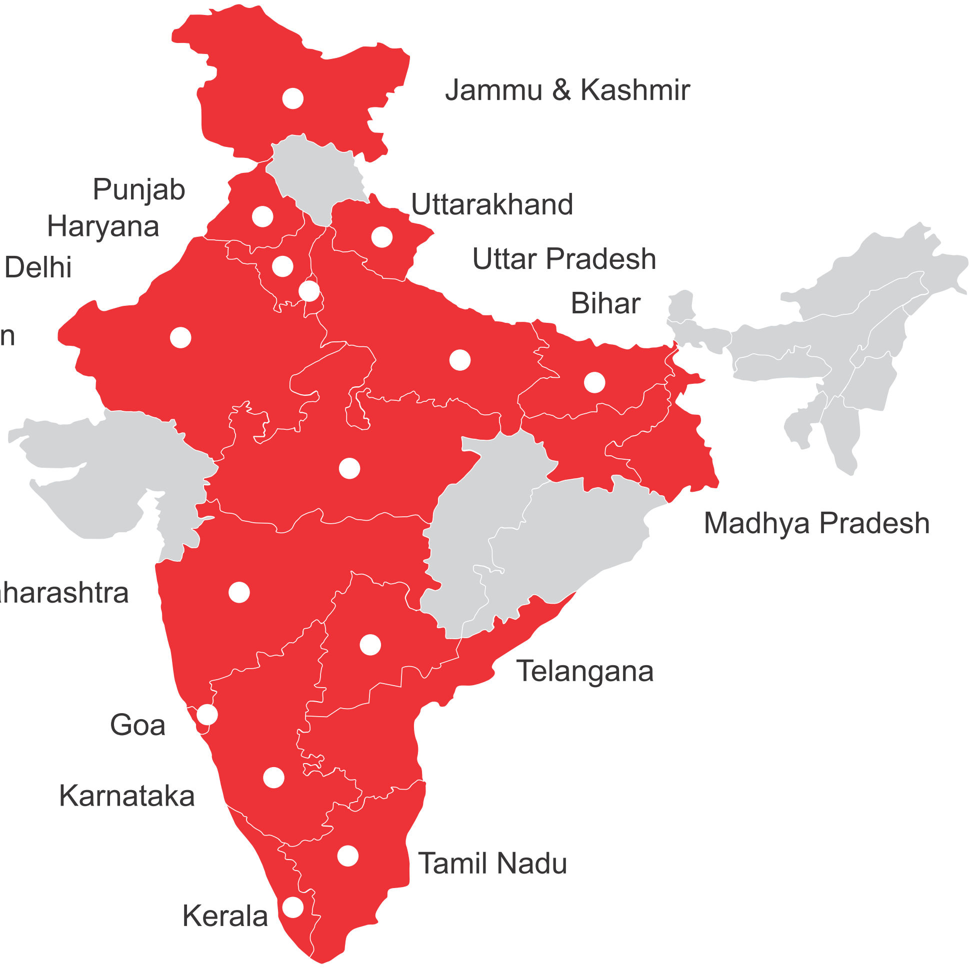
**Sd/-**
**Sanjeev Kumar Jain**
Managing Director & CEO
(DIN 00333881)

**Sd/-**
**M. C. Jain**
Group Chief Financial Officer

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

Place: New Delhi
Date: 29 May, 2017

# PARSVNATH DEVELOPERS LIMITED
# PROJECT FOOTPRINTS




## PAN INDIA PRESENCE

Bihar
- Patna

Delhi

Goa
-Sangolda
- Panji

Haryana
-Dharuhera (Rewari)
- Faridabad
- Gurgaon
- Rohtak
- Kurukshetra
- Sonepat
- Panchkula
- Karnal
- Panipat

Jammu & Kashmir
- Jammu

Karnataka
- Mysore

Kerala
- Kochi
-Palakkad

Madhya Pradesh
- Indore
- Ujjain

Maharashtra
- Pune
- Shirdi

Punjab
- Derabassi
- Mohali
- Rajpura

Rajasthan
- Bhiwadi
- Jodhpur
- Jaipur

Tamil Nadu
- Chennai

Telangana
- Hyderabad

Uttaranchal
- Dehradun

Uttar Pradesh
- Agra
- Noida
- Greater Noida
- Ghaziabad
- Lucknow
- Raebareli
- Mohan Nagar
- Moradabad
- Saharanpur
- Sahibabad
- Khekhra

*Map not to scale

Parsvnath

committed to build a better world

w w w . p a r s v n a t h . c o m