

PDL/SEC/SE/2020-21/

September 08, 2020

National Stock Exchange of India Limited
Exchange Plaza, C-1, Block-G,
Bandra-Kurla Complex, Bandra (E),
Mumbai- 400 051

BSE Limited
Phiroze Jeejeebhoy Tower,
Dalal Street,
Mumbai- 400 001

Dear Sir(s),

Scrip Code No. : PARSVNATH-EQ (NSE); 532780 (BSE)

Subject: Submission of Annual Report for the Financial Year 2019 - 20

Dear Sirs,

In terms of Regulation 34(1) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached herewith the Annual Report of the Company for the Financial Year 2019-20 and Notice of the 29th Annual General Meeting ("AGM") scheduled to be held on 30th September, 2020.

Thanking you,

Yours faithfully,
For Parsvnath Developers Limited



(V. Mohan)
Company Secretary &
Compliance Officer

Parsvnath Developers Limited

CIN: L45201DL1990PLC040945

Registered & Corporate Office : Parsvnath Tower, Near Shahdara Metro Station, Shahdara, Delhi-110032, Ph : 011-43050100, 43010500, Fax : 011-43050473

E-mail : mail@parsvnath.com, Visit us at : www.parsvnath.com

Parsvnath Developers Limited

CIN: L45201DL1990PLC040945

Registered Office: Parsvnath Tower, Near Shahdara Metro Station,
Shahdara, Delhi - 110032

Phone No: 011-43010500, 011-43050100; **Fax No:** 011-43050473

e-mail address: secretarial@parsvnath.com

Website: www.parsvnath.com

NOTICE

NOTICE is hereby given that the **29th ANNUAL GENERAL MEETING ("AGM")** of the Members of **PARSVNATH DEVELOPERS LIMITED** will be held on **Wednesday, September 30, 2020 at 11:30 a.m.** through Video Conferencing ("**VC**") / Other Audio Visual Means ("**OAVM**"), to transact the following businesses:

ORDINARY BUSINESS

- To consider, approve and adopt:
 - the Audited Standalone Financial Statements of the Company for the financial year ended March 31, 2020 together with the Reports of the Board of Directors and Auditors thereon; and
 - the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2020 together with the Report of the Auditors thereon.
- To appoint a Director in place of Mr. Sanjeev Kumar Jain (DIN: 00333881), who retires by rotation and being eligible, offers himself for re-appointment.

SPECIAL BUSINESS

3. RATIFICATION OF REMUNERATION OF M/S CHANDRA WADHWA & CO., COST ACCOUNTANTS, COST AUDITORS OF THE COMPANY, FOR THE FINANCIAL YEAR 2020-21

To consider and, if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:-

"RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and Rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration of ₹ 3,25,000/- (Rupees Three Lakhs Twenty Five Thousand only) and reimbursement of out of

pocket expenses, if any, plus applicable taxes, as approved by the Board of Directors on the recommendation of the Audit Committee, to be paid to M/s Chandra Wadhwa & Co., Cost Accountants (Firm Registration No. 000239), Cost Auditors of the Company, to conduct the audit of the cost records of the Company for the financial year 2020-21, be and is hereby ratified, confirmed and approved.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to the aforesaid resolution."

4. PRIVATE PLACEMENT OF NON- CONVERTIBLE DEBENTURES

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:-

"RESOLVED THAT pursuant to the provisions of Sections 42, 71 and other applicable provisions, if any, of the Companies Act, 2013 ("**Act**") and the rules made thereunder, as amended or re-enacted from time to time and pursuant to the provisions of SEBI (Issue and Listing of Debt Securities) Regulations, 2008 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**") and subject to the provisions of Memorandum and Articles of Association of the Company, approval of the Members of the Company, be and is hereby accorded for making offer(s) or invitation(s) to subscribe to Secured/ Unsecured, Redeemable Non-Convertible Debentures (NCDs) on private placement basis, in one or more tranches, aggregating upto ₹ 750 Crores (Rupees Seven Hundred Fifty Crores Only), within the overall borrowing limits of the Company approved by the Members of the Company under Section 180(1)(c) of the Act, during a

period of one year from the date of passing of this Resolution.

RESOLVED FURTHER THAT the Board of Directors of the Company (hereinafter referred to as **'the Board'**, which term shall be deemed to include any Committee which the Board has constituted or may constitute hereafter to exercise its powers herein conferred), be and is hereby authorized to determine the terms of issue including the class of investors to whom NCDs are to be issued under each tranche, tenure, coupon rate(s), pricing of the issue, listing of issue, appointment of trustee(s), appointment of registered valuer(s), dates and closing of the offers/ invitations for subscription for such securities, deemed date(s) of allotment, redemption and other terms and conditions relating to issue of said NCDs on private placement basis.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds, matters and things, including but not limited to, making necessary filings with the statutory authorities and to issue certified extracts of this resolution and give such directions as may be deemed necessary or expedient, to give effect to the aforesaid Resolution."

**By Order of the Board of Directors
For PARSVNATH DEVELOPERS LIMITED**

**Sd/-
(V. Mohan)**

**Sr. Vice President (Legal) &
Company Secretary
Membership No. F2084**

Place: Delhi

Date: September 1, 2020

Notes:

A. In view of the continuing Covid-19 pandemic, the Ministry of Corporate Affairs ("**MCA**") vide its Circular dated May 5, 2020 read with Circulars dated April 8, 2020 and April 13, 2020 and the Securities and Exchange Board of India ("**SEBI**") vide its Circular dated May 12, 2020 (collectively referred to as "**Circulars**"), have permitted the holding of the Annual General Meeting ("**AGM**") through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the provisions of the Companies Act, 2013 ("**Act**"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("**Listing Regulations**")

and the aforesaid Circulars, the AGM of the Company will be held through VC / OAVM.

- B. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a Member of the Company. Since this AGM will be held pursuant to the aforesaid Circulars through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, the facility for appointment of proxies by the Members will not be available for the AGM and hence, the Route Map, Proxy Form and Attendance Slip are not annexed to this Notice.
- C. Participation of members through VC/ OAVM will be reckoned for the purpose of quorum for the AGM, as per Section 103 of the Act.
- D. Institutional / Corporate Shareholders (i.e. other than individuals / HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG Format) of its Board or governing body Resolution/ Authorization etc., authorizing its representative to attend the AGM through VC / OAVM on its behalf and to vote on the Resolutions specified in the Notice electronically. The said Resolution/Authorization shall be sent to the Scrutinizer by e-mail (through its registered e-mail address) to ksitaramans@gmail.com, with a copy marked to secretarial@parsvnath.com.
- E. In compliance with the aforesaid Circulars, the Annual Report 2019-20 and the Notice of the 29th AGM (containing the instructions for e-voting) are being sent only through electronic mode to those members whose e-mail addresses are registered with the Company / Depositories. Members may note that the aforesaid Notice and Annual Report 2019-20 will also be available on the Company's website i.e. www.parsvnath.com, websites of BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and on the e-voting website of our Registrar & Share Transfer Agent ("**RTA**") viz. Link Intime India Private Limited ("**LIPL**") at <https://instavote.linkintime.co.in>.
- F. The relevant Explanatory Statement, pursuant to Section 102 of the Act in respect of the special business contained in the Notice, is annexed hereto. The information, required under Listing Regulations and Secretarial Standard on General Meetings ("**SS-2**"), of the person seeking re-appointment as

Director, is also annexed.

- G. The Notice of AGM and the Annual Report 2019-20 will be sent to those Members/ beneficial owners whose names will appear in the register of Members/ list of beneficiaries received from the depositories as on Friday, September 4, 2020.
- H. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, September 24, 2020 to Wednesday, September 30, 2020 (both days inclusive), for the purpose of AGM.
- I. The Shareholders / Members of the Company, holding shares either in physical form or in dematerialized form, whose names appear in the Register of Members / list of Beneficial Owners as on the cut-off date i.e. Wednesday, September 23, 2020, i.e. the date prior to the commencement of book closure date, are entitled to vote by electronic means on the Resolutions set forth in this Notice. Members who acquire the shares of the Company after the dispatch of the Annual Report and before the book closure may approach the RTA or the Company for issuance of the User ID and Password for exercising their right to vote by electronic means at enotices@linkintime.co.in or secretarial@parsvnath.com.
- J. The Register of Directors and Key Managerial Personnel and their shareholding, maintained under Section 170 of the Act and Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act will be available for electronic inspection during AGM and all the documents referred to in the AGM Notice will also be made available for inspection electronically upto the date of AGM, based on a request made in this regard.
- K. Members seeking any information regarding the Accounts of the Company are requested to write to the Company atleast ten days before the date of the AGM.
- L. Regulation 36 of Listing Regulations directs listed companies to send soft copies of the annual report to those shareholders who have registered their e-mail addresses with the Company / Depositories. Sections 101 and 136 of the Act read with the Companies (Management and Administration) Rules, 2014 and the Companies (Accounts) Rules, 2014, as amended from time to time, permit prescribed Companies to send notice and financial statements through electronic mode. In view of the same, Members holding shares in dematerialized form are requested to update/ intimate all changes pertaining to their e-mail address, bank accounts, mailing address etc. with their Depository Participants and in case of Members holding shares in physical form, with the RTA of the Company. Changes intimated to the Depository Participants will then be automatically reflected in the Company's records, which will help the Company and its RTA to provide efficient and better service to the Members and shall also facilitate electronic servicing of annual reports and other documents.
- M. Your Company is concerned about the environment and utilizes natural resources in a sustainable manner. Towards this end, the Company supports in full measure, the 'Green Initiative' of MCA under which service of notices and documents including Annual Report can be effected by sending the same through electronic mode to the registered e-mail addresses of the Members. Accordingly, as a part of its Green Initiative in Corporate Governance and in terms of the aforesaid circulars issued by MCA and SEBI allowing paperless compliances through electronic mode, only soft copy of the Annual Report for the Financial Year ended March 31, 2020 along with the Notice of 29th AGM is being sent to all the Members whose e-mail addresses are registered with the Company / Depositories.
- N. Members having multiple accounts in identical names or joint accounts in same order are requested to intimate the Company, the ledger folios of such accounts, to enable the Company to consolidate all such shareholdings into one account.
- O. In accordance with the provisions of Section 72 of the Act, Members are entitled to make nominations in respect of the Equity Shares held by them. Members, holding Equity Shares in physical form, who are desirous of making nominations may procure the prescribed form from RTA and submit the same, duly filled in.
- P. SEBI has mandated the submission of Permanent Account Number ("PAN") by every participant in securities market. Member(s) holding shares in electronic form are, therefore, requested to submit the PAN to their Depository Participants with whom they are maintaining their demat account(s). Members holding shares in physical form can submit their

PAN details to the Company/RTA.

Q. The shares of the Company are compulsorily traded in demat mode. Further, SEBI has also mandated transfer of securities in demat mode only and accordingly, the Company will not be able to accept requests for transfer of shares held in physical mode. Hence, the Members who are still holding physical Share Certificates are advised to get their shares dematerialized.

R. Transfer of Unclaimed/ Unpaid amounts to Investor Education and Protection Fund ("IEPF")

Pursuant to the relevant provisions of the Act read with Rules made thereunder, as amended from time to time, the Company was not required to transfer any amount to IEPF established by the Central Government, in the Financial Year 2019-20.

S. Transfer of Shares to IEPF

Pursuant to MCA notification dated August 14, 2019 (effective from August 20, 2019), an amendment has been made in Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") whereby it has been clarified that all shares in respect of which dividend has been transferred to IEPF on or before September 7, 2016, shall also be transferred by the Company in the demat account of the IEPF Authority.

Your Company has declared the dividend for Financial Years 2006-07 and 2007-08 till now. The unpaid /unclaimed dividend in respect thereof has been duly transferred to IEPF in the years 2014 and 2015 respectively. In order to comply with the aforesaid Notification, the Unclaimed IPO Shares and the Shares (whose dividend has been transferred to IEPF) are required to be transferred to IEPF. The status of transfer of such shares to IEPF is given below:

- **Unclaimed IPO Shares**

The unclaimed IPO shares have been transferred from 'Unclaimed Demat Suspense Account of the Company' to 'Demat Suspense Account of IEPF Authority' after completing all the requisite formalities relating thereto, as per the provisions of Section 124(6) and other applicable provisions of the Act read with IEPF Rules and the Listing Regulations, as amended from time to time. Those concerned may please note that such shares

can be claimed back from IEPF Authority after following the prescribed procedure and no claim lies against the Company in respect of the shares transferred to the IEPF Authority.

- **Shares whose dividend for Financial Year 2006-07 and 2007-08 has been transferred to IEPF in the years 2014 and 2015 respectively**

The Company will also transfer all those shares, whose dividend amount for Financial Years 2006-07 and 2007-08 has been credited to IEPF in the year 2014 and 2015 respectively, to IEPF, after completing the requisite formalities relating thereto and as per the procedure prescribed in the IEPF Rules, in due course of time. The list of such shareholders whose shares are liable to be transferred to the Demat account of the IEPF Authority including their names and their Folio No. or DP ID – Client ID will be uploaded under the 'Investors' Section of the Company's website i.e. www.parsvnath.com.

T. Voting through electronic means

In compliance with the provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended from time to time, Listing Regulations and SS-2, read with aforesaid Circulars issued by MCA and SEBI, the Company is pleased to provide the Members the facility to exercise their right to vote on resolutions proposed to be considered at the 29th AGM by electronic means as the business will only be transacted electronically. The facility of casting the votes by the members using an electronic voting system prior to the AGM ("Remote e-voting") and e-voting during AGM will be provided by Link Intime India Private Limited ("LI IPL"), RTA of the Company. The remote e-voting period will commence on Saturday, September 26, 2020 (9:00 a.m.) and will end on Tuesday, September 29, 2020 (5:00 p.m.). The remote e-voting module shall be disabled by LI IPL for voting thereafter.

The Members who have cast their votes by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their votes again during AGM.

The voting rights of Members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. Wednesday, September 23, 2020.

Mr. Krishnan Sitaraman, Practising Company Secretary, New Delhi (Membership No. FCS 2087 and C.P. No. 21348), has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.

The Scrutinizer, after the completion of the scrutiny of the e-voting (votes casted through remote e-voting prior to the AGM and votes casted during AGM), shall submit a consolidated Scrutinizers' Report of the votes cast, in favour or against, if any, to the Chairman or in his absence to the Managing Director & CEO of the Company, who shall countersign the same and declare the results not later than 48 hours of conclusion of the AGM.

The result declared alongwith the Scrutinizer's Report shall be placed on the Company's website i.e. www.parsvnath.com and on the e-voting website of Link Intime India Private Limited i.e. <https://instavote.linkintime.co.in> and shall also be displayed on the notice board of the Company at its registered office. The same will also be communicated to the Stock Exchanges, as per the provisions of the Listing Regulations.

INSTRUCTIONS FOR REMOTE E-VOTING:

1. Open the internet browser and launch the URL: <https://instavote.linkintime.co.in>.

Those who are first time users of LIPL e-voting platform or holding shares in physical mode have to mandatorily generate their own Password, as under:-

- a) Click on 'Sign Up' under 'SHARE HOLDER' tab and register with your following details:
 - (i) User ID: Enter your User ID
 - Members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID;
 - Members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID;
 - Members holding shares in physical form shall provide Event No. + Folio Number registered with the Company.
 - (ii) PAN: Enter your 10-digit Permanent Account

Number (PAN) (Members who have not updated their PAN with the Depository Participant (DP)/ Company shall use the sequence number provided to you, if applicable).

- (iii) DOB/DOI: Enter the Date of Birth (DOB)/Date of Incorporation (DOI) (As recorded with your DP/ Company - in DD/MM/YYYY format).
- (iv) Bank Account Number: Enter your Bank Account Number (last four digits), as recorded with your DP/ Company.

Members holding shares in CDSL demat account shall provide either 'iii' or 'iv', above.

Members holding shares in NSDL demat account shall provide 'iv', above.

Members holding shares in physical form but have not recorded 'iii' and 'iv', shall provide their Folio number in 'iv' above.

- b) Set the password of your choice [The password should contain minimum 8 characters, at least one Special Character (i.e. @ / ! / # / \$ / & / *), at least one numeral, at least one alphabet and at least one capital letter].
- c) Click 'confirm' (Your password is now generated).

NOTE: If Members are holding shares in demat form and have registered on to e-voting system of LIPL: <https://instavote.linkintime.co.in> and/or voted on an earlier event of any Company then they can use their existing password to login.

2. Click on 'Login' under 'SHARE HOLDER' tab.
3. Enter your User ID, Password and Image Verification (CAPTCHA) Code and click on 'Submit'.
4. After successful Login, you will be able to see the notification for e-voting. Select 'View' icon for 'Parsvnath Developers Limited/ 200287 (Event Number)'.
5. E-voting page will appear.
6. Refer the Resolution description and cast your vote by selecting your desired option 'Favour/Against' (If you wish to view the entire Resolution details, click on the 'View Resolution' file link).

7. After selecting the desired option i.e. 'Favour/ Against', click on 'Submit'. A confirmation box will be displayed. If you wish to confirm your vote, click on 'Yes'; else to change your vote, click on 'No' and accordingly modify your vote.

If you have forgotten the password:

- Click on 'Login' under 'SHARE HOLDER' tab and further Click 'forgot password'
- Enter User ID, select Mode and Enter Image Verification (CAPTCHA) Code and Click on 'Submit'.
- In case member is having valid e-mail address, Password will be sent to his/her registered e-mail address.
- Member can set the password of his/her choice by providing the information about the particulars of the Security Question and Answer, PAN, DOB/ DOI, Bank Account Number (last four digits) etc. as mentioned above.
- The password should contain minimum 8 characters, at least one Special Character (i.e. @ / ! / # / \$ / & / *), at least one numeral, at least one alphabet and at least one capital letter.

General guidelines / instructions:

- Institutional Members (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to e-Voting system of LIPL: <https://instavote.linkintime.co.in> and register themselves as 'Custodian / Mutual Fund / Corporate Body'. They are also required to upload a scanned certified true copy of the board resolution /authority letter/power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the 'Custodian / Mutual Fund / Corporate Body' login, for the Scrutinizer to verify the same.
- During the voting period, Members can login any number of times till they have voted on the resolution(s) for a particular 'Event'.
- Members holding multiple folios/demat accounts shall choose the voting process separately for each of the folio/demat account.
- For Members holding shares in physical form, the details can be used only for voting on the resolutions contained in the Notice.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- The facility for e-voting shall also be available during AGM. Members who have already cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote during AGM. Only those Members, who attend the AGM and have not cast their votes through remote e-voting and are otherwise not barred from doing so, will be allowed to vote through the e-voting facility available at the AGM.
- Any person who acquires shares of the Company and becomes a Member of the Company after sending the Notice of the AGM and holds shares as on the cut-off date for voting i.e. Wednesday, September 23, 2020, may obtain the login ID and password by sending a request to enotices@linkintime.co.in. However, if he/she is already registered with LIPL for remote e-voting then he/she can use his/her existing User ID and password for casting the vote.
- In case the Members have any queries or issues regarding remote e-voting, please refer the Frequently Asked Questions ("FAQs") and Instavote e-Voting manual available at <https://instavote.linkintime.co.in>, under help section or write an e-mail to enotices@linkintime.co.in or contact at 022-4918 6000.

PROCESS AND MANNER FOR ATTENDING THE AGM THROUGH INSTAMEET (VC / OAVM)

1. For a smooth experience of AGM proceedings, Members who are registered for the event are requested to download and install the Webex application in advance on the device that would be used to attend the meeting by clicking on the link <https://www.webex.com/downloads.html/>. Members also have an option to click on the URL provided to attend the meeting.
2. The Members are entitled to attend the AGM through VC/OAVM provided by LIPL by following the below mentioned process. Facility for joining the AGM through VC/OAVM shall open 15 (fifteen) minutes before the time scheduled for commencement of AGM and will be available to 1000 Members on first- come- first -serve basis.

3. The Members are requested to participate on first-come-first-serve basis, as participation through VC/ OAVM is limited and will be closed on expiry of 15 (fifteen) minutes from the scheduled time of AGM. Members with >2% shareholding, Promoters, Institutional Investors, Directors, KMPs, Chairpersons of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and Auditors etc. may be allowed to the meeting without restrictions of first-come-first-serve basis.
4. Members can log in and join 15 (fifteen) minutes prior to the scheduled time of the meeting and window for joining shall be kept open till the expiry of 15 (fifteen) minutes after the scheduled time.
5. The Members will be provided with InstaMeet facility wherein Member shall register their details and attend the Annual General Meeting as under:
 - 5.1 Open the internet browser and launch the URL: <https://instameet.linkintime.co.in>
 - 5.2 Select the "Company" and 'Event Date' and register with your following details: -
 - (i) Demat Account No. or Folio No.: Enter your 16 digit Demat Account No. or Folio No.
 - Shareholders/ members holding shares in CDSL demat account shall provide 16 Digit Beneficiary ID;
 - Shareholders/ members holding shares in NSDL demat account shall provide 8 Character DP ID followed by 8 Digit Client ID;
 - Shareholders/ members holding shares in physical form shall provide Folio Number registered with the Company.
 - (ii) PAN: Enter your 10-digit Permanent Account Number (PAN) (Members, who have not updated their PAN with the Depository Participant (DP)/ Company, shall use the sequence number provided to them, if applicable.)
 - (iii) Mobile No.: Enter your mobile number.
 - (iv) Email ID: Enter your email id, as recorded with your DP/ Company.
 - 5.3 Click "Go to Meeting" (You are now registered for InstaMeet and your attendance is marked for the meeting).
6. The Members are encouraged to join the Meeting through Tablets/ Laptops connected through broadband for better experience.
7. The Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.
8. Members connecting from Mobile Devices or Tablets or through Laptops connecting via Mobile Hotspot may experience Audio/Visual loss due to fluctuation in their network. It is therefore recommended to use stable Wi-Fi or LAN connection to mitigate any kind of aforesaid glitches.
9. In case the members have any queries or issues regarding AGM through InstaMeet, they can write an e-mail to instameet@linkintime.co.in or contact at 022-49186175.

INSTRUCTIONS FOR MEMBERS TO REGISTER THEMSELVES AS SPEAKERS DURING ANNUAL GENERAL MEETING:

1. The Members who would like to express their views or speak or ask questions during the meeting may register themselves as speaker(s) by sending their request, mentioning name, demat account number / folio number, e-mail id, mobile number, at secretarial@parsvnath.com by 4:00 p.m., Monday, September 28, 2020. Such Members may send also their questions in advance and the same will be replied by the Company suitably.
2. Members will receive 'speaking serial number' once they mark attendance for the meeting. Members are requested to speak only when Moderator of the meeting will announce the name and serial number for speaking.
3. Please remember 'speaking serial number' and start your conversation with panelist by switching on audio and video mode of your device.
4. Those Members who have registered themselves as speakers will only be allowed to express their views/ask questions during the meeting. The Company reserves the right to restrict the number of speakers depending on the availability of time for AGM. Other Members may ask questions to the

panelist, via active chat-board during the meeting.

- The Members are required to use Internet with a good speed (preferably 2 MBPS download stream) to avoid any disturbance during the meeting.

INSTRUCTIONS FOR MEMBERS TO VOTE DURING ANNUAL GENERAL MEETING THROUGH INSTAMEET:

- Once the electronic voting is activated by the scrutinizer/moderator during the meeting, the members who have not exercised their vote through the remote e-voting can cast the vote as under:
 - On the Shareholders VC page, click on the link for e-voting "Cast your vote".
 - Enter Demat Account No. / Folio No. and OTP (received on the registered mobile number/ registered e-mail Id) received during registration for InstaMeet and click on 'Submit'.
 - After successful login, you will see "Resolution Description" and against the same, the option "Favour/ Against" for voting.
 - Cast your vote by selecting appropriate option i.e. "Favour/Against" as desired. Enter the number of shares (which represents no. of votes) as on the cut-off date under 'Favour/ Against'.
 - After selecting the appropriate option i.e. Favour/ Against as desired and you have decided to vote, click on "Save". A confirmation box will be displayed. If you wish to confirm your vote, click on "Confirm", else to change your vote, click on "Back" and accordingly modify your vote.
 - Once you confirm your vote on the resolution, you will not be allowed to modify or change your vote subsequently.
- The Members, who will be present in AGM through InstaMeet facility and have not casted their vote on the Resolutions through remote e-voting and are otherwise not barred from doing so, shall be eligible to vote through e-voting facility during the meeting.
- The Members who have voted through Remote e-Voting prior to AGM will be eligible to attend/participate in the AGM

through InstaMeet. However, they will not be eligible to vote again during the meeting.

- In case the Members have any queries or issues regarding e-voting during AGM, they can write an e-mail to instameet@linkintime.co.in or contact at 022-49186175.

BRIEF DETAILS OF DIRECTOR SEEKING RE-APPOINTMENT AT THE 29TH ANNUAL GENERAL MEETING (IN PURSUANCE OF LISTING REGULATIONS AND SECRETARIAL STANDARD ON GENERAL MEETINGS)

Item No. 2 - PERSON SEEKING RE-APPOINTMENT AS A DIRECTOR

Name of Director & DIN	Mr. Sanjeev Kumar Jain (DIN: 00333881)
Date of Birth	January 1, 1970
Age	50
Qualification(s)	Bachelor of Engineering (Civil) degree from the B.V. College of Engineering, Pune with specialization in advanced construction technology.
Date of first Appointment on the Board	July 24, 1990
Experience and Expertise in specific functional areas	3 decades experience in the real estate sector and has been associated with the Company since its inception as Director. He was appointed as Whole-Time Director/ Managing Director w.e.f. February 1, 2002. Heads the architectural, construction and purchase departments of the Company.
Terms and conditions of Re-appointment	N.A.
Details of Remuneration sought to be paid	Nil
Last Remuneration drawn (FY 2019-20)	Nil
Number of Shares held	21,600
Other Directorship(s)	Parsvnath Film City Ltd.
Committee Positions in other Public Companies	Nil
Relationships between Directors inter-se	Mr. Pradeep Kumar Jain, Chairman, Mr. Sanjeev Kumar Jain, Managing Director & Chief Executive Officer and Dr. Rajeev Jain, Director (Marketing) are related to each other as brothers.

Number of Board Meetings attended during Financial Year 2019-20	Seven (7)
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EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

Item No. 3:

The Board of Directors of the Company at its meeting held on September 1, 2020, on the recommendation of the Audit Committee, has approved the appointment of M/s Chandra Wadhwa & Co., Cost Accountants (Firm Registration No. 000239), as the Cost Auditors to conduct the audit of the cost records of the Company, for the financial year ending March 31, 2021 at a remuneration of ₹ 3,25,000 (Rupees Three Lakhs Twenty Five Thousand only) and reimbursement of out of pocket expenses, if any, plus applicable taxes.

In accordance with the provisions of Section 148 of the Act read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be confirmed and ratified by the Members of the Company. Accordingly, consent of the Members is being sought by way of passing an Ordinary Resolution for confirmation and ratification of the remuneration payable to the Cost Auditors for the financial year ending March 31, 2021.

The Board commends the Resolution as set out at Item No. 3 of the Notice for the approval of Members of the Company as an Ordinary Resolution.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the Resolution, except to the extent of their directorships and shareholding.

Item No. 4:

As per Section 42 of the Act read with the Rules made thereunder, a Company offering or making an invitation to subscribe to Non-Convertible Debentures (“NCDs”) on a private placement basis, is

required to obtain the prior approval of the Members by way of a Special Resolution. Such an approval by way of Special Resolution can be obtained once a year for all the offers and invitations to be made for such NCDs during the year. NCDs issued on private placement basis are a significant source of borrowings for the Company.

The approval of the Members is being sought by way of a Special Resolution under Sections 42 and 71 of the Act read with the Rules made thereunder and SEBI (Issue and Listing of Debt Securities) Regulations, 2008, to enable the Company to offer or invite subscriptions for NCDs on a private placement basis, in one or more tranches, aggregating upto ₹ 750 Crores (Rupees Seven Hundred Fifty Crores Only), within the overall borrowing limits of the Company approved by the Members of the Company under Section 180(1)(c) of the Act, during a period of one year from the date of passing of the Resolution.

The Board of Directors of your Company has approved this matter in the Board Meeting held on September 1, 2020 and commends the Resolution as set out at Item No. 4 of the Notice for the approval of Members of the Company as Special Resolution.

None of the Directors / Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested, financially or otherwise, in the Resolution, except to the extent of their directorships and shareholding.

**By Order of the Board of Directors
For PARSVNATH DEVELOPERS LIMITED**

Sd/-

(V. Mohan)

**Sr. Vice President (Legal) &
Company Secretary
Membership No. F2084**

Place: Delhi

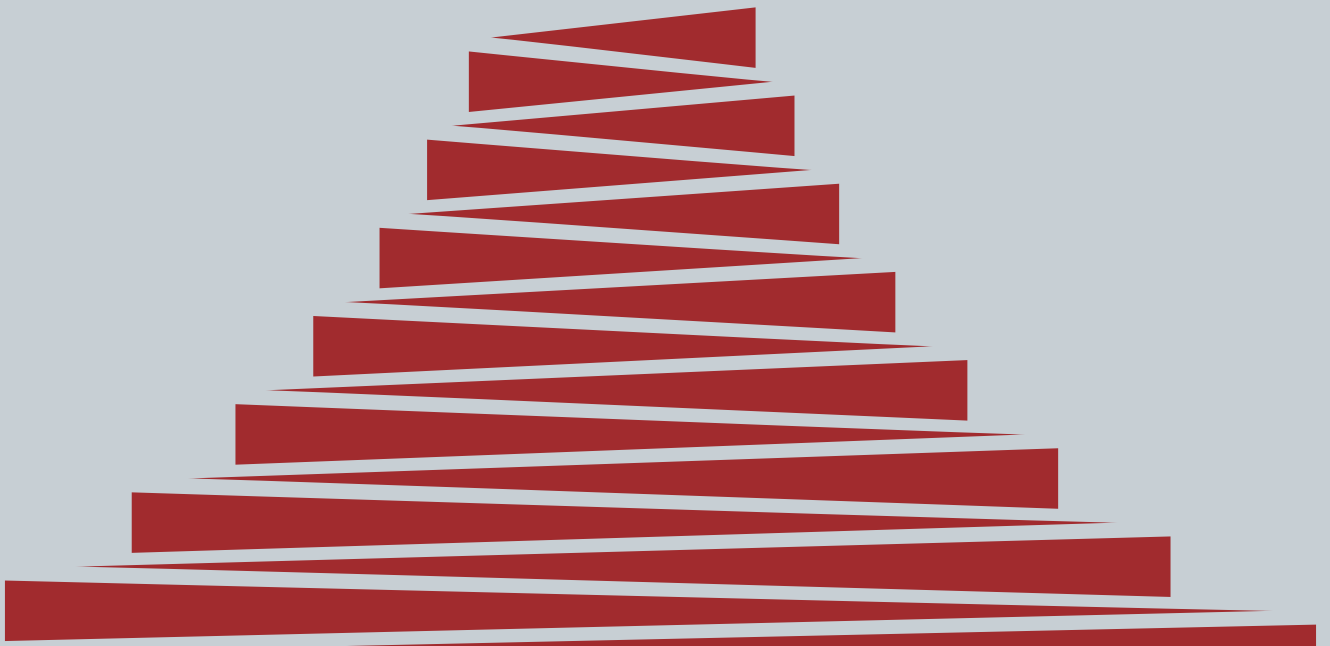
Date: September 1, 2020

Parsvnaths
committed to build a better world



FULFILLING CUSTOMER **ASPIRATIONS**

Parsvnath Developers Limited | Annual Report 2019 - 20





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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.



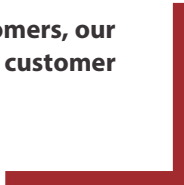


Fulfilling Customer Aspirations

Dreams & aspirations drive people. Power of aspiration can turn toughest of the tasks into achievement. We believe that an aspiration to have one's own space to live and work, still continues to be one dream that drives millions of people. We find ourselves fortunate to have this ability and commitment to turn these aspirations into reality and remain true to our brand philosophy of being 'committed to build a better world'.

As the saying goes 'there is light at the end of the tunnel', but then one has to walk towards it to achieve his dreams and aspirations. At Parsvnaths, we are walking the path to sustenance and brighter times ahead amid all the challenges posed by internal and external business environment. We witnessed, the slowdown in Indian economy; the testing times for our industry; and one of the deadliest impacts on mankind in form of COVID-19 pandemic. However, we believed in working relentlessly towards 'fulfilling customer aspirations'. FY20 was second successive year, wherein we took strong decisions and achieved the topline growth and the bottom line recovery from losses. During FY20, our focus was on managing liquidity; focusing on execution; and evolving a leaner structure for our business operations. During the year we sold out our Parsvnath 27 project. We continued to transfer projects in Special Purpose Vehicles (SPV) which are our subsidiaries, which ensures agility in our business. We continued to execute the projects at hand successfully. This innovative approach has given us exponential growth of 30% in terms of revenues and reduced losses at the net profit levels. We believed that consistent improvement and forward looking approach is the way forward to stay resilient and achieve our goals.

We are 'committed to build a better world' for our customers, our society and all our stakeholders. We are here to fulfill customer aspiration since every dream matters.





From The Chairman's Desk

Dear Shareholders

The history of the past few years for the Real Estate sector has been one of many false starts to spur growth in the beleaguered industry. A quarter or two of encouraging growth trends was usually followed by a return to declining sales sometimes due to hard-to-predict major events and often because of transformative changes that affected the sector. This pattern repeated itself in the year 2019-20 when the first half saw Residential segment, the dominant one, delivering much-needed growth in unit sales on the back of a push from the reduction in GST rates and a reasonable improvement in the situation of a big liquidity squeeze in the previous six months. In parallel, India's GDP growth was continuously sliding downwards, from an average of 6.1% in FY2018-19 to 5.2%, 4.4%, 4.1%, and 3.1% in each quarter of FY2019-20, chronologically. The reducing economic growth impacted the second half sale numbers along with the virtual freeze in the sales figures in March due to anticipation of economic shock caused by the pandemic. The Commercial – Office and Retail segments, which have generally performed better than the Residential segment in the past, also saw the trend reverse in the last quarter of the year.

With no end in sight for the pandemic and very gradual opening up of the businesses, it is hard to predict the overall economic impact from the spread of Coronavirus infections for the coming financial year. Various agencies have presented estimates ranging from a decline of 3 to 10% in the country's GDP. The first-quarter numbers may see one of the highest ever rate of decline in GDP. The story for the real estate sector is likely to be a shade worse than the overall economy. There have been significant transformations in consumer behaviour that are likely to impact all its segments. Work-from-home, for example, is anticipated to become mainstream with prolonged periods of social distancing, which would lead to a reduction in demand for office space. Similarly, the shift seen in consumer spends in favour of the local shops during the pandemic is likely to sustain in the medium term. Combined with the continued growth of e-commerce, shift towards the OTT platforms for entertainment content consumption, and lower footfalls in restaurants, the organized

retail sector is also anticipated to endure an extended challenging phase. The impact on the residential sector may not be equally bad since the reduction in interest rates, lower prices, credit-linked subsidies, and probably reduction in taxes and duties are likely to support. The Government has also supported the sector in these trying circumstances by providing a six-month extension in delivery timelines, six-month moratorium on principal and interest payments on loans from Financial Institutions/ Banks, and extending a Thirty thousand crore rupees liquidity facility to non-bank lenders which patronize real estate clients. While these measures may not be enough, they would ameliorate the financial pain from the pandemic to some extent for the sector.

Company's performance

In FY2019-20, the consolidated operating revenues of your Company rose by 30.8% YOY basis to ₹1,191.43 crore. This performance reflected even at the EBITDA level, where we turned over a profit after many years. From a -4% EBITDA in FY2018-19, due to improved operational efficiencies and sale of The Parsvnath 27, we achieved % EBITDA levels of 10.5% during the reported year. The net loss for the period, however, was only marginally lower by ₹4.14 crores from the ₹367.4 crores loss in the previous year as the finance cost went up considerably because the liquidity crisis drove up the cost of debt capital. Our debt levels are now significantly reduced due to the sale of the commercial project The Parsvnath 27, and next year's finance costs are likely to be much lower.

During the year under review, the Company sold/leased a total 39,983 sq. mt. (0.43 million sq. ft.) area across all its segments. The total number of units delivered by the Company in the same period were 640 totalling to an area of 84,055 sq. mt. (0.90 million sq. ft.) of real estate. We are also in the process of executing a total of 39 projects of various end-uses where the estimated total developed area is 47,70,714 sq. mt. (51.35 million sq. ft.) Some of the major projects completed by us in FY2019-20 and currently under construction are Parsvnath Exotica (Gurgaon), Parsvnath La-Tropicana, Parsvnath Paramount and more. We continue to look for opportunities to leverage our expertise and experience for executing projects with third parties.

Way Forward

Given the emerging scenario due to the pandemic, the focus of our Company will be to 'Consolidate', 'Sustain', and 'Survive' to be strong enough to exploit the turnaround in growth down the road. This has been, in a way, our approach for past few years due to market dynamics and resultant unsustainable debt on the books, and one that has helped us improve the quality of the balance sheet. Hence, we are well prepared to address the threats from the recessionary conditions that are prevailing due to COVID-19. We will continue to sell non-core assets, cut costs, reduce debt, and keep looking for customers/ partners for sale/ investment for our existing projects. Also, the Company has adjusted its operating model to align with the social distancing and health protection needs of the times. Due to the prevailing uncertainty around possible return to normalcy, we will continue to monitor the situation and respond appropriately to the evolving situation.

Outlook

Early signs and current indicators lead us to the conclusion that the Commercial and Retail segments will be hit hard during the coming year. The Office segment may see negative net absorption as companies defer expansion and existing tenants surrender space. Occupancy levels in malls will likely see a reduction with an added impact on rentals. Hence, we will focus on the Residential segment and mainly on our existing projects. Our approach has slowly but steadily improved our financial position, and even under such a harsh external environment, we are optimistic about getting nearer to our short-term target of achieving breakeven at net profit levels.

In conclusion

On behalf of the Board, I would like to thank you for your resolute trust and unwavering support to your Company. I would also like to thank all our employees, who have contributed immensely to our growth, for dedication and commitment. The backing of the financial institutions, our bankers, investors, esteemed customers, and associates has been critical, and we are grateful to them for standing by us. To end, in these extraordinarily difficult times, I sincerely hope and wish that not only do you remain safe from the Coronavirus but also the economic aftereffects of the pandemic.

With warm regards,

Pradeep Jain

Founder Chairman

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
Ms. Deepa Gupta
Shri Mahendra Nath Verma

**Dr. Pritam Singh has ceased to be a Non-Executive Independent Director due to his demise on June 3, 2020*

SR. VICE PRESIDENT (LEGAL) & COMPANY SECRETARY

Shri V. Mohan

AUDITORS

M/s S. N. Dhawan & Co. LLP
Chartered Accountants,
421, II Floor,
Udyog Vihar, Phase IV
Gurgaon – 122016

REGISTRAR & SHARE TRANSFER AGENT

Link Intime India Pvt. Ltd.
Noble Heights, 1st Floor,
Plot No. NH 2, LSC, C-1 Block,
Near Savitri Market,
Janakpuri, New Delhi - 110 058

SHARES LISTED AT

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

REGISTERED AND CORPORATE 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

BANKS & FINANCIAL INSTITUTIONS

Axis Bank Ltd.
Bank of India
Canara Bank
HDFC Bank Ltd.
IDBI Bank Ltd.
IndusInd Bank Ltd.
Karnataka Bank Ltd.
Kotak Mahindra Bank Ltd.
Life Insurance Corporation of India
Punjab National Bank
State Bank of India
UCO Bank

BOARD'S REPORT

Dear Shareholders,

Your Directors have pleasure in presenting the 29th Annual Report, together with the Audited Financial Statements of the Company for the Financial Year ("FY") ended March 31, 2020.

1. FINANCIAL RESULTS

[₹ in lakhs]

Item	STAND-ALONE		CONSOLIDATED	
	FY 2019-20	FY 2018-19	FY 2019-20	FY 2018-19
Total Revenue	1,23,778.05	83,357.30	1,26,824.90	92,544.40
Profit/ (loss) before depreciation and tax	(11,262.08)	(26,154.72)	(34,810.40)	(37,275.79)
Less: Depreciation	450.42	943.83	2,704.64	2,890.12
Profit/ (loss) before tax	(11,712.50)	(27,098.55)	(37,515.04)	(40,165.91)
Less: Provision for taxation	(2,400.84)	(2,818.75)	(1,189.68)	(3,426.37)
Profit/ (loss) after tax	(9,311.66)	(24,279.80)	(36,325.36)	(36,739.54)
Share of Profit/(loss) in Associates	-	-	1.41	1.86
Profit/ (loss) for the year	(9,311.66)	(24,279.80)	(36,323.95)	(36,737.68)
Other comprehensive income	(58.38)	(26.85)	(58.38)	(26.85)
Total comprehensive income for the year	(9,370.04)	(24,306.65)	(36,382.33)	(36,764.53)
Net profit/(loss) attributable to:				
a) Shareholders of the Company	(9,370.04)	(24,306.65)	(34,713.99)	(36,359.92)
b) Non-controlling interest	-	-	(1,668.34)	(404.61)
Balance brought forward (including other comprehensive income)	(16,476.01)	64,174.56	(92,484.60)	23,026.44
Less: Adjustments due to adoption of Ind AS-115 through modified retrospective approach	-	63,129.22	-	85,936.42
Add: Profit/(loss) for the year attributable to shareholders of the Company	(9,370.04)	(24,306.65)	(34,713.99)	(36,359.92)
Add: Transferred from Debenture Redemption Reserve	-	6,785.30	-	6,785.30
Closing balance (including other comprehensive income)	(25,846.05)	(16,476.01)	(1,27,198.59)	(92,484.60)

2. REVIEW OF OPERATIONS

During the year under review, on consolidated basis, the Company has earned total revenue of ₹ 1,26,824.90 Lakhs as against ₹ 92,544.40 Lakhs in 2018-2019 and incurred a net loss of ₹ 36,323.95 Lakhs as against a net loss of ₹ 36,737.68 Lakhs incurred during 2018-2019. Earnings per Share (EPS) of the Company stood at ₹ (2.14) on stand-alone basis and ₹ (7.96) on consolidated basis in 2019-2020.

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

3. MATERIAL CHANGES AND/OR COMMITMENTS AFFECTING THE FINANCIAL POSITION OF YOUR COMPANY OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR AND THE DATE OF SIGNING OF THIS REPORT

IMPACT OF COVID-19 ON THE BUSINESS AND FINANCIALS OF THE COMPANY

The outbreak of Coronavirus (COVID-19) pandemic has caused significant disturbance and slowdown of economic activity. Real estate is one of the worst affected sectors due to the COVID-19 pandemic. It has adversely impacted the

business operations of the company, by way of interruption of construction activities, supply chain disruption, unavailability of labour, etc. The Company has assessed the economic impact of Covid-19 on its business by evaluating various scenarios on certain assumptions and current indicators of future economic conditions and on the basis of internal and external sources of information. Based on this, the Company has assessed recoverability and carrying value of its assets comprising inventory, receivables, investments, investment properties, intangible assets, right of use assets, advances, deferred tax assets and other financial and non-financial assets and believes that it will recover the carrying value of all its assets. The management will continue to closely monitor any material changes arising out of future economic conditions and impact on its business.

The real estate sector was already going through adverse impact of liquidity crunch, a high inventory overhang and subdued demand conditions, the COVID-19 outbreak further affected the sector, with slowdown in sales and collections and project execution activity.

However, the extension of moratorium on term loan instalments till August 31, 2020, announced by the RBI, may provide some comfort in case of overall cash flows during this period. We also strongly believe that there is a huge inherent demand in the housing sector in India due to attractive housing loan interest rates, various deductions available in income tax, RERA Compliant projects etc.

4. DIVIDEND

In view of loss incurred during the financial year ended March 31, 2020 coupled with constrained liquidity position of the Company, your Directors have considered it appropriate not to recommend any dividend. The Company has not transferred any amount to General Reserve during the Financial Year 2019-20.

5. MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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.

6. SUBSIDIARIES, JOINT VENTURE ENTITIES AND ASSOCIATE COMPANIES

At the beginning of the year, your Company had 21 (Twenty One) 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 Telecom Private Limited ("PTPL") has ceased to be a Subsidiary of the Company due to transfer of entire shareholding by the Company on June 29, 2019.
- Parsvnath Realcon Private Limited ("PRPL"), erstwhile step down Subsidiary, has become a wholly owned Subsidiary of the Company, consequent upon the acquisition of shares from Parsvnath Buildwell Private Limited ("PBPL"), with effect from September 3, 2019.
- Snigdha Buildwell Private Limited ("SBPL") has become a wholly owned subsidiary of the Company, consequent upon the acquisition of entire shareholding, with effect from December 14, 2019.
- Generous Buildwell Private Limited ("GBPL") has become a step down subsidiary of the Company, being a Subsidiary of Snigdha Buildwell Private Limited, with effect from December 14, 2019.
- Evergreen Realtors Private Limited ("ERPL") has become a step down subsidiary of the Company, being a Subsidiary of Snigdha Buildwell Private Limited, with effect from February 6, 2020.
- Primetime Realtors Private Limited ("PRPL") has ceased to be a Subsidiary Company due to transfer of entire shareholding by the Company on February 17, 2020
- Parsvnath Promoters & Developers Private Limited ("PPDPL") has ceased to be a direct Subsidiary of the Company and has now become a subsidiary of the Company, by jointly owning 51% shares alongwith Parsvnath Rail Land Project Private Limited ("PRLPPL"), Subsidiary Company, which is holding 46.14% shares, w.e.f. March 3, 2020.

As at March 31, 2020, Parsvnath Buildwell Private Limited has become a 'material subsidiary', as per the provisions of the Listing Regulations.

Pursuant to the provisions of Section 129(3) of the Act, a statement containing brief financial details of the Company's subsidiaries, associate companies and joint ventures for the financial year ended March 31, 2020 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, 2020.

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 also be made available electronically to any Shareholder of the Company / its subsidiaries, on request.

7. 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 and Regulation 33 of the Listing Regulations, the Audited Consolidated Financial Statements are provided in this Annual Report.

8. DEBENTURES

During the year under review, the Company had issued 106 Nos. 19% Secured Redeemable Non-Convertible Debentures ("NCDs") - Series XVI (Issue - VII) amounting to ₹ 100.02 Lakhs (Approx.) on April 3, 2019.

Further, the Company has got the term / maturity date of following NCDs extended during the year, after obtaining the consent of the Debentureholders / Debenture Trustees:

1. Term/ Maturity date of 13% Series XIV NCDs extended from April 15, 2019 to March 31, 2020. Due to COVID-19 pandemic, the Company has made a request to the Debentureholder for further extension/ re-schedulement, and

2. Term/ Maturity date of 19% Series XVI NCDs (Issue I to VI) extended from October 7, 2020 to September 30, 2021.

9. FIXED DEPOSITS

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

10. DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Subsequent to the year end, Dr. Pritam Singh, Non-Executive Independent Director of the Company, has ceased to be a Director of the Company, on June 3, 2020, due to his untimely demise. The Board of Directors at its Meeting held on July 17, 2020 took note of the same and has placed on record its appreciation for the valuable contribution and guidance during his tenure as an Independent Director.

Pursuant to the provisions of Section 149 of the Act, the Independent Directors have submitted declarations that each of them meets the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the Listing Regulations and confirmation that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence.

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

The Board acknowledges the contribution made by the Independent Directors of the Company, with their integrity, expertise and diverse experience, in the growth and development of the Company. In the opinion of the Board, the Independent Directors possess the requisite expertise and experience and are persons of high integrity and repute. They fulfill the conditions specified in the Act as well as the Rules made thereunder and are independent of the management.

Mr. M.N. Verma, Independent Director, has got his name included in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs ("IICA"), in terms of

Section 150 read with Rule 6 of the Companies (Appointment and Qualification of Directors) Rules, 2014 and the other two Independent Directors of the Company, i.e. Mr. Ashok Kumar and Ms. Deepa Gupta, are in the process of getting their names included in the aforesaid data bank and will get the same done before the prescribed time.

Mr. Ashok Kumar is exempt from passing the online proficiency test, as prescribed under the aforesaid Rules. Mr. M.N. Verma and Ms. Deepa Gupta will be requested to pass the aforesaid test within the stipulated time.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2020 are Mr. Pradeep Kumar Jain, Chairman, Mr. Sanjeev Kumar Jain, Managing Director and Chief Executive Officer, Dr. Rajeev Jain, Director (Marketing), Mr. V. Mohan, Sr. Vice President (Legal) & Company Secretary and Mr. M.C. Jain, Sr. Vice President (Corporate) & Group Chief Financial Officer.

None of the Directors of the Company is debarred from holding the office of director by virtue of any SEBI order or any other authority

Re-appointment of Director

During the period under review, pursuant to the approval of Shareholders at 28th AGM held on September 21, 2019, the Independent Directors of the Company were re-appointed for 5 years for their second and final term. Mr. Ashok Kumar and Dr. Pritam Singh were re-appointed w.e.f. September 23, 2019 to September 22, 2024. However, Dr. Pritam Singh has ceased to be a Director w.e.f. June 3, 2020 due to his untimely demise. Ms. Deepa Gupta was re-appointed w.e.f. March 30, 2020 to March 29, 2025 and Mr. M.N. Verma was re-appointed w.e.f. May 25, 2020 to May 24, 2025.

In accordance with the provisions of Section 152 of the Act read with the Articles of Association of the Company, Mr. Sanjeev Kumar Jain will retire by rotation at the ensuing AGM and being eligible, offers himself for re-appointment.

The Notice convening the ensuing 29th AGM includes the proposal for re-appointment of Mr. Sanjeev Kumar Jain, as stated above. Further, as required under the Listing Regulations and Secretarial Standard on General Meetings, his brief profile / justification is furnished in the explanatory

statement to the Notice convening the ensuing AGM.

11. BOARD COMMITTEES

Audit Committee

The Board of Directors of the Company at its Meeting held on July 17, 2020 has re-constituted the Audit Committee due to the demise of Dr. Pritam Singh, Member of the Committee, on June 3, 2020. After re-constitution, the Committee comprises Mr. Mahendra Nath Verma (Chairperson), Mr. Sanjeev Kumar Jain, Mr. Ashok Kumar and Ms. Deepa Gupta. All members, except Mr. Sanjeev Kumar Jain, are Non-Executive Independent Directors of the Company. Mr. V. Mohan, Sr. Vice President (Legal) & Company Secretary acts as the Secretary to the Committee.

Corporate Social Responsibility Committee

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

Nomination and Remuneration Committee

The Board of Directors of the Company at its Meeting held on July 17, 2020 has re-constituted the Nomination and Remuneration Committee due to the demise of Dr. Pritam Singh, Chairperson of the Committee, on June 3, 2020. After re-constitution, the Committee comprises Ms. Deepa Gupta (Chairperson), Mr. Ashok Kumar and Mr. Mahendra Nath Verma, all being Non-Executive Independent Directors. Mr. V. Mohan, Sr. Vice President (Legal) & Company Secretary acts as the Secretary to the Committee.

Stakeholders Relationship Committee

The Committee comprises Mr. Ashok Kumar, Non-Executive Independent Director (Chairperson), Mr. Sanjeev Kumar Jain and Dr. Rajeev Jain. Mr. V. Mohan, Sr. Vice President (Legal) & Company Secretary acts as the Secretary to the Committee and is the Compliance Officer.

Risk Management Committee

The Board of Directors of the Company at its Meeting held on July 17, 2020 has re-constituted the Risk Management

Committee due to the demise of Dr. Pritam Singh, Member of the Committee, on June 3, 2020. After re-constitution, the Committee comprises Ms. Deepa Gupta (Chairperson), Mr. Mahendra Nath Verma, Non-Executive Independent Directors and Mr. Pradeep Kumar Jain. Mr. V. Mohan, Sr. Vice President (Legal) & Company Secretary acts as the Secretary to the Committee.

Shares Committee

The Committee comprises three members viz. Mr. Pradeep Kumar Jain (Chairperson), Mr. Sanjeev Kumar Jain and Dr. Rajeev Jain, all being Executive Directors. Mr. V. Mohan, Sr. Vice President (Legal) & Company Secretary acts as the Secretary to the Committee.

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

12. NUMBER OF MEETINGS OF THE BOARD

7 (Seven) meetings of the Board of Directors were held during the year under review. For details of the meetings of the Board, please refer to the Corporate Governance Report, which forms part of this Report.

13. COMPLIANCE WITH THE SECRETARIAL STANDARDS ISSUED BY ICSI

The Board confirms that, during the period under review, the Company has complied with the applicable Secretarial Standards issued by the Institute of Company Secretaries of India ("ICSI"), as amended from time to time.

14. BOARD EVALUATION

Due to the COVID 19 pandemic, evaluation of performance of the Board, its committees and individual directors could not be carried out and the same will be done at an appropriate time in the near future.

15. POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION AND OTHER DETAILS

Pursuant to the amendments made in the Listing Regulations, the revised Nomination and Remuneration Policy, duly approved by the Board of Directors of the Company, may be accessed on the Company's website at link: <http://www.parsvnath.com/investors/iulr/nomination-and-remuneration-policy/>. The salient features of the aforesaid

policy have been outlined in the Corporate Governance Report which forms part of this Report.

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/>.

16. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to the provisions of Section 134(5) of 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 financial year ended March 31, 2020, 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, 2020 and the loss of the Company for the financial 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 2019-20.

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

17. CORPORATE SOCIAL RESPONSIBILITY

The Annual Report on Corporate Social Responsibility ("CSR") under Section 135 of the Act, is annexed as **Annexure I** 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 website at link: <http://www.parsvnath.com/investors/iulr/corporate-social-responsibility-policy/>.

18. 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, with specific approvals wherever necessary. 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.

The related party transactions undertaken during the financial year 2019-20 are detailed in the Notes to Accounts of the Financial Statements.

Pursuant to the amendments made in the Listing Regulations, the revised 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/>.

Material contract / arrangement with Related Party under Section 188 of the Act

During the year, the Company has entered into an agreement

with Parsvnath Estate Developers Private Limited ("PEDPL"), wholly owned Subsidiary Company of the Company, for sale and transfer of proposed agricultural land at Madurai, Tamil Nadu, to be acquired by the Company. The Company has already received part of the consideration in advance from PEDPL against the same.

Justification: The Company will provide its expertise in arranging / acquiring land for PEDPL, in a cost effective manner.

Particulars: The particulars of the aforesaid agreement are given in Form AOC 2, annexed herewith as **Annexure II** to this Report.

19. 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.

20. 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.

21. AUDITORS

(a) Statutory Auditors

M/s S.N. Dhawan & Co. LLP, Chartered Accountants (Firm Registration No. 000050N/ N500045) had been appointed as Statutory Auditors of the Company from the conclusion of 25th AGM for a term of five consecutive years till the conclusion of 30th AGM, subject to ratification of their appointment by Members at every AGM, if so required under the Act. The requirement to place the matter relating to appointment of auditors for ratification by Members at every AGM has been done away by the Companies (Amendment) Act, 2017 with effect from May 7, 2018. Accordingly, no resolution is being proposed for ratification of appointment of statutory auditors at the ensuing AGM.

Statutory Auditors' Report

➤ The Auditors in their Report on the financial statements of the Company for the financial year ended March 31, 2020 have drawn attention to the following matters in the notes to the Ind AS financial statements:

- “(i) Note 46, which indicates that the Company has incurred cash loss during the current and previous years and there have been delays/ defaults in payment of principal and interest on borrowings, statutory liabilities, salaries to employees and payment of other dues by the Company. The management of the Company is of the opinion that no adverse impact is anticipated on future operations of the Company.
- (ii) Note 12, which explains management position regarding utilization of Deferred Tax Assets and Minimum Alternate Tax Credit aggregating to ₹ 16,788.37 lacs as at 31 March, 2020. Based on the management assumptions, future business plans and planned sale off some identified assets, management is certain about realization of these assets in coming years.

Our opinion is not modified in respect of these matters.”

➤ The response of the Directors in respect of the aforesaid matters is given below:

- (i) Note 46 of the Stand-alone financial statements: The Company has incurred cash losses during the current and previous years. Due to continued recession in the real estate sector owing to slowdown in demand, the Company is facing tight liquidity situation as a result of which there have been delays/ defaults in payment of principal and interest on borrowings, statutory liabilities, salaries to employees and other dues. 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 alternate sources of finance, including sale of non-core assets to generate adequate cash inflows for meeting these obligations and to overcome this liquidity crunch. In the opinion of the Management, no adverse impact is anticipated on future operations of the Company.

- (ii) Note 12 of the Stand-alone financial statements: Based on the management assumptions, future business plans and planned sale off some identified assets, management is certain about realization of these assets in coming years.

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

(b) Secretarial Auditor and Secretarial Audit Report

The Board of Directors of the Company, at its Meeting held on August 13, 2019, has approved the re-appointment of Mr. Krishnan Sitaraman (Membership No. F2087 and COP No. 21348), Practising Company Secretary, to conduct the Secretarial Audit of the Company for the Financial Year 2019-20. The Secretarial Audit Report for the financial year ended March 31, 2020 is annexed herewith as **Annexure III** to this Report. The Secretarial Auditor in his report has made an observation and the response of your Directors is as given above in Point No. 21(a).

(c) Internal Auditors

The Board of Directors of the Company, at its Meeting held on February 14, 2020, has approved the re-appointment of M/s Adesh Jain & Associates, Chartered Accountants (Firm Registration No. 010336N), as Internal Auditors, for the financial year 2019-20, pursuant to the provisions of Section 138 of the Act.

(d) Cost Auditors

The Company is required to maintain the cost records as

specified by Central Government under Section 148(1) of the Act and accordingly, such accounts and records are made and maintained. 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 2020-21.

22. CORPORATE GOVERNANCE

A separate section on Corporate Governance, forming part of the Board's Report and the Certificate from Mr. Krishnan Sitaraman (Membership No. F2087 and COP No. 21348), Practising 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. The said Code has been posted on the Company's website i.e. 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 of the Company for the financial year 2019-20 is annexed and forms part of the Corporate Governance Report.

23. 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 2020-21 has been paid by the Company to both NSE and BSE.

24. 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.

Pursuant to MCA notification dated August 14, 2019 (effective from August 20, 2019), an amendment has been made in Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF

Rules") whereby it has been clarified that all shares in respect of which dividend has been transferred to IEPF on or before September 7, 2016, shall also be transferred by the Company in the demat account of the IEPF Authority.

Your Company has declared the dividend for Financial Years 2006-07 and 2007-08 till now. The unpaid /unclaimed dividend in respect thereof has been duly transferred to IEPF in the years 2014 and 2015 respectively. In order to comply with the aforesaid Notification, the Unclaimed IPO Shares and the Shares (whose dividend has been transferred to IEPF) are required to be transferred to IEPF. The status of transfer of such Shares to IEPF is given below:

- **Unclaimed IPO Shares**

The unclaimed IPO shares have been transferred from 'Unclaimed Demat Suspense Account of the Company' to 'Demat Suspense Account of IEPF Authority', after completing all the requisite formalities relating thereto, as per the provisions of Section 124(6) and other applicable provisions of the Act read with IEPF Rules and the Listing Regulations, as amended from time to time. Those concerned may please note that such shares can be claimed back from IEPF Authority after following the prescribed procedure and no claim lies against the Company in respect of the shares transferred to the IEPF Authority.

- **Shares whose dividend for Financial Year 2006-07 and 2007-08 has been transferred to IEPF in the years 2014 and 2015 respectively**

The Company will also transfer all those shares, whose dividend amount for Financial Years 2006-07 and 2007-08 has been credited to IEPF in the year 2014 and 2015 respectively, to IEPF, after completing the requisite formalities relating thereto and as per the procedure prescribed in the IEPF Rules, in due course of time. The list of such shareholders whose shares are liable to be transferred to the Demat account of the IEPF Authority including their names and their Folio No. or DP ID – Client ID will be uploaded under the 'Investors' Section of the Company's website i.e. www.parsvnath.com.

25. 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 had no foreign exchange earnings and outgo.

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 is given below:

- a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the Financial Year 2019-2020:

Name of the Director	Ratio to median remuneration
Executive Directors*	
Mr. Pradeep Kumar Jain	N.A.
Mr. Sanjeev Kumar Jain	N.A.
Dr. Rajeev Jain	N.A.
Non-Executive Independent Directors	
Mr. Ashok Kumar	1.18
Dr. Pritam Singh**	1.38
Ms. Deepa Gupta	1.38
Mr. Mahendra Nath Verma	1.38

* Executive Directors of the Company are not drawing any remuneration from the Company.

** Ceased to be a Director of the Company w.e.f. June 3, 2020 due to his demise.

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

Name of the Person	Percentage increase/ (decrease) in remuneration
Mr. Pradeep Kumar Jain (Chairperson)	N.A.

Name of the Person	Percentage increase/ (decrease) in remuneration
Mr. Sanjeev Kumar Jain (Managing Director & CEO)	N.A.
Dr. Rajeev Jain (Director – Marketing)	N.A.
Mr. Ashok Kumar (Non-Executive Independent Director)	(11.11)
Dr. Pritam Singh* (Non-Executive Independent Director)	60
Ms. Deepa Gupta (Non-Executive Independent Director)	Nil
Mr. Mahendra Nath Verma (Non-Executive Independent Director)	24.44
Mr. V. Mohan (Company Secretary)	(1.07)
Mr. M.C. Jain (Chief Financial Officer)	(14.19)

* Ceased to be a Director of the Company w.e.f. June 3, 2020 due to his demise.

Note : The increase / (decrease) in remuneration of Non-Executive Independent Directors is based on the number of Board and Committee Meetings attended by them.

- c. The percentage increase in the median remuneration of employees in the financial year: 2.87%
- d. The number of permanent employees on the rolls of Company as on March 31, 2020: 300
- 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:

Not applicable as there is no remuneration paid by the Company to its Whole-time Directors, including Managing Director, during Financial Year 2019-20.

- 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 Rule 5 of the Companies (Appointment and Remuneration 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.

Since none of the employees comes under the purview of this Section, the said provisions are not applicable.

However, the list of top ten employees of the Company (based on remuneration drawn during Financial Year 2019-20) is annexed herewith as **Annexure IV.**

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

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. Annual Return

The Annual Return of the Company, in Form MGT-7, may be accessed on the Company's website at the link: <http://www.parsvnath.com/investors/iulr/annual-return-form-mgt-7/>, as per the provisions of Section 92 of the Act.

26. RISK MANAGEMENT

Your Company has in place a Risk Management Policy to assist the Board in overseeing that all the risks that the Company 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.

Risk management is embedded in Company's operating framework. The Company believes that risk resilience is the key to achieving higher growth. To this effect, there is a process in place to identify key risks across the Group and prioritise relevant action plans to mitigate these 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, organizational structure, processes, standards, code of conduct etc. governs how the Company conducts its business and manages associated risks.

During the year under review, the Meeting of Risk Management Committee was held on February 14, 2020 to review the risk Management plan of the Company and discussed the various risk involved in the business of the Company and advised on the mitigation plans thereof. Risk Management framework is reviewed periodically by the Board which includes discussing the management submissions on risks, prioritizing key risks and approving action plans to mitigate such risks.

27. VIGIL MECHANISM

The Company has in place a 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 Mr. V. Mohan, Sr. Vice President (Legal) & Company Secretary designated as 'Whistle and Ethics Officer'. 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/>.

28. INTERNAL COMPLAINTS COMMITTEE (ICC)

Pursuant to the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition And Redressal) Act, 2013 (as amended), the Board has re-constituted ICC at its Meeting held on February 14, 2020.

The Company is strongly opposed to sexual harassment and employees are made aware about the consequences of such acts and about the constitution of ICC. During the year under review, there were no cases filed/ reported pursuant to the aforesaid Act.

29. 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:

- a. Details relating to deposits covered under Chapter V of the Act.
- b. Issue of equity shares with differential rights as to dividend, voting or otherwise.
- c. Issue of shares (including sweat equity shares) to employees of the Company under any scheme.
- d. Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of the subsidiary companies of the Company.
- e. No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and the Company's operations in future.

Update on the SEBI matter relating to Shell Companies

Pursuant to the appointment of Ernst & Young LLP ("E&Y") by National Stock Exchange of India Limited ("NSE"), to conduct forensic audit of certain transactions of the Company, in terms of SEBI's Order dated January 4, 2019, the information and

documents sought by E&Y had been provided by us to them, after which we have not yet heard anything from either NSE or E&Y regarding submission of Forensic Audit Report by E&Y.

In the meantime, SEBI had asked the Company to provide the details of all Directors, CEO, CFO and Compliance Officer during Financial Years 2009-10, 2010-11, 2011-12, 2018-19 and 2019-20 and the minutes of Audit Committee Meetings held during Financial Years 2009-10, 2010-11 and 2011-12, which have been duly provided by the Company to SEBI.

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 reposed 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: Delhi
Date: September 1, 2020

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.

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). The Company's CSR Policy lays out the vision, objectives, guiding principles, implementation and reporting / monitoring 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. Mr. Pradeep Kumar Jain and Mr. Sanjeev Kumar Jain and three Non-Executive Independent Directors viz. Mr. Ashok Kumar, who is also the Chairperson of the Committee, Mr. Mahendra Nath Verma and Ms. Deepa Gupta. Mr. 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: ₹ (14,135.94) 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

Subsequent to the year end, out of unspent CSR expenditure of ₹ 238.38 Lakhs for the Financial Year 2014-15, the Company has contributed ₹ 5 Lakhs to PM CARES Fund and has also spent ₹ 1,26,000/- on distribution of face masks in slum areas, in respect of COVID-19 pandemic.

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 2019-20. 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
DIN: 00333881

Sd/-
Ashok Kumar
Chairman, Corporate Social Responsibility Committee
DIN: 00138677

Place: Delhi
Date: September 1, 2020

FORM AOC-2

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

{Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8(2) of Companies (Accounts) Rules, 2014}

1. Details of contracts or arrangements or transactions not at arm's length basis : Not applicable

2. Details of material contracts or arrangements or transactions at arm's length basis:

S. No.	Particulars	Details
1.	Name of the related party & nature of relationship	Parsvnath Estate Developers Private Limited ("PEDPL"), Wholly owned Subsidiary Company of the Company
2.	Nature of contracts/arrangements/transactions	Agreement with PEDPL for sale and transfer of proposed agricultural land at Madurai, Tamil Nadu, to be acquired by the Company and acknowledging part of the consideration received in advance from PEDPL against the same.
3.	Duration of the contracts/arrangements /transactions	24 months from execution of the Agreement dated October 4, 2019
4.	Salient terms of the contracts or arrangements or transactions including the value, if any	* The Company will accumulate agricultural land approx. 1000 acres at Madurai, Tamil Nadu, adjacent/ contiguous to the land owned by PEDPL (Proposed Land) and transfer it to PEDPL within 24 months from the date of execution of Agreement, 'on as is where is basis'. * Sale consideration – ₹ 50 Lakhs per acre * The Company acknowledges the receipt of ₹ 310 Crores as part of the consideration received in advance from PEDPL and the balance consideration to be received at the time of registration of Sale / Conveyance Deed of Proposed Land in favour of PEDPL, which is to be done within 24 months from the date of execution of Agreement.
5.	Date of approval by the Board	August 13, 2019
6.	Amount paid as advances, if any	₹ 310 Crores

FORM NO. MR-3
SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

*[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule 9 of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014]*

To,
The Members,
PARSVNATH DEVELOPERS LIMITED
(CIN: L45201DL1990PLC040945)
Parsvnath Tower, Near Shahdara Metro Station,
Shahdara, Delhi – 110 032

I 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 me a reasonable basis for evaluating the corporate conducts/ statutory compliances and expressing my opinion thereon.

Based on my verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, I hereby report that in my opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter;

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March, 2020 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;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent applicable;
- (v) The following Regulations and Guidelines, to the extent applicable, 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, 2018;
 - d) 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;
- (vi) Employees’ Provident Funds and Miscellaneous Provisions Act, 1952;

- (vii) Employee State Insurance Act, 1948;
- (viii) Goods and Services Tax Act, 2017;
- (ix) The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013;

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

- (i) Secretarial Standards issued by the Institute of Company Secretaries of India;
- (ii) Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015,

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

"The Company has incurred cash loss during the current and previous years and there have been certain delays/ defaults in payment of principal and interest on borrowings, statutory liabilities and payment of other dues by the Company."

I 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 at least seven days in advance and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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.

I 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.

I 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.

- 1) The Company has made allotment of Non-Convertible Debentures (NCDs) as per the details mentioned below:

Sr. No.	Type of NCDs	Amount (in ₹ Lakhs)
1	Series XVI(Issue-VII)19% Secured Redeemable Non-Convertible Debentures	100.02

Sd/-

Krishnan Sitaraman

Practising Company Secretary

ICSI Unique Code I2005DE491700

FCS : 2087

CP No. 21348

ICSI UDIN F002087B000626007

Date: August 28, 2020

Place: New Delhi

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.

To,
The Members,
PARSVNATH DEVELOPERS LIMITED
(CIN: L45201DL1990PLC040945)
Parsvnath Tower, Near Shahdara Metro Station,
Shahdara, Delhi - 110032

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices followed provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Wherever required, I 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. My examination was limited to the verification of procedures on 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 28, 2020
Place: New Delhi

Sd/-
Krishnan Sitaraman
Practising Company Secretary
ICSI Unique Code I2005DE491700
FCS : 2087
CP No. 21348
ICSI UDIN F002087B000626007

Annexure IV

PARTICULARS OF TOP TEN EMPLOYEES (IN TERMS OF REMUNERATION DRAWN DURING FINANCIAL YEAR 2019-20), 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, 2020	
									Number	% (upto 2 decimal places)
1	Mukesh Chand Jain	Sr. Vice President (Corporate) & Group CFO	CA, LLB	4,252,893	37	1-Dec-03	61	Lok Housing & Construction Limited	0	0.00
2	V. Mohan	Sr. Vice President (Legal) & Company Secretary	LLB, FCS, MBA	4,251,425	41	3-May-03	63	Laxmi Sugar Mills Limited	1,252	0.00
3	Rema Menon	Vice President (Retail)	MBA (Marketing)	3,048,964	28	1-May-14	53	Innovations	0	0.00
4	Sunit Sachar*	Sr. Vice President (Marketing & Publicity)	PhD, MBA, PGD	2,959,761	39	17-Apr-09	66	Sarvapriya Developers Private Limited	0	0.00
5	Jayanti AR	Vice President (Business Development)	Phd, LLB, MA, MBA	2,744,619	34	10-Jul-06	62	Infinite Biosol Private Limited	104	0.00
6	Vivek Garg	Vice President (Projects)	B.Sc. (Engg.), PGDBM	2,604,141	30	1-Oct-12	58	JSL Architecture Limited	0	0.00
7	Sandeep Kumar Jain	Consultant (Project Execution)	BE (Civil)	2,532,509	36	5-Dec-06	57	Rishabhath Developers & Builders Private Limited	612	0.00
8	Bharat Bhushan Wadhwa	Addl. Vice President (Sanctions)	B.Tech. (Civil)	2,168,731	35	11-Jun-18	57	Unitech Limited	0	0.00
9	Kedar Nath Gupta	Sr. Vice President (Accounts)	CA, CS, LLB	2,104,815	20.5	24-Dec-18	54	GP Global Group	100	0.00
10	Pankaj Aggarwal	Vice President (Finance)	CA	1,950,108	23	1-Jan-07	49	Nagarjuna Construction Company Limited	0	0.00

*Resigned w.e.f. March 31, 2020

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.

MANAGEMENT DISCUSSION AND ANALYSIS

1. MACRO-ECONOMY OVERVIEW

a. Global Economy

Even before the world economy came to a standstill on account of the COVID-19 pandemic beginning in the first quarter of 2020, it was already in a phase of slowdown from the second half of 2018 and one that continued to aggravate over 2019. Major contributors to this deceleration were:

- Flagging pace of manufacturing growth which was a result of trade disruptions, mainly between United States and its trading partners, and weakening consumer demand.
- Tight monetary conditions where the major central banks in advanced countries had either hit a pause on or reversed loose monetary policy.

Increasing geopolitical tensions, intensifying social unrest, deepening economic frictions between countries, volatile energy and commodity markets, and local factors in major economies exacerbated the effects. Hence, the global economic output growth reduced from 3.6% in 2018 to 2.9% in 2019 as per the *International Monetary Fund's (IMF) World Economic Outlook report of June 2020*. This impact was seen in both the major country groupings, as the Advanced Economies slowed from 2.2% to 1.7% and the Emerging Markets and Developing Economies from 4.5% to 3.7% over the same period.

IMF projected the Global GDP to decline by 4.9% in 2020 and then recover with a 5.4% expansion in 2021 as a result of the economic aftereffects of the COVID-19 pandemic in the former and revival in the latter as the world was expected to regain controls on it. The first half of 2020 was a washout from an economic perspective as countries around the world adopted various strategies to control the spread of Coronavirus such as partial or total lockdowns, social distancing, travel bans, and trade embargoes. While many countries did see a semblance of respite from the rising counts of dead and infected from June onwards and opened the economies, a

second wave of infections, delays in vaccine launch, greater than estimated hit to businesses from the pandemic, and unanticipated second order effects on employment and demand may delay the recovery.

Output Trends for Major Economies

Source: *International Monetary Fund's (IMF) World Economic Outlook Report – June 2020*

GDP Growth (in %)	2018 (A)	2019 (A)	2020 (P)	2021 (P)
Advanced Economies	2.2	1.7	-8.0	4.8
United States	2.9	2.3	-8.0	4.5
Euro Zone	1.9	1.3	-10.2	6.0
Japan	0.3	0.7	-5.8	2.4
Emerging Market & Developing Economies	4.5	3.7	-3.0	5.9
China	6.7	6.1	1.0	8.2
ASEAN-5	5.3	4.9	-2.0	6.2
Russia	2.5	1.3	-6.6	4.1
Brazil	1.3	1.1	-9.1	3.6
Saudi Arabia	2.4	0.3	-6.8	3.1
South Africa	0.8	0.2	-8.0	3.5
World	3.6	2.9	-4.9	5.4

b. Indian Economy

The Investment conundrum of the Indian economy continued to affect the economic growth of the country in the year 2019. The shadow of the double whammy of high Non-Performing Assets (NPA) in the Banking sector and liquidity and solvency crisis in the Non-Banking Financial Companies (NBFC) sector continued to loom large on the investments, and ultimately on the demand. With the exports collapsing due to global trade wars, there was an impact on industrial demand and employment. The general elections of April-May 2019 also left a negative impact on the economy owing to a slowdown in public investments due to the enactment of the electoral code of conduct. The Government initiated many reforms after re-election and initial missteps in the budget released in July 2019. However, the GDP growth rate fell continuously from 6.1% in FY2018-19 to 5.2% in Q1, 4.4% in Q2, 4.1% in

Q3 and 3.1% in Q4 of FY2019-20 to finally average at 4.2% for the full year (Source: <https://bit.ly/3b0iUAR>). The last quarter was particularly affected by the COVID-19 pandemic that led to partial and complete lockdown that began in India in the month of March 2020.

Other macroeconomic parameters also suffered as compared to relatively comfortable situation a few quarters prior.

- Gross Value Added growth was 3.9% in FY2019-20 as compared to 6.0% in FY2018-19 (Source: <https://bit.ly/32yBEDl>).
- Fiscal deficit for FY2018-19 was 3.4%, which worsened to 4.6% for FY2019-20 (Source: <https://bit.ly/2EAAOOK>).
- First quarterly current account surplus was recorded in the last quarter of FY2019-20 after more than a decade with the full year deficit narrowing down to 0.9% from 2.1% in FY2018-19 (Source: <https://bit.ly/2YGCQEA>). This was primarily on account of India's economic slowdown, which slowed the non-oil and non-precious metals imports.
- Headline Inflation index (Consumer Price Index – CPI) increased from 3.4% in FY2018-19 to 4.78% for FY2019-20 mainly due to uptick in food inflation during the year and in core inflation as well (Source: <https://bit.ly/3aXiZp6>). The Reserve Bank of India's (RBI) accommodative monetary policy and cumulative rate cuts totalling to 135 basis points also added to the inflationary pressure, especially towards the end of the year.

With a drastic fall in economic activity in the first quarter due to the lockdown and gradual pace of reopening of the economy on lifting of the lockdown starting from June 2020 is expected to see a first recession in FY2020-21 after 1980s. The Government has taken a few steps to mitigate the impact including announcement of fiscal and monetary package of ₹ 20 trillion and reforms for sectors severely impacted by the pandemic. The RBI has also announced further cut in repo rate to 4% from 4.4% at the start of the year. Even with these measures, expected good monsoon, and decent agricultural growth, the economy is expected to slump to a 3% to

10% GDP decline from the previous year as per various estimates.

2. INDIAN REAL ESTATE SECTOR

The real estate sector in most countries is seen as a prime indicator of the health and prospects of their economies. It is an important sector for employment generation, even in the Indian context. The Indian real estate sector employs the second largest workforce next only to the agriculture sector. Overall, there are many direct, indirect, and induced effects of the sector on many parts of the economy. The sub sectors that comprise of the Indian real estate sector are Housing, Commercial, Retail, and Hospitality and Economic Services (for e.g. Schools, Hospitals). Across these sub-sectors, there are an estimated 12,500+ active developers (Source: *Liasas Foras Whitepaper April 2019*) across the country, with most of them unorganised players, making it a fragmented industry.

The Indian real estate sector was estimated to reach US\$1 trillion in size by 2030 from US\$ 120 billion in 2017 thus growing at a fast-paced CAGR of 17.7% during this period (Source: <https://bit.ly/2EFrsB0>). In the initial part of 2019, the sector was on a slow path to recovery after a "Black Swan" event such as demonetisation and new regulations around Goods & Services Tax (GST) and Real Estate (Regulation and Development) Act (RERA), badly affected its prospects. However, slackening of the pace of economic growth and the COVID-19 pandemic weighed heavily on the sector in the second half of the fiscal year 2019-20. Total investments in the real estate sector fell to its lowest in four years, declining by 13% to US\$ 4,261 million in FY2019-20 over preceding year levels of US\$ 4,780 million (Source: <https://bit.ly/3hymGE6>). The NPA and liquidity issues in the Banking and Finance sectors played a large role in this slowdown. Private Equity investments in the sector fell by 89% to US\$ 222 million (₹ 1,640 crore) during January-March 2020 period because of the coronavirus outbreak in comparison to US\$ 2,023 million in Q1 of 2019 (Source: <https://bit.ly/3b7mJUQ>).

Residential Segment

The way the real estate sector is a barometer of the economy's health, the state of residential real estate is the same for the health of the overall realty sector health as it accounts for a major share of the pie. The 'Housing for All by 2022' mission under the Pradhan Mantri Awas Yojana, and infrastructure status and tax sops for the Affordable Housing segment are

major initiatives undertaken by the Government in the recent past to promote the housing sector after passing the RERA Act in 2016. In the last few years, the segment has faced a problem of stagnating or declining prices, pile up of inventory, liquidity crisis, failing players, shift towards affordable and mid-segment houses, and formalisation with higher market share for reputed developers.

In the year 2019, the residential sales jumped by 6% in unit terms which combined with the slowdown in launches by 14% resulted in the inventory also declining by 2% on YOY basis (Source: <https://bit.ly/2Eme6u0>). Another JLL report showed that the disbursals of home loans grew by \$24.6 bn during FY 2019-20. However, Q1 of 2020 saw the sales again reduced by 29% as the customers deferred purchase decisions considering the uncertainty surrounding COVID-19 pandemic. The same period saw the launches increase by 3% even though the lockdown meant new launches were halted in March (Source: <https://bit.ly/31yLqGP>). The Housing segment did not attract any PE investments in this period as against US\$ 300 million received during Q1 2019 (Source: <https://bit.ly/3b7mJUQ>).

Commercial Segment

The Commercial Real Estate segment has consistently outperformed Residential segment in the last 5-6 years on the back of increasing demand for office space by the Indian Services industries such as IT & ITeS, e-Commerce, and Banking, Financial Services & Insurance (BFSI). Given the client profile the market concentration has shifted towards the Grade A properties. It has also resulted in many international investors lining up to invest in commercial projects and in Real Estate Investment Trusts (REITs) after they were allowed by the Government in 2016. The segment is also witnessing a small but significant shift towards Co-working, which has picked up on the back of start-up boom in India. The size of the area absorbed by Co-working players has grown by 4x since 2017 to 8 million sq. ft. in 2019 taking the available stock in top 8 cities to 25.45 million sq. ft. This is nearly 3.4% of the total office stock in India; a much higher share than the United States Co-working segment, which is estimated to be 1.5-2% of the total office stock in the USA (Source: <https://bit.ly/2EyquXK>).

Indian Commercial Real Estate sector saw an increase in investments, rising from \$1.8 billion in FY 2018-19 to \$2.9 billion in FY 2019-20 in the Offices (Source:

<https://bit.ly/3hDKaaO>). The major seven markets also saw a YOY increase of 40% in net absorption from 33.2 million sq. ft. in 2018 to 46.5 million sq. ft. of office space in 2019. Similarly, new completions of office spaces jumped by 45% from 35.7 million sq. ft. to 51.6 million sq. ft. during the same period and overall vacancies declined from 13.5% to 13% (Source: <https://bit.ly/32w23SI>). Q1 of 2020 saw a different picture with the secular growth trend coming to a grinding halt. The net absorption of office spaces reduced by 30% on a YOY basis and so did new completions, which saw a 40% diminution as the market adjusted to the impending crisis caused by the spread of Coronavirus (Source: <https://bit.ly/31yMD0P>). The PE investments in the Office market fell to US\$ 143 million in Q1 2020 from inflows of US\$ 1,419 million in the same quarter of 2019 (Source: <https://bit.ly/3b7mJUQ>).

Retail Segment

The gradual opening of India's Retail sector in the recent past and increasing share of organized segment within the sector have led to high growth for demand in retail real estate. The consumer expectations for an experience coupled with growing affluence and shift towards omni-channel retailing have bolstered the need for retail real estate even when e-Commerce has expanded at breakneck speeds. The revenues of India's Brick and Mortar (B&M) retailers were expected to have surged by ₹ 10,000-12,000 crore (US\$ 1.39-2.77 billion) in FY2019-20 (Source: <https://bit.ly/3gAkPNF>).

Attracted by the booming growth of the Retail sector, investments of US\$1.6 billion were deployed into retail real estate development between 2015-2018, which was a massive 12x increase from the previous four year period (Source: <https://bit.ly/2EwhrX9>). This commitment was justified as the total retail real estate absorption in the year 2019 increased to 9.9 million sq. ft., nearly doubling from the 5.1 million sq. ft. in 2018. The total completed inventory of retail floor space in malls in India at the end of 2019 was 83.9 million sq. ft. and a pan-India vacancy of less than 12%. In the first quarter of 2020, the retail transactions had slowed down to 1.9 million sq. ft. and the overall mall inventory increased to 85 million sq. ft. (Source: Property Insights (India) – India Real Estate Overview Reports from Citibank for Q4 2018, Q4 2019, and Q1 2020). PE investors had pumped in US\$ 52 million in the segment during January-March 2019 period, but did not invest anything in the same quarter of this year (Source: <https://bit.ly/3b7mJUQ>).

Hospitality Segment

The Hospitality sector is driven by the customers traveling for business and tourism. With the growth in economic activity and the increasing flow of inbound and domestic tourism, capacity additions in the Hospitality sector are a key infrastructural goal for the country. Hence, the real estate industry can play a key role in supporting the growth of Hospitality sector by constructing hotels and in many cases partnering with reputed hotel chains for management partnerships.

In the year 2019, the Hospitality sector saw country-wide Rev-PAR going up by 4% even though there was significant volatility in demand during the year. Major positive impact came from reduction in GST rates on hotel room tariffs and higher tourist flows in the peak Diwali season. The sector witnessed a growth of over 29% in brand openings in terms of keys to 9,316 keys during the year 2019 on a base of 7,215 new keys added in 2018. As against these numbers for brand openings, the new brand signings during the year jumped from 16,132 keys in 2018 to 21,090 keys in 2019, an increase of 30.7% (Source: <https://bit.ly/2G7IEEZ>). In Q1 2020, the supply activity in the Hospitality sector saw a drastic decline of new brand openings at 840 keys and new brand signings at 3,749 keys as travel restrictions, global economic slowdown, and lockdowns affected the sector adversely (Source: <https://bit.ly/34Jeu0q>). The Hospitality segment attracted PE investments worth US\$ 79 million in the first quarter of 2020 (Source: <https://bit.ly/3b7mJUQ>).

Impact of COVID-19 Pandemic

The impact of the dispersion of Sars-COV-2 infections across the world has resulted in travel embargoes, partial and complete lockdowns, trade disruption, loss of jobs, and pause in economic activities across many sectors. The Indian real estate has been one of the most affected sectors within the country and the impact can be felt in the following ways:

1. Halt to construction activities resulting in project delays and higher interest costs
 - a. Complete shutdown due to Government notifications during full lockdown.
 - b. Disruption in raw material supply due to effect of trade disruption (for imports) and lockdowns on local products.
2. Increasing cost of construction
 - a. Availability of cheaper raw materials affected by supply disruptions.
 - b. Increase in raw material prices due to reduced supply.
 - c. Increase in labor costs due to demand-supply imbalance because of worker migration.
 - d. Increased cost for adhering to welfare, health, and safety requirements for staff.
3. Reduction in purchasing power resulting in lower demand
 - a. Job losses and salary cuts likely to affect the new demand for residential units and delinquencies in existing customers.
 - b. Recessionary environment resulting in customers opting for deferment of purchases.
 - c. Cut down in costs and a halt in expansion plans resulting from loss of business for companies leading to decline in office occupancies and new lease signings.
 - d. Hospitality and Organized Retail sectors expected to see a major decline in demand due to deferment of travel plans and purchases.
 - e. Correction in property prices due to apathetic buyer sentiment and panic selling in the resale market because of inability to pay EMIs or need for emergency funds.
4. Inability of workplaces and businesses to operate due to Government imposed restrictions
 - a. Loss of revenue for malls and hotels.
 - b. With many offices shut and employees working from home due to restrictions, many companies could perfect and adopt work-from-home models. This may result in reduced need for office space on a medium-term basis.
 - c. With people spending more time at home, the

need for quality residential dwellings may rise in the long term as people adopt hybrid working models.

- d. Inability to conclude sale transactions due to restrictions.

In addition, uncertainty around return to normalcy due to lack of clarity on availability of vaccine or herd immunity means the impact of COVID-19 pandemic is likely to last long and leave some permanent changes in the market behavior for the real estate sector. Estimated time of recovery for each segment within the Real Estate sector is given below.

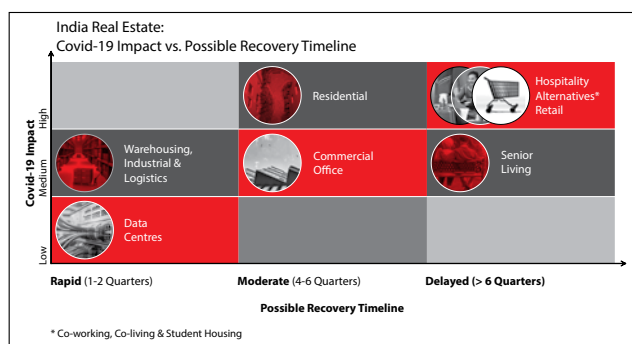


Fig 1: COVID-19 Impact vs. Possible Recovery Timeline

(Source: ANAROCK Emerging Trends in Real Estate - 2020 Report)

Measures announced by the Government to mitigate the impact of COVID-19 on the Real Estate sector are as follows:

- The Finance Minister announced a stimulus package of roughly ₹ 20 trillion, which included greater spends, liquidity support, and subsidies.
- Extension of six months for completion of projects permissible under RERA for projects due for completion on or after March 25.
- Option for moratorium of 6 months from payment of EMIs to all term loan borrowers, including housing loans.
- Introduction of a ₹ 30,000 crore liquidity facility for non-banking financial companies, housing finance companies, and microfinance institutions to help maintain sufficient liquidity for realty companies.

- Extension of the credit-linked subsidy scheme for the middle-income group for affordable housing.
- Suspension of filing of new bankruptcy cases for one year.
- Reduction in Repo Rate by the RBI by 115 basis points.

Outlook

The near-term outlook for the real estate sector is bleak and uncertain due to lack of visibility for the timeline to completely stop the COVID-19 pandemic. The state of builders operating in the residential segment is precarious because of the liquidity crisis because of huge pressure on cash flows with increasing costs and lower sales even though the moratorium on term loans reduced immediate pressure of servicing their debt burden. The liquidity facility announced to benefit the sector may not be enough. The Commercial sector has started to see and will increasingly be faced with surrender of office space by tenants and fall in transactions across the board due to reducing demand. The retail sector will see a hard shift towards revenue sharing deals and the operators may see significant reduction in occupancy levels as the stores struggle to attract customers who went back to local shops because of the pandemic.

In addition, some of the estimated impacts of the pandemic in economic terms on the sector are captured below.

- The total PE investment in real estate could drop to \$3.5 billion in the calendar year 2020 from \$6.4 billion last year (Source: <https://bit.ly/3b7mJUQ>).
- Expected revenue loss for the Hospitality sector in 2020 amounted to roughly ₹ 90,000 crores with a 47.9% reduction in occupancy and 57.8% decline in RevPAR (Source: <https://bit.ly/34Jeu0q>).
- An estimate by Knight & Frank in their report says that at least half of 6.4 million sq. ft. Co-working space in the eight major cities, which is operated by small players will become available in 2020 as these small operators disappear (Source: <https://bit.ly/34liSfS>).

3. COMPANY OVERVIEW

A leading name in the construction and real estate sector, Parsvnath Developers Limited, the Company, has a more

than three decades of exemplary track record of creating benchmark projects across 37 cities in 13 states. It has a varied portfolio of offerings such as Integrated Township, Commercial, Retail, Residential, Hotel, Delhi Metro Rail Corporation (DMRC) Station Development and IT Park. Within each segment, the Company offers a wide range of configurations and formats to meet needs of a diverse set of consumers, and its projects are noted to have the latest and enviable amenities. The Company's Commercial projects have hosted industry leaders across many sectors and some of these esteemed names include, World Health Organization, L'Oréal, State Bank of India, Oriental Bank of Commerce, Axis Bank, Syndicate Bank, Aditya Birla Group, India Bulls, ICICI Lombard, JSC VTB Bank, Qatar Visa Centre, Stenz Radiology, IDEMIA, SMC, NIELIT, etc. In the Retail segment, stores and establishments of Adidas, Reebok, Bata, Benetton, Miniso, Market 99, Godfrey Philips, Haldiram, Camellia, Food Forum, Café Coffee Day, Skechers, Nexa, Siam Makro, Metro Cash & Carry, Vishal Mega Mart, PVR, INOX etc. have been housed within the Company's projects.

The list of marquee projects in the Residential and Township segments includes Parsvnath Exotica (Gurgaon), Parsvnath La Tropicana (Civil Lines, Delhi) etc. In the Commercial projects, Parsvnath Plaza (Moradabad), Parsvnath Panchvati Plaza (Agra), Parsvnath Planet Plaza (Lucknow), Parsvnath Plaza (Saharanpur), Parsvnath City Mall (Faridabad) etc. have been executed by the Company that have made a mark since its inception. The Company has also developed 11 projects for DMRC on BoT basis.

The total number of projects that have been completed by the Company so far (31st March 2020) are 66, which covered a total developed area of 30,09,464 sq. mt. (32.39 million sq. ft.). It is presently working on 39 projects totalling to an area of 47,70,714 sq. mt. (51.35 million sq. ft.) of developed area.

a. Segment Highlights of Completed Projects

Residential Segment

The Company's brand presence is very strong in the residential segment chiefly in the North Indian markets. Its major offerings in the segment include high-rise apartments, row houses, and group housing. In this segment, it has fully executed 21 residential projects over the years totaling to 10,18,562 sq. mt. (10.96 million

sq. ft.). 16 existing residential projects were under construction with a total developable area of 18,36,443 sq. mt. (19.77 million sq. ft.) and an expected completion within the next few years.

Integrated Townships

Parsvnath's integrated township portfolio during its existence has included many landmark projects that dot over several cities. A total of 12 projects and potential area of 16,27,276 sq. mt. (17.52 million sq. ft.) have been completed by the Company till 30th June 2020. The types of products offered in the townships with multiple configurations covers residential plots, houses, floors, villas, apartments, school, hospital, and commercial units.

Commercial Segment

A focus in the last few years, the Commercial segment has been a big aspect of the Company's repertoire due to reliability of income to improve liquidity. Till date (i.e. 30th June 2020), 22 commercial projects covering 2,72,877 sq. mt. (2.93 million sq. ft.) of leasable/ saleable area have been developed by the Company during its existence.

DMRC Malls

DMRC had selected the Company through competitive bidding for commercial development of incremental land pockets available with DMRC or integrated property development at MRTS stations. It was an award of 'Concession' for up to 30 years on a Build-operate-transfer (BOT) basis. As on 30th June 2020, the completed construction included 11 projects summing up to a developed area of 90,749 sq. mt. (0.98 million sq. ft.).

Hospitality segment

The Company first Hospitality segment venture is a 3-star hotel property in Shirdi to cater to need for affordable and quality stay for pilgrims and tourists. It has been launched through a 100% subsidiary. It will be handed over to a leading hotel chain for operation and management upon completion of construction in due course.

b. Segment-wise Under-construction Projects

The major ongoing Residential and Integrated Township projects of the Company are Parsvnath

Exotica (Gurgaon), Parsvnath Paramount (Subhash Nagar, Delhi), Parsvnath La-Tropicana (Civil Lines, Delhi), Parsvnath Palacia (Greater Noida), Parsvnath Pratibha (Moradabad), Parsvnath Privilege (Greater Noida) and Parsvnath Regalia (Ghaziabad). Similarly, Commercial and Retail projects are Parsvnath City Centre (Bhiwadi) and Parsvnath City Centre (Sonapat)

Under Construction Projects (As on 30th June 2020)

No.	Segment	# of Projects	Area in (sq. mt.)	Area (million sq. ft.)
A	Residential (Group Housings) Projects	16	18,36,443	19.77
B	Commercial /IT Park Projects	9	1,84,869	1.99
C	Integrated Townships Projects	13	27,37,939	29.47
D	DMRC Projects	1	11,463	0.12
GRANDTOTAL (A+B+C+D)		39	47,70,714	51.35

c. SWOT

Strengths	Weakness
<ul style="list-style-type: none"> Reputed brand with a proven record in delivering pioneering projects over three decades. Trust and goodwill of customers earned by selling quality products with timely execution. Diversified presence in terms of product segments and geographical markets. Prime land bank in Delhi-NCR and mostly Northern states for future growth. Highly competent workforce guided by steady and experienced leadership. 	<ul style="list-style-type: none"> Balance sheet burdened with debt restricting the capability to raise more capital to meet operational needs. Past projects that have been delayed for several reasons, many not under the control of the Company, blocking capital, resources, and a path to profitability.

Opportunities

- While focus is on consolidation, Affordable Housing segment is a major opportunity due to push for "Housing for All by 2022"
- Increasing number of REITs provide new source of capital and capable buyers for an outright project sale.

Threats

- Longer lasting pandemic as seen in the previous pandemic of Spanish Flu, which lasted for more than 2 years.
- Lack of ability to raise fresh funds to exploit newer market opportunities in the future when the pandemic subsides.
- Increase in cost of construction due to supply and labour disruptions from pandemic.
- Litigation on projects

4. COMPANY PERFORMANCE & OUTLOOK

a. Financial Performance

The Company's operating revenue on a consolidated basis was higher than the previous year by 30.8% in FY2019-20. It reached ₹ 1,191.43 crores from ₹ 911.06 crores in FY2018-19 with a jump in the Other Income by nearly 4.5 times. A positive EBITDA was seen for the Company after many years. EBITDA margins were 10.5% in FY2019-20 in comparison to -4% in the last year. The Profit After Tax for the year, however, continued to be a loss of ₹ 363.25 crore vs. ₹ 367.4 crore in FY2018-19. Increase in the Finance Cost burden by 43.5% was the main factor. The monetization of assets such as Parsvnath 27, has helped the Company in reducing the debt and any such transactions in future will also help reducing the debt further.

b. Significant Changes in Key Financial Ratios

In compliance with the requirements of Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, the significant changes (i.e. 25% or more during the financial year 2019-20, as compared to financial year 2018-19) in the key financial ratios, as mentioned in these regulations are given herein below:

Ratios	2018-19	2019-20	% Change	Reason for change
Debtors Turnover	1.95	4.67	139.49	The variance is mainly because of sale of one of the commercial Projects.
Inventory Turnover	0.24	0.35	45.83	The variance is mainly because of sale of one of the commercial Projects.
Interest Coverage Ratio	-0.43	0.67	-255.81	The ratio has improved due to increase in operating profit.
Current Ratio	1.13	1.04	-7.96	-
Total Debt Equity Ratio	1.18	0.97	-17.8	-
Operating Profit Margin	-11.74%	12.55%	24.29%	-
Net Profit Margin	-29.16%	-7.57%	21.59%	-
Return on net worth	-0.16	-0.06	-62.5	The ratio has improved due to increase in operating profit.

c. Operational Highlights

- The Company received bookings for 39,983 sq. mt. (0.43 million sq. ft.) of area valued at ₹ 6,108.25 lakhs, which was distributed in residential group housing (16.48% at 6,591 sq. mt. or 0.07 million sq. ft.), commercial property (3.83% at 1,533 sq. mt. or 0.02 million sq. ft.) and integrated township (79.68% at 31,859 sq. mt. or 0.34 million sq. ft.).
- It offered possession of completed units (including the possession offered for fit out purposes) totalling to 640, measuring 84,055 sq. mt. (0.9 million sq. ft.) of saleable/ leasable area; of which, 21.75% was residential group housing (18,283 sq. mt. or 0.2 million sq. ft.), 18.25% was commercial/ retail property (15,342 sq. mt. or 0.17 million sq. ft.), and 60% integrated township (50,430 sq. mt. or 0.54 million sq. ft.).

d. Segment Highlights

Bookings by Segment during FY2019-20

No.	Segment	# of Projects	Booking Value (₹ Lakh)	Area in (sq. mt.)
A	Residential (Group Housings) Projects	7	1,953.49	6,591
B	Commercial /IT Park Projects	8	868.38	1,533
C	Integrated Townships Projects	13	3,286.38	31,859
GRAND TOTAL (A+B+C)		28	6,108.25	39,983

Possession Offered by Segment during FY2019-20

No.	Segment	# of Units	# of Projects	Area in (sq. mt.)
A	Residential (Group Housings) Projects	149	12	18,283
B	Commercial /IT Park Projects	213	7	15,342
C	Integrated Townships Projects	278	11	50,430
GRAND TOTAL (A+B+C)		640	30	84,055

e. Business Strategy & Outlook

With no end in sight of the woeful sectoral fortunes, the Company has been prioritizing sustenance, liquidity, and clean-up of balance sheet by reducing debt, offloading non-core assets, and wholesale project sales. It has been successful in gradually reducing the debt burden and the impact of reduced interest outflow is expected to be seen in the coming years. The Company has also realized its objective of shifting projects and associated debts to Special Purpose Vehicles (SPVs) to clean up the balance sheet and infuse new capital to address operational funding requirements. Specific elements of strategy implementation to achieve its objectives are as follows:

- Sandbox brand reputation and customer trust by primary focus on meeting delivery commitments of existing projects within the residential segment. This is an imperative to preserve equity for future growth. With the broader economy going bust and all the segments of construction sector in

doldrums, the Company will be extremely cautious in starting any new projects.

2. Generate liquidity through outright project sale and creating regular income yielding assets.
3. The Company has specifically focused on improving the operating efficiency consistently over the last few years. It has been successful in turning the profitability around in FY2019-20 by delivering positive EBITDA margin as against losses in the previous years. This has been achieved by reducing the time to completion of projects, reducing fixed costs by outsourcing non-core activities as well as construction requirements where contractor costs are lower.
4. Sale of commercial projects on an outright basis such as that done for a mall in Rohini in FY2018-19 and The Parsvnath 27 can pump liquidity in single booster shots, help clear-up inventory faster, and free-up locked capital. Similarly, the Company also focused on selling assets such as non-strategic land parcels, bringing in partners/ investors for specific projects, forming Special Purpose Vehicles (SPV) for each project to decouple the project finances from the main balance sheet to rationalize the debt on books.

The results of its endeavours to focus on existing projects, sell assets, and improve efficiency have been positive, and the Company is encouraged to continue to pursue this approach even under the shadow of an extremely tough external environment due to COVID-19 pandemic. It is hoping to get closer to breakeven at PBT level soon by following this strategy of consolidation by working with existing assets and eschewing unrestrained expansion.

f. Subsidiaries & Associate Companies

i. Subsidiaries Companies

Parsvnath Infra Limited (PIL)

Parsvnath Developers Limited holds 94.87% equity in PIL. PIL was allotted land by Andhra Pradesh Industrial Infrastructure Corporation Ltd. for setting up a Biotechnology SEZ at village Karkapatla, District Medak, Andhra Pradesh for which the sale deed was executed

in 2010. However, there were some discrepancies in the survey numbers of the allotted land which were subsequently rectified. As a result, the commencement of the project was delayed. PIL received a notice dated May 26, 2018 from Telangana State Industrial Infrastructure Corporation Ltd (TSIIC) for cancellation of allotment of land due to delay in execution of the project. PIL has made suitable representation followed by several reminders and a final decision of TSIIC in this regard is awaited.

PIL intends setting up a Private Integrated IT/ Hi-tech Park at Kochi, Kerala, for which declaration of the land area as Industrial Area by the Government of Kerala is awaited.

Parsvnath MIDC Pharma SEZ Private Limited (PMPSP)

PMPSP, a subsidiary of PIL, was incorporated to implement a pharmaceutical SEZ project in Maharashtra. However, the project was found to be unviable and therefore surrendered during 2014-15. Options are now being explored for taking up suitable business in PMPSP.

Parsvnath Landmark Developers Private Limited (PLDPL)

Construction of a premium residential project "La Tropicana" at Civil Lines, Delhi, is in progress. The project is being constructed in three phases and phase 1 of the project is nearing completion. The project has been delayed mainly due to revision of building plans and related approvals, and litigation regarding the ownership of land between DMRC & North Delhi Municipal Corporation (NDMC), which has been recently resolved. It is expected that the construction will pick up pace soon upon receipt of the required statutory approvals and sanction of revised building plans by the NDMC. Further, the Company has initiated arbitration proceedings against DMRC for the delay attributable to them and the consequent losses caused to the Company and the same is at an initial stage.

Parsvnath Hotels Limited (PHL)

PHL is in the process of constructing a three star hotel project at Shirdi, a well-known religious place

in Maharashtra. The project has been delayed due to paucity of funds. Application is being made for revalidation of the approval earlier received from the Ministry of Tourism, Government of India.

Parsvnath Estate Developers Private Limited (PEDPL)

PEDPL, a wholly owned subsidiary of the Company, has constructed the "Parsvnath Capital Tower", 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 on land taken on lease from DMRC. The complex has two parts- Part A has been completed and is leased out to leading organisations like the World Health Organisation (WHO), State Bank of India, ICICI Lombard General Insurance Company etc. The construction of Part B is in progress and is expected to be completed soon.

Parsvnath Promoters and Developers Private Limited (PPDPL)

PPDPL was identified as the SPV to implement a residential project at Delhi awarded by Rail Land Development Authority (RLDA) to PDL. However, since RLDA subsequently wanted the project to be implemented by a newly incorporated company, a new company Parsvnath Rail Land Project Pvt. Ltd (PRLPPL) was incorporated and the project was transferred to PRLPPL. A major part of the consideration for the assignment/ transfer of the project has been received during the year from PRLPPL.

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, because of various factors including inability to achieve financial closure due to delay in approval of building plans, PRLPPL had surrendered the project and sought refund of the amounts deposited towards land premium. Since the RLDA disputed the claims of PRLPPL and the Company for refund, the matter was referred to arbitration and the Hon'ble Arbitral Tribunal passed an Award dated

November 25, 2017, directing RLDA to refund an amount of ₹ 1034,53,77,913/- (Rupees One Thousand Thirty Four Crores Fifty Three Lakhs Seventy Seven Thousand Nine Hundred Thirteen only) along with interest @ 4% per annum from July 15, 2015 till the date of payment. After exhausting all legal recourses, RLDA deposited the required amount in the Registry of the Delhi High Court in July, 2019 which was a major relief for PRLPPL. The amount received was used for part redemption of non-convertible debentures and redemption of optionally convertible debentures issued by PRLPPL, part payment of the amount payable to PPDPL for assignment of the project and discharging certain other liabilities. In another arbitration proceedings relating to RLDA's liability for payment of interest to the Company on instalments received in advance as RLDA had wrongfully revoked its consent for the Special Purpose Vehicle proposed to implement the project, the arbitration was decided against PRLPPL and PRLPPL has appealed to the Hon'ble Delhi High Court and the Court's decision is awaited. Besides the above, two more arbitration proceedings have been initiated against RLDA regarding certain other claims which are in initial stages.

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 has been given in the completed towers. Also, applications for occupancy certificate have been made with the concerned authorities for some towers and will be made shortly for some more towers.

Parsvnath Buildwell Private Limited (PBPL)

PBPL is a SPV implementing a premium residential project "Parsvnath Exotica - Ghaziabad" in Ghaziabad District, Uttar Pradesh, spread over an area of approx. 12.55 hectares. Construction is at a standstill pending receipt of approval of revised building plans from the Ghaziabad Development Authority which is delayed due to certain disputes with the land owners of the project site. In terms of the Order passed by the Hon'ble Supreme Court in a related matter, arbitration

proceedings have been initiated against the land owners and the same is at an initial stage. Your Company had acquired all the equity shares and convertible debentures of PBPL held by the Private Equity Investors, making PBPL a 99 % subsidiary of the Company. During the year, PBPL transferred its equity holdings in its subsidiary Parsvnath Realcon Private Limited to the Company i.e., PDL.

Parsvnath Realcon Private Limited (PRPL)

During the year, PRPL ceased to be a subsidiary of PBPL and became a direct subsidiary of the Company. PRPL is a SPV developing a luxury residential project at Subhash Nagar in West Delhi on land acquired from DMRC. Construction was delayed due to delay in receipt of approval for revised building plans by South Delhi Municipal Corporation which was due to certain inter-se disputes between the various Government Agencies including DMRC. The Company has initiated arbitration proceedings against DMRC for compensating for the various losses caused to the Company because of misrepresentation, etc. on the part of DMRC and the same is at an initial stage.

Parsvnath HB Projects Private Limited (PHBPL)

PHBPL, a subsidiary of your Company and a joint venture with HB Estate Developers Ltd., is a SPV for 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 (PSIEC) from whom the plot of land was acquired, the matter is under arbitration. PSIEC has initiated legal action for recovery of the plot land which is being defended.

Parsvnath Film City Limited (PFCL)

PFCL was set up to implement a Multimedia-cum-Film City Project near Chandigarh on the land to be provided by Chandigarh Administration. PFCL had deposited ₹ 4,775.00 lakhs with 'Chandigarh Administration' (CA) for acquiring development rights in respect of a plot of land. Since CA could not handover the possession of the said land to PFCL, it 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 March 10, 2012, 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. Subsequently, the CA filed a petition before the Additional District Judge at Chandigarh for setting aside the award. The said petition was dismissed by the Hon'ble District Judge vide his order dated May 7, 2015.

PFCL filed an Execution Petition before the Additional District Judge (ADJ), Chandigarh for the execution of the Arbitral Award. In the meantime, CA filed an appeal under Section 37 of the Arbitration and Conciliation Act, 1996 before the Punjab and Haryana High Court against the orders of the ADJ, Chandigarh. The Hon'ble High Court allowed the appeal filed by CA and set aside the arbitral award vide its orders dated March 17, 2016. The Company filed a Special Leave Petition (SLP) before the Hon'ble Supreme Court of India and notice has been issued to CA. CA has also filed an SLP in this matter before the Hon'ble Supreme Court and both the matters have been tagged together. The matters are listed before the Ld. Registrar for completion of pleadings. Once the pleadings are completed, the Company proposes to move an application for early hearing in the matter.

Vasavi PDL Ventures Private Limited (VPVPL)

VPVPL was incorporated, pursuant to a Memorandum of Understanding (MOU) with Vasavi Nirmaan Pvt. Ltd., to develop a commercial-cum- residential project on land situated at Kukatpally, Hyderabad. The construction work is progressing at site.

Farhad Realtors Private Limited (FRPL)

FRPL was originally proposed to be used as a SPV for developing the Netaji Subhash Place Project at Delhi in terms of the concession agreement executed with DMRC, subject to necessary approvals from DMRC. The Company proposes to execute this project jointly with Unity Group, and the SPV to be used for this project is still to be decided.

PDL Assets Limited (PAL)

PAL is a SPV being used for developing the Azadpur Project at Delhi in terms of the concession agreement executed with Delhi Metro Rail Corporation Limited

("DMRC"). While part of the project has been developed by the Company, the SPV will be developing/ completing the remaining part subject to requisite approvals from DMRC and the Lenders.

Parsvnath Realty Ventures Limited (PRVL)

PRVL is a SPV for developing the Akshardham Project at Delhi in terms of the concession agreement executed with DMRC. While part of the project has been developed by the Company, the SPV will be developing/ completing the balance part subject to requisite approvals from DMRC and the Lenders. Accordingly, an amendment agreement to the Concession Agreement dated July 7, 2020 has been executed between DMRC, PDL and PRVL in terms of which all the rights held by PDL has been assigned to PRVL.

Jarul Promoters & Developers Private Limited (JPDPL)

JPDPL is a SPV being used for developing the Seelampur Project at Delhi in terms of the concession agreement executed with Delhi Metro Rail Corporation Limited ("DMRC"). While part of the project has been developed by the Company, the SPV will be developing/ completing the balance part subject to requisite approvals from DMRC and the Lenders.

Suksma Buildtech Private Limited (SBPL)

SBPL is a SPV being used for developing the Inderlok Project at Delhi in terms of the concession agreement executed with Delhi Metro Rail Corporation Limited ("DMRC"). While part of the project has been developed by the Company, the SPV will be developing/ completing the balance part subject to requisite approvals from DMRC and the Lenders.

Snigdha Buildwell Private Limited (SBPL)

Snigdha Buildwell Private Limited is a wholly owned subsidiary of Parsvnath Developers Limited. SBPL is engaged in development of various projects through its subsidiaries.

Evergreen Realtors Private Limited (ERPL)

Evergreen Realtors Private Limited is the step down subsidiary of Parsvnath Developers Limited and

subsidiary of Snigdha Buildwell Private Limited. ERPL is engaged in development of the land owned by it and situated at Sonapat, Haryana .

Generous Buildwell Private Limited (GBPL)

Generous Buildwell Private Limited is the step down subsidiary of Parsvnath Developers Limited and subsidiary of Snigdha Buildwell private Limited. GBPL is engaged in development of the land owned by it and situated at Sonapat, Haryana.

ii. Associate Companies

Amazon India Limited (AIL)

AIL in collaboration with the Company has successfully developed a group housing project viz., "Parsvnath Green Ville' at Sohna whereat possession of all flats have already been handed over. The Company is on the lookout for implementing other suitable projects.

Homelife Real Estate Private Limited (Home Life)

Home Life has developed a 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 Sonapat for building a commercial complex and construction of which will commence in due course upon receipt of requisite approvals.

5. HUMAN RESOURCES

Human Resource function at the Company operates with a fundamental principle of recognizing its people as the primary assets. They strive hard to achieve cohesive teams, motivated individuals, and an engaging workplace to enable consistently high levels of performance and a superlative customer experience. It unflinchingly invests in developing and enhancing workforce competencies and organizational capabilities to achieve the Organizational and Human Resource objectives.

As of March 31, 2020, the count of on-roll employees at the Company and its subsidiaries was 327.

6. RISK MANAGEMENT & MITIGATION

The Company faces multiple risks arising from its choice of industry, business model, strategies, and given variables such as external environment and extrinsic threats. It continuously identifies, assesses, mitigates, and monitors such risks to reduce any undesirable effects from their incidence. This approach of the Company to management of dangers is codified in a comprehensive risk management framework that is approved by the Board. This section outlines the critical risks that the Company is exposed to and relevant mitigation measures.

#	Risk	Definition	Mitigation
1	Economic Risk	Impact on market demand, pricing power, and raw material costs for the Company from the macro economic factors at the national level related to growth and inflation.	<p>Modify selection of industry segments in line with changes in demand and return potential to macro-economic factors.</p> <p>Enter long term contracts on the supply-side with volume flexibility.</p> <p>Protect brand reputation with relevant offerings, quality, and timely delivery to sustain in a tough environment.</p>
2	Monetary Risk	Impact on availability and cost of capital from interest rates, liquidity, and state of the Banking & Financial Services sector as a provider of capital.	<p>Reduce dependence on external debt and generate capital from internal accruals through right capital structure and faster completion of existing projects.</p> <p>Focusing on business offerings and customers that generate regular cash flows.</p> <p>Selling non-core assets and appropriate capital allocation to prevent long term lock-in of the capital.</p> <p>Pursuing long-term and low-cost capital.</p>
3	Strategy Risk	Impact of the strategic and tactical choices on the fortunes of the Company.	<p>Market selection based on alignment of organizational strengths and capabilities with market dynamics. Regular and intensive monitoring of the market dynamics to make the right decisions.</p> <p>Diversification of selections in terms of markets, business segments, customer base, sales and marketing channels and strategies.</p>
4	Execution Risk	Factors affecting the ability of the Company complete its projects in a time-bound, with planned resources, and cost-effective manner to not miss financial goals, sustain profitability and returns, maintain reputation, and avoid liabilities.	<p>Develop organizational capabilities for speedier execution and timely delivery of projects.</p> <p>Project-based organization structure to ensure focused execution and no diversion of resources.</p> <p>Employ external agencies to outsourced specialised and peak load tasks to accelerate execution.</p> <p>Create a pool of in-house project leads with high level of project management capability.</p>
5	Market Risk	Trends in the real estate industry and the factors specific to individual micro-markets may influence market demand, pricing power, cost and availability of land and raw materials.	<p>Timely responses to changing industry trends based on materiality.</p> <p>Expanding geographical presence to cater to many micro-markets to spread risk.</p> <p>Cater to micro-markets where demand and price volatility are low.</p> <p>Protect brand reputation with relevant offerings, quality, and timely delivery to sustain in a tough environment.</p>

#	Risk	Definition	Mitigation
6	Regulatory Risk	Being a highly regulated industry, new rules and any non-compliances may require revamp of business model and strategies, increase in compliance costs, and result in liabilities.	Centralized corporate-level compliance function with dedicated project-level compliance teams. Remain agile to respond to changing regulatory frameworks with modified business model and strategies with an efficient capital allocation model.
7	Human Resource Risk	Company's plans can be severely influenced by the quality and availability of the workforce as it is a people intensive business.	Develop a competent human resource team that can service the workforce needs to achieve organizational objectives through appropriate policies. Develop empathetic and motivated leadership at senior and middle management levels to foster an engaging work environment. Career Growth, Capability Development Plans and Reward & Recognition schemes for individual employees to get inspired and committed workforce.

7. INTERNAL CONTROLS AND SYSTEMS

The Company has established and sufficient internal controls to detect non-compliance with policies, directives, processes, procedures, rules, and regulations to prevent goal misalignments, inefficiencies, inaccuracies, mishaps, and malpractices. In addition to supervision, the major mechanisms in place to exercise control are:

- Continuously communicated and easily accessible policy, standard operating procedure, process, and quality documentation.
- Dissemination of Business plans, Objective and Key Results, and Goal Setting for Performance Reviews.
- Hierarchy of periodic business reviews based on a comprehensive Management Information System.
- Internal audit of projects, departments, and functions.
- Statutory audit of financial transactions.
- Quarterly reviews with various committees of the Board.

The Company has set up a robust information technology infrastructure and world-class best practices to support these

mechanisms, which it regularly reviews, and updates based on learnings.

8. 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 driving forces of Corporate Governance at Parsvnaths are transparency, fairness, integrity, equity and accountability. Doing the 'right things' in the 'right manner' reflects the spirit of Corporate Governance at Parsvnaths. It is a reflection of us - our value system, work culture & thought process.

The Corporate Governance philosophy at Parsvnaths is to not only adhere to the statutory requirements in letter but also in spirit in order to enhance and retain investors' trust. The Company is conscious and continues to voluntarily formulate and comply with the best governance principles to ensure creation of long term value for its stakeholders, on sustainable basis. The Company relentlessly strives to align its vision and business strategy with the welfare and best interest of all stakeholders.

The Company strongly believes that effective and good Corporate Governance practices build strong foundation of trust and confidence which in turn attracts and retains financial and human capital. These resources, in turn, are leveraged to maximize long-term shareholder value, on a sustainable basis, while preserving the interests of multiple stakeholders, including the society at large.

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 are detailed below.

2. BOARD OF DIRECTORS

A. Composition & Category

As on March 31, 2020, 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 atleast half of the Board to be represented by Independent Directors, since the Board of Directors of the Company is headed by an Executive

Chairman. All the 4 (Four) Non-Executive Directors of the Company were Independent and thereby, the composition of the Board of Directors is in compliance with the parameters prescribed under Regulation 17(1) of Listing Regulations.

Subsequent to the year end, the number of Directors on the Board of the Company has reduced to 6 Directors due to the untimely demise of Dr. Pritam Singh, one of the Non-Executive Independent Directors, on June 3, 2020.

The 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. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence and that they are independent of the management. In terms of Regulation 25(8) of Listing Regulations, the Independent Directors of the Company have also confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties.

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 Chairperson 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 Directors in more than 7 Listed Companies.

The detailed composition of the Board is represented in Table 1 below:

Table 1: Composition of the Board of Directors as on March 31, 2020

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**		Directorship in other listed entity (Category of Directorship)
					Member ship(s)	Chairman ship(s)	
Executive Directors – Promoter and Promoter Group							
1	Mr. Pradeep Kumar Jain	00333486	Chairman	2	0	0	0
2	Mr. Sanjeev Kumar Jain	00333881	Managing Director & CEO	1	2	0	0
3	Dr. Rajeev Jain	00433463	Director (Marketing)	3	1	0	0
Non-Executive Independent Directors							
4	Mr. Ashok Kumar	00138677	Director	1	2	1	0
5	Dr. Pritam Singh***	00057377	Director	0	1	0	0
6	Ms. Deepa Gupta	02411637	Director	1	1	0	0
7	Mr. Mahendra Nath Verma	02931269	Director	0	1	1	0

* 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.

*** Ceased to be a Director w.e.f. June 3, 2020 due to his demise.

Skills, expertise and competencies of Directors

The Board of Directors of the Company brings to the fore a vast range of skills and experience from various fields, functions and sectors, which enhance the governance framework and Board's decision making process. The Company believes that it is the collective effectiveness of the Board that impacts the performance of the Company and therefore, members of the Board amongst themselves should have a balance of skills, experience and diversity of perspectives appropriate to the Company.

The Board has identified the below mentioned skills/ area of expertise/ competencies required in the context of Company's business and the industry it operates in and are fundamental for the effective functioning of the Company:

- **Strategic insight and planning-** Appreciation of long-term trends, strategic choices and experience in guiding and leading management teams to make decisions in uncertain

environments. Ability to comprehend the socio-economic, political, regulatory and competitive environment, in which the Company is operating and insight to identify opportunities and threats for the Company's business.

- **Policy Evaluation** - Ability to comprehend the Company's governance philosophy and contribute towards its refinement periodically. Ability to evaluate policies, systems and processes in the context of the Company's business and review the same periodically.
- **Industry Expertise** – Expertise with respect to the sector the organization operates in. An understanding of the 'big picture' in the given industry and recognizes the development of industry segments, trends, emerging issues and opportunities.
- **Market Expertise** – Expertise with respect to the geography the organization operates in. Understands the macro-

economic environment, the nuances of the business, consumers and trade in the geography and the knowledge of the regulations & legislations of the market(s) the business operates in.

- People & Talent Understanding** – Experience in human resource management and ability to understand the talent market and the Company’s talent quotient so as to help fine-tune strategies to attract, retain and nurture competitively superior talent.
- Governance, Financial and Commercial Acumen** – An understanding of the law and application of corporate governance principles. Capability to provide inputs for strategic financial planning, assess financial statements and oversee budgets for the efficient use of resources. Commercial acumen to critique the Company’s financial performance and evaluate the Company’s strategies and action plans in the context of their financial outcomes.
- Risk Management and Compliance**- Ability to appreciate key risks impacting the Company’s business and contribute towards development of systems and controls for risk mitigation & compliance management and review and refine the same periodically.
- Board Cohesion** - Ability to comprehend the statutory roles and responsibilities of a Director and of the Board as a whole. Ability to encourage and sustain a cohesive working environment and to listen to multiple views and thought processes and synergise a range of ideas for organisational benefit. Ability to provide diversity of views to the Board that is valuable to manage our customer, employee, key stakeholder or shareholders.
- Stakeholder Value Creation** - Ability to understand processes for shareholder value creation and its contributory elements and critique interventions towards value creation for the other stakeholders.
- Culture Building** - Ability to contribute to the Board’s role towards promoting an ethical organisational culture, eliminating conflict of interest and setting & upholding the highest standards of ethics, integrity and organisational conduct.

Skills, expertise and competencies of each Director

S. No.	Skills, expertise and competencies	Name of the Director
1	Strategic insight and planning	Mr. Pradeep Kumar Jain Mr. Ashok Kumar Dr. Pritam Singh* Ms. Deepa Gupta
2	Policy Evaluation	Mr. Pradeep Kumar Jain Dr. Pritam Singh* Ms. Deepa Gupta Mr. M.N. Verma
3	Industry Expertise	Mr. Pradeep Kumar Jain Mr. Sanjeev Kumar Jain Dr. Rajeev Jain Mr. Ashok Kumar
4	Market Expertise	Mr. Pradeep Kumar Jain Mr. Sanjeev Kumar Jain Dr. Rajeev Jain Mr. Ashok Kumar
5	People and Talent Understanding	Dr. Pritam Singh* Ms. Deepa Gupta Mr. M.N. Verma
6	Governance, Financial and Commercial Acumen	Mr. Ashok Kumar Ms. Deepa Gupta Mr. M.N. Verma
7	Risk Management and Compliance	Mr. Pradeep Kumar Jain Mr. Ashok Kumar Ms. Deepa Gupta Mr. M.N. Verma
8	Board Cohesion	Mr. Pradeep Kumar Jain Mr. Sanjeev Kumar Jain Dr. Rajeev Jain Mr. Ashok Kumar Dr. Pritam Singh* Ms. Deepa Gupta Mr. M.N. Verma
9	Stakeholder Value Creation	Mr. Pradeep Kumar Jain Mr. Ashok Kumar Dr. Pritam Singh* Ms. Deepa Gupta Mr. M.N. Verma
10	Culture Building	Dr. Pritam Singh* Ms. Deepa Gupta

* Ceased to be a Director w.e.f. June 3, 2020 due to his demise

The Company has an experienced and competent Board and all the above-mentioned skills/ expertise/ competencies are available with the Board as a whole.

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

The Board met 7 (Seven) times on May 1, 2019; May 29, 2019; August 13, 2019; September 21, 2019; November 12, 2019; December 13, 2019 and February 14, 2020 during the financial year ended March 31, 2020. The attendance of each Director at the Board Meetings and at the last Annual General Meeting (AGM) held on September 21, 2019 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 21, 2019
1	Mr. Pradeep Kumar Jain	7	Y
2	Mr. Sanjeev Kumar Jain	7	Y
3	Dr. Rajeev Jain	7	Y
4	Mr. Ashok Kumar	6	N
5	Dr. Pritam Singh *	7	Y
6	Ms. Deepa Gupta	7	Y
7	Mr. Mahendra Nath Verma	7	Y

* Ceased to be a Director w.e.f. June 3, 2020 due to his demise.

C. Relationship Between Directors

Mr. Pradeep Kumar Jain, Mr. 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

The Meeting of Independent Directors was scheduled to be held on March 25, 2020 but due to prevailing situation (COVID-19), it was decided to postpone the meeting of Independent Directors of the Company and therefore, no Meeting of Independent Directors could be held. The same will not be viewed as violation as per MCA Circular dated March 24, 2020.

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, 2020 is given in Table 3 below:

Table 3: Details of Equity Shares held by Non-Executive Directors as on March 31, 2020

S. No.	Name of the Director	No. of Shares held
1	Mr. 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 are posted on the website of the Company and can be accessed at <http://www.parsvnath.com/investors/iultr/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:

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

3. AUDIT COMMITTEE

- 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 statements are 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 the 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 thereon;
 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. Reviewing the utilization of loans and/ or advances from/investment by the Company in the subsidiary exceeding ₹ 100 Crores or 10% of the asset size of the subsidiary, whichever is lower, including existing loans / advances / investments;
 23. Carrying out any other function as may be mentioned in the terms of reference of the Audit Committee.
 24. 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 Regulation:
 - a. Quarterly Statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s);
 - b. 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, 2020, the Audit Committee comprised of Mr. Mahendra Nath Verma (Chairperson), Mr. Sanjeev Kumar Jain, Mr. Ashok Kumar, Dr. Pritam Singh and Ms. Deepa Gupta. All members except Mr. 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.
- Subsequent to the year end, the Board of Directors at its Meeting held on July 17, 2020 has re-constituted the Committee due to demise of Dr. Pritam Singh, Member of the Committee, on June 3, 2020.
- The Committee invites Group Chief Financial Officer and representative(s) of the Statutory Auditors and External Internal Auditors to attend the meetings of the Audit Committee on a regular basis. Mr. V. Mohan, Sr. Vice President (Legal) & Company Secretary acts as the Secretary to the Audit Committee.
- (iv) The Committee met 5 (Five) times with adequate quorum on May 29, 2019; August 13, 2019; September 21, 2019; November 12, 2019 and February 14, 2020 during the financial year ended March 31, 2020. 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	Mr.Mahendra Nath Verma	Non- Executive, Independent	5
2	Mr. Sanjeev Kumar Jain	Managing Director & CEO	5
3	Mr.Ashok Kumar	Non- Executive, Independent	4
4	Dr. Pritam Singh*	Non- Executive, Independent	5
5	Ms. Deepa Gupta	Non- Executive, Independent	5

* Ceased to be a Member w.e.f. June 3, 2020 due to his demise.

4. NOMINATION AND REMUNERATION COMMITTEE

- (i) The Board of Directors has constituted Nomination and Remuneration Committee (NRC), 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.

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 recommend to the Board, all remuneration, in whatever form, payable to senior management.
7. To specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, NRC or an independent external agency and NRC will review its implementation and compliance.

(iii) Nomination and Remuneration Policy:

During the year under review, the Nomination and Remuneration Policy has been revised to align the same with various amendments made in the Listing Regulations and has been duly approved by the Board of Directors. The major points relating to the aforesaid policy are as follows:

- 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 there under or any other enactment for the time being in force and the approvals obtained from the shareholders of the Company.

- ii. The fees or compensation payable to Managing Director / Whole-Time Directors, etc. who are Promoters or members of the Promoter Group, shall be subject to the approval of the shareholders by Special Resolution in General Meeting, if
 - the annual remuneration payable to such Director exceeds ₹ 5 crores or 2.5% of the Net Profits of the Company, whichever is higher; or
 - where there is more than one such director, the aggregate annual remuneration to such Directors exceeds 5% of the Net Profits of the Company.

The said approval of the shareholders shall be valid only till the expiry of the term of such Director. Net Profits for this purpose shall be calculated as per Section 198 of the Act.

- iii. 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 Lac 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 there under 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 and the approval of shareholders by Special Resolution shall be obtained every year, in which the annual remuneration payable to a single Non-Executive Director exceeds 50% of the total annual remuneration payable to all Non-Executive Directors, giving details of the remuneration thereof.
- 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 (iii) 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, if any, etc. 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.

(iv) Composition and Meeting Details of the Committee:

As on March 31, 2020, the Committee comprised of Dr. Pritam Singh (Chairperson), Mr. Ashok Kumar, Mr. Mahendra Nath Verma and Ms. Deepa Gupta, all being Non-Executive Independent Directors. Mr. V. Mohan, Sr. Vice President (Legal) & Company Secretary acts as the Secretary to the Committee.

Subsequent to the year end, the Board of Directors at its Meeting held on July 17, 2020 has re-constituted the Committee due to demise of Dr. Pritam Singh, Chairperson of the Committee, on June 3, 2020 and appointed Ms. Deepa Gupta as the Chairperson of the Committee.

During the Financial Year ended March 31, 2020, 1 (One) meeting of the Committee was held on August 13, 2019 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	Mr. Ashok Kumar	Non- Executive, Independent	1
3	Mr. Mahendra Nath Verma	Non- Executive, Independent	1
4	Ms. Deepa Gupta	Non- Executive, Independent	1

** Ceased to be a Member/ Chairperson w.e.f. June 3, 2020 due to his demise.*

(v) Performance Evaluation Criteria for Independent directors

In terms of provisions of Section 178 (2) of the Act read with Part D of Schedule II of Listing Regulations, the role of Nomination and Remuneration Committee (NRC) shall, inter-alia, include specifying the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, NRC or an independent external agency and NRC will review its implementation and compliance. Annual evaluation of Board's performance and that of its committees and individual Directors, pursuant to the provisions of the Act, based on the criteria recommended by the NRC, could not be done due to COVID 19 pandemic and the same will be done at an appropriate time in the near future.

(vi) Remuneration of Directors

- a) 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.

Keeping in view the current state of affairs of the Company, the Company has not paid any remuneration to its Executive Directors and the remuneration, if any, paid in future would be 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 2019-20, the Company paid sitting fees of ₹ 50,000 (Rupees Fifty Thousand only) per meeting to each Non – Executive Director for attending the Board Meetings and ₹ 30,000 (Rupees Thirty Thousand only) per meeting to each Non – Executive Director for attending meetings of Committees of the Board except for Corporate Social Responsibility Committee.

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

b) 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, 2020.

Notes:

1. Shareholding figures are as on March 31, 2020. 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. The Board of Directors at its Meeting held on February 14, 2019 has re-appointed Mr. Pradeep Kumar Jain, Mr. Sanjeev Kumar Jain and Dr. Rajeev Jain as Whole-time Directors of the Company for a period with effect from April 1, 2019 to March 31, 2022, which has been duly approved by the Members of the Company at the 28th Annual General Meeting held on September 21, 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 has paid rentals to Mr. Pradeep Kumar Jain / Mrs. Nutan Jain, wife of Mr. 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 directors' remuneration.

Table 6: Remuneration paid to the Directors of the Company during Financial Year 2019-20

S. No.	Name of the Director	No. of Shares held	Salary & Perquisites (₹/ Lakhs)	Sitting Fees (₹/ Lakhs)	Total Amount (₹/ Lakhs)
1	Mr. Pradeep Kumar Jain	11,75,54,683	NIL	-	NIL
2	Mr. Sanjeev Kumar Jain	21,600	NIL	-	NIL
3	Dr. Rajeev Jain	16,000	NIL	-	NIL
4	Mr. Ashok Kumar	2,000	-	4.80	4.80
5	Dr. Pritam Singh*	-	-	5.60	5.60
6	Ms. Deepa Gupta	-	-	5.60	5.60
7	Mr. Mahendra Nath Verma	-	-	5.60	5.60

* Ceased to be a Director w.e.f. June 3, 2020 due to his demise.

5. 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 specifically looks into various aspects of interest of shareholders and debenture holders.

The role of the Committee inter-alia includes the following:

1. Resolving the grievances of the security holders of the Company including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
2. Review of measures taken for effective exercise of voting rights by shareholders.
3. Review of adherence to the service standards adopted by the Company in respect of various services being rendered by the Registrar & Share Transfer Agent.
4. Review of the various measures and initiatives taken by the Company for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the Company.

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

As on March 31, 2020, the Committee comprised of three Members including two Executive Directors viz. Mr. Sanjeev Kumar Jain and Dr. Rajeev Jain and one Non-Executive Independent Director viz. Mr. Ashok Kumar, who is the Chairperson of the Committee and Mr. V. Mohan, Sr. Vice President (Legal) & Company Secretary acts as the Secretary to the Committee and is the Compliance Officer.

During the year under review, a meeting of the Committee was held on February 14, 2020 with all the members present.

As at April 1, 2019, 2 Investor Complaints were pending to be resolved, which were duly replied / resolved. During the year under review, the Company had received 6 Investor Complaints, all of which have been duly replied / resolved.

6. 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 Members including two Executive Directors viz. Mr. Pradeep Kumar Jain and Mr. Sanjeev Kumar Jain and three Non-Executive Independent Directors viz. Mr. Ashok Kumar (Chairperson), Ms. Deepa Gupta and Mr. Mahendra Nath Verma. Mr. 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 Act and the relevant Rules made thereunder and any other applicable legislation and as directed by Board, from time to time.

During the year under review, a meeting of CSR Committee was held on August 13, 2019 which was attended by all the members.

B. **Risk Management Committee**

As per Regulation 21 of the Listing Regulations, the Company is not required to constitute Risk Management

Committee. However, in view of the Company's policy to adhere to high standards of corporate governance practices, the Board of Directors of the Company at its Meeting held on November 14, 2018 has voluntarily constituted the Risk Management Committee, with Ms. Deepa Gupta (Chairperson), Mr. Pradeep Kumar Jain, Mr. Mahendra Nath Verma and Dr. Pritam Singh as its Members. Mr. V. Mohan, Sr. Vice President (Legal) & Company Secretary acts as the Secretary to the Committee.

Subsequent to the year end, the Board of Directors at its Meeting held on July 17, 2020 has re-constituted the Committee due to demise of Dr. Pritam Singh, member of the Committee, on June 3, 2020.

During the year under review, a meeting of Risk Management Committee was held on February 14, 2020 which was attended by all the members.

The scope of the Committee, *inter-alia*, includes to focus on the risk management including determination of Company's risk appetite, risk tolerance and regular risk assessments (risk identification, risk quantification and risk evaluation) etc. and to monitor the compliance with the 'Risk Management Policy' laid down by the Company so as to ensure that various types of risks are controlled by means of a properly defined framework.

C. Shares Committee

The Shares Committee of the Board of Directors of the Company comprises three members viz. Mr. Pradeep

Kumar Jain, Mr. Sanjeev Kumar Jain and Dr. Rajeev Jain. Mr. Pradeep Kumar Jain is the Chairperson of the Committee and Mr. V. Mohan, Sr. Vice President (Legal) & Company Secretary acts as the Secretary to the Committee and is the Compliance Officer.

The Committee exercises the powers relating to approval of transfer of shares /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.

In order to provide timely and efficient service to the shareholders, the Board of Directors has delegated some of its powers including power to approve transfer of shares to Mr. V. Mohan, Sr. Vice President (Legal) & Company Secretary.

During the financial year ended March 31, 2020, Shares Committee met 2 (Two) times with adequate quorum on April 25, 2019 and November 4, 2019. The attendance of each member thereat is set out in Table 7 below:

Table 7: Attendance of the Members at the Shares Committee Meetings

S. No.	Name of the Member	Number of Meetings attended
1	Mr. Pradeep Kumar Jain	2
2	Mr. Sanjeev Kumar Jain	2
3	Dr. Rajeev Jain	2

7. 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 8 and Table 9 respectively:

Table 8: Particulars of last three AGMs of the Company

Year	Location	Date	Time
2018-19	Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi 110003	21.09.2019	3:30 P.M.
2017-18	Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi 110003	28.09.2018	3:30 P.M.
2016-17	Sri Sathya Sai International Centre, Pragati Vihar, Lodhi Road, New Delhi 110003	27.09.2017	3:30 P.M.

Table 9: Special Resolutions passed in the last three AGMs of the Company

Date of Meeting	Nature of Resolutions
21.09.2019	Approval for re-appointment and remuneration of Mr. Pradeep Kumar Jain as a whole-time director designated as Chairman of the Company
	Approval for re-appointment and remuneration of Mr. Sanjeev Kumar Jain as a whole-time director designated as Managing Director & CEO of the Company
	Approval for re-appointment and remuneration of Dr. Rajeev Jain as a whole-time director designated as Director (Marketing) of the Company
	Approval for re-appointment of Mr. Ashok Kumar as an Independent Director
	Approval for re-appointment of Dr. Pritam Singh as an Independent Director
	Approval for re-appointment of Ms. Deepa Gupta as an Independent Director
	Approval for re-appointment of Mr. Mahendra Nath Verma as an Independent Director
	Approval for Private Placement of Non-Convertible Debentures
	Approval for creation of charge on the movable and immovable properties of the Company, both present and future, under Section 180(1)(a) of the Companies Act, 2013
28.09.2018	Approval for Private Placement of Non-Convertible Debentures
	Approval for disinvestment in Parsvnath Estate Developers Pvt. Ltd., Subsidiary Company
	Approval for disinvestment in Primetime Realtors Pvt. Ltd., Subsidiary Company
27.09.2017	Approval for Private Placement of Non-Convertible Debentures

B. Postal Ballot Exercise

No Postal Ballot was held during the Financial Year ended on March 31, 2020. No special resolution is proposed to be conducted through postal ballot.

8. MEANS OF COMMUNICATION

In accordance with Regulation 46 of the Listing Regulations, the Company is maintaining 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, 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, e-mail 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/ 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 to all the Members whose e-mail addresses are registered with Company / Depositories.

9. GENERAL SHAREHOLDER INFORMATION

A. Annual General Meeting

Day : Wednesday

Date : September 30, 2020

Time : 11:30 a.m.

Venue : The meeting will be conducted through VC / OAVM and as such there is no requirement to have a venue for the AGM. For details, please refer to the Notice of this AGM.

B. Financial Calendar

The tentative financial calendar for the on-going financial year i.e. April 1, 2020 to March 31, 2021 is set out in Table 10 below:

Table 10: Tentative schedule for the Financial Year 2020-21

Activity	Schedule
Financial Reporting for the Quarter ended June 30, 2020	On or before September 15, 2020*
Financial Reporting for the Quarter/ Half Year ending September 30, 2020	On or before November 14, 2020
Financial Reporting for the Quarter / Nine Months ending December 31, 2020	On or before February 14, 2021
Financial Reporting for the Quarter/Year ending March 31, 2021	On or before May 30, 2021

*Extension of time granted by SEBI vide its Circular dated July 29, 2020

C. Date of Book Closure

The period of book closure is from Thursday, September 24, 2020 to Wednesday, September 30, 2020 (both days inclusive).

D. Dividend Payment Date

For the Financial Year 2019-20, 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 the following Stock Exchanges:

National Stock Exchange of India Limited (NSE) "Exchange Plaza" Bandra-Kurla Complex, Bandra (E), Mumbai – 400051	BSE Limited (BSE) Phiroze Jeejeebhoy Tower Dalal Street, Mumbai – 400001
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The Company has paid the annual listing fee for the financial year 2020-21 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 11 below:

Table 11: 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 2019-20 are set out in Table 12 & 13 below:

Table 12: 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, 2019	6.95	39,487.45	4.30	38,460.25
May, 2019	5.00	40,124.96	4.01	36,956.10
June, 2019	4.65	40,312.07	2.70	38,870.96
July, 2019	5.48	40,032.41	3.07	37,128.26
August, 2019	3.65	37,807.55	3.05	36,102.35
September, 2019	3.24	39,441.12	2.51	35,987.80
October, 2019	2.88	40,392.22	2.28	37,415.83
November, 2019	2.56	41,163.79	1.85	40,014.23
December, 2019	2.51	41,809.96	1.61	40,135.37
January, 2020	2.30	42,273.87	2.00	40,476.55
February, 2020	2.31	41,709.30	1.83	38,219.97
March, 2020	1.94	39,083.17	1.20	25,638.90

Table 13: 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, 2019	6.75	11,856.15	4.35	11,549.10
May, 2019	4.90	12,041.15	3.75	11,108.30
June, 2019	4.55	12,103.05	2.40	11,625.10
July, 2019	5.35	11,981.75	3.05	10,999.40
August, 2019	3.65	11,181.45	3.05	10,637.15
September, 2019	3.30	11,655.05	2.55	10,670.25
October, 2019	2.80	11,945.00	2.30	11,090.15
November, 2019	2.55	12,158.80	1.90	11,802.65
December, 2019	2.50	12,293.90	1.60	11,832.30
January, 2020	2.35	12,430.50	1.95	11,929.60
February, 2020	2.30	12,246.70	1.90	11,175.05
March, 2020	1.90	11,433.00	1.20	7,511.10

H. Registrar & Share Transfer Agent (RTA)

Link Intime India Private Limited (Unit: Parsvnath Developers Limited)
 Noble Heights, 1st Floor, Plot No. NH 2, LSC, C-1 Block,
 Near Savitri Market, Janakpuri, New Delhi-110058
 Phone: +91 11 4941 1000
 e-mail: delhi@linkintime.co.in

The shares of the Company are compulsorily traded in demat mode. Further, SEBI has also mandated transfer of securities in demat mode only and accordingly, the Company will not be able to accept requests for transfer of shares held in physical mode. Hence, the Members who are still holding physical Share Certificates are advised to get their shares dematerialized.

I. Share Transfer System

During the year under review, 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 14 and 15 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 14: Shareholding Pattern as on March 31, 2020

Category of Shareholders	Mode of Holding Shares		Total Shareholding	
	Physical	Demat	Number	%
Promoters	0	29,93,12,557	29,93,12,557	68.78
Bodies Corporate	0	6,77,11,900	6,77,11,900	15.56
Financial Institutions/Banks	0	19,42,113	19,42,113	0.45
Mutual Funds	0	0	0	0
Foreign Portfolio Investors	0	19,32,523	19,32,523	0.44
NRIs	0	45,42,220	45,42,220	1.04
Individuals	39,393	5,67,13,829	5,67,53,222	13.04
Others	2	29,86,633	29,86,635	0.69
Total	39,395	43,51,41,775	43,51,81,170	100.00

Table 15: Distribution of Shareholding as on March 31, 2020

Range of Shareholding	Shareholders		Shareholding	
	Number	%	Number	%
Upto 500	1,63,397	93.14	1,25,48,361	2.88
From 501 to 1000	5,879	3.35	46,17,660	1.06
From 1001 to 2000	2,879	1.64	43,98,398	1.01
From 2001 to 3000	1,005	0.57	25,70,548	0.59
From 3001 to 4000	470	0.27	17,06,123	0.39
From 4001 to 5000	419	0.24	19,94,284	0.46
From 5001 to 10,000	664	0.38	49,73,793	1.14
From 10,001 and above	713	0.41	40,23,72,003	92.46
Total	1,75,426	100.00	43,51,81,170	100.00

K. Dematerialization of shares

Table 16 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, 2020:

Table 16: Shares in Dematerialised mode as on March 31, 2020

NSDL		CDSL		Total	
No. of Shares	% of Capital	No. of Shares	% of Capital	No. of Shares	% of Capital
33,08,34,222	76.02	10,43,07,553	23.97	43,51,41,775	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)
Mr. V. Mohan Sr. Vice President (Legal) & Company Secretary Parsvnath Developers Limited Parsvnath Tower, Near Shahdara Metro Station, Shahdara, Delhi - 110032. CIN: L45201DL1990PLC040945 Phone No. : 011-43050100/43010500 Fax No. : 011- 43050473 e-mail: investors@parsvnath.com Website: www.parsvnath.com	Link Intime India Private Limited (Unit: Parsvnath Developers Limited) Noble Heights , 1 st Floor , Plot No. NH 2, LSC, C-1 Block, Near Savitri Market, Janakpuri, New Delhi-110058 Phone No. :011- 49411000 Fax No. : 011- 41410591 e-mail: delhi@linkintime.co.in Website: www.linkintime.co.in

O. Commodity price risk or foreign exchange risk and hedging activities:

The Company does not deal in commodities and hence the disclosure pursuant to SEBI Circular dated November 15, 2018 is not required to be given.

P. List of all Credit Ratings obtained (including any revision thereto during the Financial year) for all debt instruments of the Company or any scheme or proposal involving mobilization of funds, whether in India or abroad

CRISIL has re-affirmed / withdrawn its ratings on the bank facilities of the Company vide Letters No. PARDEVL/232237/BLR/101945050 and PARDEVL/232237/BLR/101945050/1 both dated October 11, 2019 as under:

S. No.	Total Bank Loan Facilities Rated	Long Term Rating
1	Cash Credit - ₹ 72.06 Crores	CRISIL D (Re-affirmed)
2	Long term Loan - ₹ 2.50 Crores	Withdrawn

10. 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 Act read with applicable Accounting Standards, the transactions entered into by the Company with its 'Related Parties' during the financial year 2019-20 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.

During the year under review, pursuant to the amendments made in the Listing Regulations, the Related Party Transactions Policy has been revised which has been duly approved by the Board of Directors and can 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 22 subsidiary companies as on March 31, 2020, including one overseas subsidiary viz. Parsvnath Developers Pte. Limited, incorporated in Singapore.

During the year under review:

- Parsvnath Telecom Private Limited ("PTPL") has ceased to be a Subsidiary of the Company due to transfer of entire shareholding by the Company on June 29, 2019.
- Parsvnath Realcon Private Limited ("PRPL"), erstwhile step down Subsidiary, has become

a wholly owned Subsidiary of the Company, consequent upon the acquisition of shares from Parsvnath Buildwell Private Limited ("PBPL"), with effect from September 3, 2019.

- Snigdha Buildwell Private Limited ("SBPL") has become a wholly owned subsidiary of the Company, consequent upon the acquisition of entire shareholding, with effect from December 14, 2019.
- Generous Buildwell Private Limited ("GBPL") has become a step down subsidiary of the Company, being a Subsidiary of Snigdha Buildwell Private Limited, with effect from December 14, 2019.
- Evergreen Realtors Private Limited ("ERPL") has become a step down subsidiary of the Company, being a Subsidiary of Snigdha Buildwell Private Limited, with effect from February 6, 2020.
- Primetime Realtors Private Limited ("PRPL") has ceased to be a Subsidiary Company due to transfer of entire shareholding by the Company on February 17, 2020
- Parsvnath Promoters & Developers Private Limited ("PPDPL") has ceased to be a direct Subsidiary of the Company and has now become a subsidiary of the Company, by jointly owning 51% shares alongwith Parsvnath Rail Land Project Private Limited ("PRLPPL"), Subsidiary Company, which is holding 46.14% shares, w.e.f. March 3, 2020.

As at March 31, 2020, Parsvnath Buildwell Private Limited has become a 'material subsidiary', as per the provisions of the Listing Regulations.

The Audit Committee reviews the financial statements, in particular, the investments, if any, made by subsidiary companies of the Company. The minutes of the Board meetings along with the details of significant transactions and arrangements, if any, entered into with / by the subsidiary companies are periodically placed before the Board of Directors of the Company.

During the year under review, pursuant to the amendments made in the Listing Regulations, the Policy for determining material subsidiaries has been revised

which has been duly approved by the Board of Directors and can be accessed on the Company's website at the link: <http://www.parsvnath.com/investors/iulr/policy-for-determining-material-subsiaries/>.

E. Certificate from Practising Company Secretary

A certificate has been obtained from a Company Secretary in Practice that none of the Directors on the Board of the Company has been debarred or disqualified from being appointed or continuing as directors of companies by the Securities and Exchange Board of India/Ministry of Corporate Affairs or any such statutory authority.

F. Acceptance of Recommendation of various committees by the board

The board had accepted all recommendations of its various committees, in the relevant financial year.

G. Fees paid to the Statutory Auditors of the Company

The details of total fees paid by the Company and its subsidiaries, on a consolidated basis, to the statutory auditors for the services provided by them, during Financial Year 2019-20, are given below in Table 17 below:

Table 17 : Details of Fees paid to the Statutory Auditors during Financial Year 2019-20, on a consolidated basis:

S. No.	Particulars	Amount (in Rs. Lakhs)
1	Statutory audit fee	39.50
2	Tax audit fee	2.00
3	Limited reviews fee	30.00
4	Fee for other services	1.75
5	Reimbursement of out-of-pocket expenses	3.14
6	GST/Service tax on above	2.01
Total		78.40

H. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- a. Number of complaints filed during the financial year : Nil

- b. Number of complaints disposed of during the financial year : Nil
- c. Number of complaints pending as on end of the financial year : Nil

I. 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/ discretionary requirements of the aforesaid Regulations:

- a) The financial statements of the Company, on standalone and consolidated basis, are on unmodified audit opinion.
- b) Mr. Pradeep Kumar Jain is the Chairman of the Company and Mr. Sanjeev Kumar Jain is the Managing Director & CEO of the Company. The Company has complied with the requirement of having separate persons for the post of Chairman and Managing Director & CEO. However, this discretionary requirement has been omitted w.e.f. April 1, 2020.
- c) The Internal Auditors of the Company directly report to the Audit Committee.

J. Risk Management:

The Board of Directors has constituted a Risk Management Committee to take care of the Risk evaluation and management, which 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 also has in place a Risk Management Policy.

K. Reconciliation of Share Capital Audit:

Pursuant to Regulation 76 of SEBI (Depositories and Participants) Regulations, 2018, a qualified practising

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 dematerialisation of shares are processed by the RTA within the prescribed time and uploaded with the concerned depositories.

L. "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" and "Code of Conduct to regulate, monitor and report trading by Designated Persons and their immediate relatives" under SEBI (Prohibition of Insider Trading) Regulations, 2015:

In compliance with the amendments made in SEBI (Prohibition of Insider Trading) Regulations, 2015, the Board of Directors of the Company has amended the "Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information" and "Code of Conduct to regulate, monitor and report trading by Designated Persons and their immediate relatives" and published the same on its official website i.e. www.parsvnath.com.

Mr. V. Mohan, Sr. Vice President (Legal) & Company Secretary is the 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.

M. Status of Unclaimed Shares:

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

The details of such unclaimed shares as on March 31,

2020 are set out in Table 18 below:

Table 18: Details of Unclaimed Shares*

S. No.	Particulars	Number	
		Share-holders	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, 2019	364	18,118
2	Number of Shareholders who approached for transfer of shares from the said account during the financial year 2019-20	0	0
3	Number of Shareholders to whom shares were transferred from the said account during the financial year 2019-20	0	0
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, 2020	364	18,118

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

Transfer of Unclaimed Shares to IEPF

Pursuant to MCA notification dated August 14, 2019 (effective from August 20, 2019), an amendment has been made in Rule 6 of the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016 ("IEPF Rules") whereby it has been clarified that all shares in respect of which dividend has been transferred to IEPF on or before September 7, 2016, shall also be transferred by the Company in the demat account of the IEPF Authority. Accordingly, the Company was required to transfer the Unclaimed IPO Shares to IEPF.

Subsequent to the year end, the unclaimed IPO shares have been transferred from 'Unclaimed Demat Suspense

Account of the Company' to 'Demat Suspense Account of IEPF Authority', after completing all the requisite formalities relating thereto, as per the provisions of Section 124(6) and other applicable provisions of the Act read with IEPF Rules and the Listing Regulations, as amended from time to time. Those concerned may please note that such shares can be claimed back from IEPF Authority after following the prescribed procedure and no claim lies against the Company in respect of the shares transferred to the IEPF Authority.

N. Certificate in respect of compliance with Corporate Governance requirements

During the year under review, the Company has complied 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. A certificate obtained in this regard from a Practising Company Secretary is forming part of this report.

O. 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 certificates 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: Delhi

Date: September 1, 2020

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, 2020, as required under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Place: Delhi
Date: September 1, 2020

Sd/-
Sanjeev Kumar Jain
Managing Director &
Chief Executive Officer
DIN : 00333881

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

To
The Members of
Parsvnath Developers Limited
(CIN: L45201DL1990PLC040945)
Parsvnath Tower, Near Shahdara Metro Station,
Shahdara, Delhi - 110032

I have examined the compliance of conditions of Corporate Governance by **Parsvnath Developers Limited** (“the Company”) for the year ended on 31st March, 2020 as stipulated in Regulations 17 to 27 and sub-regulation (2) of Regulation 46 and Para C, D & E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“SEBI Listing Regulations”).

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

In my opinion and to the best of my information and according to the explanations given to me and the representations made by the Directors and the Management, I certify that the Company has complied with the various conditions as specified in Corporate Governance as stipulated in the above-mentioned SEBI Listing Regulations.

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

Date : August 28, 2020
Place: New Delhi

Sd/-
Krishnan Sitaraman
Practising Company Secretary
ICSI Unique Code I2005DE491700
FCS : 2087
CP No. 21348
ICSI UDIN F002087B000626084

INDEPENDENT AUDITOR'S REPORT

To The Members of Parsvnath Developers Limited

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the standalone financial statements of **Parsvnath Developers Limited** ("the Company"), which comprise the balance sheet as at 31 March 2020, and the statement of Profit and Loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year then ended, and notes to the standalone financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2020, and its loss, total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the

standalone financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

We draw attention to the following matters in the notes to the Ind AS financial statements:

- (i) Note 46, which indicates that the Company has incurred cash loss during the current and previous years and there have been delays/defaults in payment of principal and interest on borrowings, statutory liabilities, salaries to employees and payment of other dues by the Company. The management of the Company is of the opinion that no adverse impact is anticipated on future operations of the Company.
- (ii) Note 12, which explains management position regarding utilization of Deferred Tax Assets and Minimum Alternate Tax Credit aggregating to ₹ 16,788.37 lakhs as at 31 March, 2020. Based on the management assumptions, future business plans and planned sale off some identified assets, management is certain about realization of these assets in coming years.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements of the current period. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key audit matters	How the matter was addressed in our audit
<p>Revenue recognition</p> <p>The Company has applied Ind AS 115 – ‘Revenue from Contracts with Customers’ as on the transition date of 1 April, 2018</p> <p>Revenue from sale of constructed properties is recognised at a ‘Point of Time’, when the Company satisfies the performance obligations, which generally coincides with completion/possession of the unit.</p> <p>Recognition of revenue at a point in time based on satisfaction of performance obligation requires estimates and judgements regarding timing of satisfaction of performance obligation, allocation of cost incurred to segment/units and the estimated cost for completion of some final pending works. Due to judgement and estimates involved, revenue recognition is considered as key audit matter.</p>	<p>Our audit procedures on revenue recognition included the following:</p> <ul style="list-style-type: none"> • We have evaluated that the Company’s revenue recognition policy is in accordance with Ind AS 115 and other applicable accounting standards; • We verified performance obligations satisfied by the Company; • We tested flat buyer agreements/sale deeds, occupancy certificates (OC), project completion, possession letters, sale proceeds received from customers to test transfer of controls; • We conducted site visits during the year to understand status of the project and its construction status; • We verified calculation of revenue to be recognised and matching of related cost; • We verified allocation of common cost to units sold and estimates of cost yet to be incurred before final possession of units.
<p>Inventories</p> <p>The Company’s inventories comprise of projects under construction/development (Work-in-progress) and unsold flats (finished flats).</p> <p>The inventories are carried 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 is assessed with reference to market value of completed property as at the reporting date less estimated cost to complete.</p> <p>The carrying value of inventories is significant part of the total assets of the Company and involves significant estimates and judgements in assessment of NRV. Accordingly, it has been considered as key audit matter.</p>	<p>Our audit procedures to assess the net realisable value (NRV) of inventories included the following:</p> <ul style="list-style-type: none"> • We had discussions with management to understand management’s process and methodology to estimate NRV, including key assumptions used; • We verified project wise unsold units/area from sales department; • We tested sale price of the units with reference to recently transacted price of same or similar projects and available market information in same geographical area; • To calculate NRV of work-in-progress, we verified the estimated cost to construction to complete the project.
<p>Deferred Tax Assets (DTA)</p> <p>The Company has recognised deferred tax assets (DTA) on carried forward business losses and unabsorbed depreciation (refer to note 12 to the financial statements).</p> <p>The Company has recognised DTA considering sale agreements executed with the customers against which revenue will get recognised in future on point of time.</p> <p>Recognition of DTA is based on future business plan and sales projections of the Company, which have been approved by the audit committee and board of directors of the Company.</p> <p>Since recognition of DTA on carried forward losses involves significant judgements and estimates, it has been considered as key audit matter.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • We have discussions with management to understand process over recording and review of deferred tax assets (DTA); • We obtained approved business plan, profitability projects of existing projects and verified mandates given for sale of some identified assets; • We had discussion at separate audit committee meeting with independent directors; • We tested the computation of the amount and the tax rate used for recognition of DTA; • We also verified the disclosures made by the Company in Note 12 to the financial statements.

Key audit matters	How the matter was addressed in our audit
<p>Investments in subsidiaries</p> <p>The Company has significant investments in its subsidiary companies. These investments are carried at cost.</p> <p>Management reviews whether there are any indicators of impairment of investments. For impairment testing, management has to do assessment of the cash flows of these entities and/or value of underlying assets in these entities.</p> <p>Impairment assessment involves estimates and judgements in forecasting future cash flows. Accordingly, it has been considered as key audit matter.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • We compared carrying value of investment in the books of the Company with net asset value of relevant subsidiaries; • We reviewed business plan and cash flow projections of the subsidiaries and tested assumption; • In cases, where cash flow projections were not available, we verified valuation report of underlying assets held by these subsidiaries; • Verified that required disclosures in respect of these investments has been made in the financial statements.
<p>Customer complaints and litigation</p> <p>The Company is having various customers complaints, claims and litigations for delays in execution of its real estate projects.</p> <p>Management estimates the possible outflow of economic resources based on legal opinion and available information on the status of the legal cases.</p> <p>Determination of amount to be provided and disclosure of contingent liabilities involves significant estimates and judgements, therefor it has been considered as key audit matter.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • We had discussion with management and understood management process for identification of claims and its quantification; • We had discussion with Head of Legal department of the Company, to assess the financial impact of legal cases; • We read judgments of the courts and appeals filed by the Company; • We read minutes of the audit committee and the board of directors of the Company to get status of the material litigations; • We verified that, in cases, where management estimates possible flow of economic resources, adequate provision is made in books of account and in other cases, required disclosure is made of contingent liabilities.
<p>Statutory dues and borrowings</p> <p>The Company has incurred cash losses during the current and previous year, due to recession in the real estate sector, due to which the Company is facing tight liquidity situation.</p> <p>As a result, there have been delays/defaults in statutory liabilities, principal and interest on borrowings and other dues.</p> <p>Defaults in payment of statutory dues and borrowings involves calculation of interest, penal interest and other penalties on delayed payments and recording of liabilities. It requires significant estimates, hence considered as key audit matter.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • We had discussion with management and understood management process for provision of interest and penalties for delays/defaults in payment of statutory dues and repayment of borrowings and interest thereon; • For statutory dues, we have verified the schedule of statutory liabilities and due date of payments. We verified calculation of interest on delayed payments; • For borrowings, we verified loan agreement and sanction letters to check repayment schedule and penal interest, if any. We verified calculation of interest including penal interest; • We verified disclosures made in the financial statements in respect of defaults in repayment of borrowings and interest thereon; • Defaults in payment of statutory dues is reported in "Annexure A" to our audit report.

Key audit matters	How the matter was addressed in our audit
<p>Advances for land</p> <p>The Company has given advances for procurement of land for construction of real estate projects. These advances are given based on agreements.</p> <p>The Company acquires land through SPVs and paid advances to SPVs for acquisition of land.</p> <p>These advances are tested for recoverability. Due to significant amount and the time involved in square up of these advances, it has been considered as key audit matter.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • We had discussion with management and understood management process for land acquisition; • We have verified the agreements and Memorandum of Understanding (MOUs) with the SPVs; • We verified financial statements of these SPVs to test land held by these entities and its book value; • For advances given to third parties, we have verified the agreements and had discussion with the management on timeline for land procurement.
<p>Related party transaction and balances</p> <p>The Company has transaction with related parties. These includes transaction in nature of purchase of development rights, advances for land procurement, security deposits from subsidiaries and loans and advances given to its subsidiaries.</p> <p>These transactions are in ordinary course of business on arm length basis. Due to significance of these transactions, considered as key audit matter.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • Understood Company's policies and procedures for identification of related parties and transactions; • Read minutes of the audit committee and board of directors for recording/approval of related party transactions; • Tested Company's assessment regarding related party transactions are being ordinary course of business and at arm's length; • Tested transaction with underlying contracts and supporting documents; • Obtained confirmation for outstanding balances; • Verified disclosures made in the financial statements in respect of related party transactions and outstanding balances.

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

- The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Director's Report, Management Discussion and Analysis Report and Corporate Governance Report, but does not include financial statements and our auditor's report thereon. These reports are expected to be made available to us after the date of this auditor's report.
- Our opinion on the standalone financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.
- In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read Director's Report, Management Discussion and Analysis Report and Corporate Governance Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 'The Auditors Responsibilities relating to other information'.

Management's Responsibility for the Standalone Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for

preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

The Board of Directors is also responsible for overseeing the company's financial reporting process.

Auditor's Responsibilities for the Audit of the Standalone Financial Statements

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

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

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

collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

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

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

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

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the standalone financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 of India in terms of sub-section (11) of Section 143 of the Act, we give in the "**Annexure A**", a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid standalone financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - (e) On the basis of the written representations received from the directors as on 31 March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2020 from being appointed

as a director in terms of Section 164 (2) of the Act.

- (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "**Annexure B**".
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:

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

- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its standalone financial statements – Refer Note 36 to the standalone 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 38 to the standalone financial statements;
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company – Refer Note 39 to the standalone financial statements.

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

Chartered Accountants

Firm's Registration No.:000050N/N500045

Sd/-

Vinesh Jain

Partner

Membership No.: 087701

UDIN: 20087701AAAACG4966

Place: New Delhi

Date: 17 July, 2020

'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 2020).

- 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, Value Added Tax, Goods and Service Tax (GST), 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 Sales Tax, Service Tax, Customs Duty and Excise Duty.
 - b. Undisputed amounts payable in respect of Tax Deducted at Source (TDS), Sales Tax, Goods and Service Tax (GST), Provident Fund and Employees State Insurance in arrears as at 31 March, 2020 for a period of more than six

months from the date they became payable are as given below:

Nature of dues	Amount (₹ In Lakhs)	Period of default
Tax deducted at source	13,958.41	Financial Years 2015-16, 2016-17, 2017-18, 2018-19 and 2019-20
Work Contract Tax (WCT)	52.18	April - June, 2017
Value Added Tax (VAT)	68.77	Financial years 2008-09, 2014-15, 2016-17 and 2017-18
Provident Fund	18.71	July – September, 2019
Employees State Insurance	1.75	July – September, 2019

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

- c. Details of dues of Income-tax, Sales Tax and Value Added Tax which have not been deposited as on 31 March, 2020 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 (₹ in Lakhs)
Haryana Value Added Tax Act, 2003	Value Added Tax	Member Tribunal, Haryana	2008-09 and 2014-15	139.86
UP VAT	VAT	Allahabad High Court	2015-16	327.63
Mumbai VAT	VAT	Dy. Commissioner Sales Tax (Appeals)	2007-08 to 2010-11	323.25
Income Tax Act, 1961	Income Tax	Income Tax Appellate Tribunal	2006-07 to 2010-11	967.09
Income Tax Act, 1961	Tax deducted at Source	Commissioner of Income Tax (Appeals)	2007-08 to 2016-17	198.15
Entertainment Tax	Entertainment Tax	JT Commissioner (Appeals)	1999-2003	4.22

There are no dues in respect of Service Tax and GST which have not been deposited as on 31 March, 2020 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 defaulted in repayment of loans or borrowings to financial institutions, banks and dues to debenture holders, as below:

Particulars	Amount of default of repayment (₹ in Lakhs)		Period of default
	Principal	Interest	
Dues to Financial Institution:			
- LIC of India	12,491.13	11,540.24	1 - 2281 days
Assets Reconstruction Company	14,250.00	4,665.30	1-327 days
Non-banking finance companies	9,321.13	977.00	1-383 days
Debentures	9,188.41	4,481.16	1-335 days
Total	45,250.67	21,663.70	

- 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**

Chartered Accountants

Firm's Registration No.:000050N/N500045

Sd/-

Vinesh Jain

Partner

Membership No.: 087701

UDIN: 20087701AAAACG4966

Place: New Delhi

Date: 17 July, 2020

'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, 2020)

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

1. We have audited the internal financial controls with reference to financial statements of **Parsvnath Developers Limited** ("the Company") as of 31 March 2020 in conjunction with our audit of the standalone 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.

Auditors' Responsibility

3. Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by the Institute of Chartered Accountants of India (ICAI) and deemed to be

prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

Meaning of Internal Financial Controls with reference to Financial Statements

- 6. A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being

made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

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

Opinion

8. In our opinion, the Company has, in all material respects, adequate internal financial controls system with reference to

financial statements and such internal financial controls with reference to financial statements were operating effectively as at 31 March, 2020, based on based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India.

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

Chartered Accountants

Firm's Registration No.:000050N/N500045

Sd/-

Vinesh Jain

Partner

Membership No.: 087701

UDIN: 20087701AAAACG4966

Place: New Delhi

Date: 17 July, 2020

STANDALONE BALANCE SHEET AS AT 31 MARCH, 2020

(₹ in Lakhs)

	Notes	As at 31-March-2020	As at 31-March-2019
ASSETS			
1 Non-current assets			
a. Property, plant and equipment	5	227.75	335.80
b. Right of use assets	6	11,371.42	-
c. Investment property	7	1,518.93	1,576.76
d. Other intangible assets	8	1,863.84	1,982.46
e. Intangible assets under development	8	45,399.94	39,407.91
f. Financial assets			
i. Investments	9	81,484.73	91,710.58
ii. Loans	10	12,610.41	12,327.37
iii. Other financial assets	11	1,750.46	1,743.19
g. Deferred tax assets (Net)	12	16,788.37	14,392.45
h. Tax assets (Net)	18	1,527.97	1,037.92
i. Other non-current assets	13	25,450.92	26,005.06
Total non-current assets		1,99,994.74	1,90,519.50
2 Current assets			
a. Inventories	14	3,21,847.48	3,95,481.49
b. Financial assets			
i. Trade receivables	15	26,052.60	26,924.47
ii. Cash and cash equivalents	16	588.12	2,944.51
iii. Bank balances other than (ii) above	17	5,316.65	5,593.80
iv. Loans	10	7,253.42	4,330.80
v. Other financial assets	11	17,001.19	23,401.19
c. Other current assets	13	11,941.51	11,875.35
d. Assets held for sale		41,554.83	41,554.83
Total current assets		4,31,555.80	5,12,106.44
Total assets		6,31,550.54	7,02,625.94
EQUITY AND LIABILITIES			
1 Equity			
a. Equity share capital	19	21,759.06	21,759.06
b. Other equity	20	1,25,567.56	1,34,937.60
Total Equity		1,47,326.62	1,56,696.66
Liabilities			
2 Non-current liabilities			
a. Financial liabilities			
i. Borrowings	21	49,505.35	82,279.32
ii. Other financial liabilities	22	17,169.34	8,770.15
b. Provisions	23	492.92	440.19
c. Other non-current liabilities	24	834.26	1,026.50
Total non-current liabilities		68,001.87	92,516.16
3 Current liabilities			
a. Financial liabilities			
i. Borrowings	25	39,202.78	38,356.61
ii. Trade Payables	26		
- Total outstanding dues of micro enterprises and small enterprises		117.69	148.51
- Total outstanding dues of creditors other than micro enterprises and small enterprises		75,949.94	70,910.50
iii. Other financial liabilities	22	91,636.26	95,931.25
b. Provisions	23	14.84	15.03
c. Other current liabilities	24	2,09,300.54	2,48,051.22
Total current liabilities		4,16,222.05	4,53,413.12
Total liabilities		4,84,223.92	5,45,929.28
Total equity and liabilities		6,31,550.54	7,02,625.94

See accompanying notes to the financial statements

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In terms of our report attached

For S. N. Dhawan & Co. LLP

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/-

M. C. Jain

Group Chief Financial Officer

Sd/-

Sanjeev Kumar Jain

Managing Director & CEO

(DIN 00333881)

Sd/-

V. Mohan

Company Secretary

Place: Delhi

Date: 17 July, 2020

Place: Delhi

Date: 17 July, 2020

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2020

(₹ in Lakhs)

	Notes	Year ended 31 March 2020	Year ended 31 March 2019
I. Revenue from operations	27	1,11,598.33	82,117.99
II. Other income	28	12,179.72	1,239.31
III. Total income (I + II)		1,23,778.05	83,357.30
IV. Expenses			
a. Cost of land / development rights		7,044.78	5,915.37
b. Cost of materials consumed	29	725.36	841.34
c. Purchases of stock-in-trade		-	49.50
d. Contract cost, labour and other charges		2,037.00	6,260.54
e. Changes in inventories of finished goods and work-in-progress	30	85,085.33	72,823.03
f. Employee benefits expense	31	2,045.81	2,497.28
g. Finance costs	32	26,792.73	16,372.15
h. Depreciation and amortisation expense	33	450.42	943.83
i. Other expenses	34	11,309.12	4,752.81
Total expenses (IV)		1,35,490.55	1,10,455.85
V. Profit/(loss) before tax (III-IV)		(11,712.50)	(27,098.55)
VI. Tax expense/(benefit):	35		
a. Current tax		-	-
b. Tax adjustment for earlier years		-	1,537.82
c. Deferred tax		(2,400.84)	(4,356.57)
		(2,400.84)	(2,818.75)
VII. Profit/(loss) for the year (V - VI)		(9,311.66)	(24,279.80)
VIII. Other comprehensive income			
A (i) Items that will not be reclassified to profit or loss			
a) Remeasurements of the defined benefit plans		(53.46)	(36.29)
(ii) Income tax relating to items that will not be reclassified to profit or loss	35	4.92	(9.44)
Total other comprehensive income [A(i-ii)]		(58.38)	(26.85)
IX. Total comprehensive income for the year (VII + VIII)		(9,370.04)	(24,306.65)
X. Earnings per equity share (face value ₹ 5 per share)	62		
a. Basic (in ₹)		(2.14)	(5.58)
b. Diluted (in ₹)		(2.14)	(5.58)

See accompanying notes to the financial statements

1-70

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

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

Place: Delhi
 Date: 17 July, 2020

For and on behalf of the Board of Directors

Sd/-
Pradeep Kumar Jain
 Chairman
 (DIN 00333486)

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

Place: Delhi
 Date: 17 July, 2020

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

Sd/-
V. Mohan
 Company Secretary

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2020

(₹ in Lakhs)

	Year ended 31-March-2020	Year ended 31-March-2019
A. Cash flow from operating activities		
Profit/(loss) before tax (including OCI)	(11,765.96)	(27,134.84)
Adjustments for:		
Depreciation and amortisation expense	450.42	943.83
Profit on sale of property, plant and equipment (net)	(51.81)	(89.43)
Profit on sale of non-current investments	(4,285.09)	-
Premium on redemption of non-current investment	(1,506.83)	-
Income upon maturity of Keyman Insurance Policy	(1,723.50)	-
Finance costs	26,792.73	16,372.15
Interest income	(4,489.07)	(1,121.31)
Excess provisions written back	(11.61)	(18.28)
Share of loss from joint venture	0.23	0.24
Operating profit/(loss) before working capital changes	3,409.51	(11,047.64)
Movement in working capital:		
Adjustments for (increase)/decrease in operating assets:		
Inventories	85,085.33	72,823.03
Trade receivables	871.87	(3,877.08)
Loans - non current	(283.04)	(950.66)
Loans - current	(2,922.62)	(2,978.85)
Other financial assets - non current	(7.27)	353.98
Other financial assets - current	635.00	(83.33)
Other assets - non current	554.14	1,166.32
Other assets - current	(66.16)	5,971.07
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	5,020.23	2,206.62
Other financial liabilities - non current	(2,599.38)	(1,704.91)
Other financial liabilities - current	(1,693.94)	(16,172.23)
Other liabilities - non current	(192.24)	415.41
Other liabilities - current	(38,750.68)	76,223.83
Provisions - non current	52.73	(73.55)
Provisions - current	(0.19)	(18.67)
Cash generated from/(used in) operations	49,113.29	1,22,253.34
Income taxes paid (net)	(490.05)	(451.65)
Net cash flow from/(used in) operating activities	(A) 48,623.24	1,21,801.69

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2020

(₹ in Lakhs)

		Year ended 31-March-2020	Year ended 31-March-2019
B. Cash flow from investing activities			
Payments for Property, Plant and Equipment, Investment Properties and intangible assets including under development		(5,529.75)	(8,905.95)
Proceeds from sale of Property, Plant and Equipment, intangible assets and investment property		79.52	164.18
Proceeds upon maturity of Keyman Insurance Policy		1,723.50	-
(Increase)/decrease in bank balances not considered as cash and cash equivalents			
- Placed during the year		(7,418.58)	(5,699.29)
- Matured during the year		7,695.73	5,701.43
Purchase of non-current investments			
- Subsidiaries		(2.00)	(10,089.38)
- Others		(4,039.71)	(28,855.03)
Redemption/sale of non-current investments			
- Subsidiaries		20,059.25	-
Interest received		10,254.07	1,810.96
Net cash flow from/(used in) investing activities	(B)	22,822.03	(45,873.08)
C. Cash flow from financing activities			
Interest paid		(31,525.74)	(44,945.65)
Proceeds from / (repayment of) working capital borrowings		(1,068.00)	(1,088.12)
Proceeds from other short-term borrowings		12,131.53	37,954.39
Repayment of other short-term borrowings		(10,217.36)	(35,244.75)
Proceeds from long-term borrowings		72,583.10	93,473.18
Repayment of long-term borrowings		(1,15,705.19)	(1,23,596.85)
Net cash flow from/(used in) financing activities	(C)	(73,801.66)	(73,447.80)
D. Net increase/(decrease) in Cash and cash equivalents	(A+B+C)	(2,356.39)	2,480.81
E. Cash and cash equivalents at the beginning of the year		2,944.51	463.70
F. Cash and cash equivalents at the end of the year		588.12	2,944.51

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

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

Place: Delhi
 Date: 17 July, 2020

For and on behalf of the Board of Directors

Sd/-
Pradeep Kumar Jain
 Chairman
 (DIN 00333486)

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

Place: Delhi
 Date: 17 July, 2020

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

Sd/-
V. Mohan
 Company Secretary

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2020

a. Equity Share Capital

(₹ in Lakhs)

	Amount
Balance as at 31 March, 2018	21,759.06
Changes in equity share capital during the year	-
Balance as at 31 March, 2019	21,759.06
Changes in equity share capital during the year	-
Balance as at 31 March, 2020	21,759.06

b. Other Equity

(₹ in Lakhs)

	Reserves and Surplus				Other Comprehensive Income Remeasurement of defined benefit plan	Total
	Securities premium	General Reserve	Debenture redemption reserve	Retained earnings		
Balance as at 31 March, 2018	1,40,711.41	7,960.00	9,527.50	64,141.20	33.36	2,22,373.47
Profit/(loss) for the year	-	-	-	(24,279.80)	-	(24,279.80)
Other comprehensive income for the year, net of income tax	-	-	-	-	(26.85)	(26.85)
Total comprehensive income for the year	-	-	-	(24,279.80)	(26.85)	(24,306.65)
Less: Adjustments due to adoption of IND AS-115 as at 01.04.2018 (see note 49)	-	-	-	63,129.22	-	63,129.22
Transferred from Debenture redemption reserve	-	-	-	6,785.30	-	6,785.30
Transferred to retained earnings	-	-	6,785.30	-	-	6,785.30
Balance as at 31 March, 2019	1,40,711.41	7,960.00	2,742.20	(16,482.52)	6.51	1,34,937.60
Profit/(loss) for the year	-	-	-	(9,311.66)	-	(9,311.66)
Other comprehensive income for the year, net of income tax	-	-	-	-	(58.38)	(58.38)
Total comprehensive income for the year	-	-	-	(9,311.66)	(58.38)	(9,370.04)
Balance as at 31 March, 2020	1,40,711.41	7,960.00	2,742.20	(25,794.18)	(51.87)	1,25,567.56

See accompanying notes to the financial statements

1-70

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

Sd/-
Vinesh Jain
 Partner
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Place: Delhi
 Date: 17 July, 2020

For and on behalf of the Board of Directors

Sd/-
Pradeep Kumar Jain
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 Sd/-
M. C. Jain
 Group Chief Financial Officer

Place: Delhi
 Date: 17 July, 2020

Sd/-
Sanjeev Kumar Jain
 Managing Director & CEO
 (DIN 00333881)
 Sd/-
V. Mohan
 Company Secretary

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

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 Parsvnath Tower, Near Shahdara Metro Station, Shahdara, Delhi - 110 032. 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'). The date of transition to Ind AS is 1 April, 2015.

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

2.2 Basis of measurement and presentation

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

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

Fair value is the price that would be received to sell an asset

or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

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

The principal accounting policies are set out below.

2.3 Revenue recognition

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

- i. Revenue from real estate projects – The Company derives revenue, primarily from sale of properties comprising of both commercial and residential units. Revenue from sale of constructed properties is recognised at a 'Point of Time', when the Company satisfies the performance obligations, which generally coincides with completion/ possession of the unit. To estimate the transaction price in a contract, the Company adjusts the contracted amount of consideration to the time value of money if the contract includes a significant financing component.
- ii. In case of joint development projects, wherein

land owner provides land and the Company acts as a developer and in lieu of land, the Company has agreed to transfer certain percentage of the revenue proceeds, the revenue is accounted on gross basis. In case, where, in lieu of the land, the Company has agreed to transfer certain percentage of constructed area, revenue is recognised in respect of Company's share of constructed area to the extent of Company's percentage share of the underlying real estate development project.

- iii. Revenue from sale of land without any significant development is recognised when the sale agreement is executed resulting in transfer of all significant risk and rewards of ownership and possession is handed over to the buyer. Revenue is recognised, when transfer of legal title to the buyer is not a condition precedent for transfer of significant risks and rewards of ownership to the buyer.
- iv. Revenue from sale of development rights is recognised when agreements are executed.
- v. Income from construction contracts is recognised by reference to the stage of completion of the contract activity at the reporting date of the financial statements. The related costs there against are charged to the Statement of Profit and Loss. The stage of completion of the contract is measured by reference to the proportion that contract cost incurred for work performed up to the reporting date bears to the estimated total contract cost for each contract. When the outcome of a construction contract cannot be estimated reliably, contract revenue is recognised to the extent of contract costs incurred that it is probable will be recoverable. When it is probable that total contract costs will exceed total contract revenue, the expected loss is recognised as an expense immediately.
- vi. The revenue on account of interest on delayed payment by customers and expenditure on account of compensation / penalty for project delays are accounted for at the time of acceptance / settlement with the customers due

to uncertainties with regard to determination of amount receivable / payable.

- vii. Income from licence fee is recognised on accrual basis in accordance with the terms of agreement with the sub-licensees.
- viii. Income from rent is recognised on accrual basis in accordance with the terms of agreement with the lessee.
- ix. Income from maintenance charges is recognised on accrual basis.
- x. Interest income on bank deposits is recognised on accrual basis on a time proportion basis. Interest income on other financial instruments is recognised using the effective interest rate method.

2.4 Leasing

Ind AS 116

The company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

As a lessee

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

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

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

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

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

Short-term leases and leases of low-value assets

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

As lessor

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

Under Ind AS 17

Leases were 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 were classified as operating leases.

As lessee

Payments for operating leases were recognised in the Statement of Profit and Loss on a straight-line basis over

the term of the relevant lease. Where the lease payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, lease expense were recognised as per the contractual terms. Contingent rentals arising under operating leases were 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. 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 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 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 reliable 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 reliable 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-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 Cost of revenue

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

2.18 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 in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the equity investment is held for

trading. These elected investments are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognised in other comprehensive income and accumulated in the 'Reserve for equity instruments through other comprehensive income'. The cumulative gain or loss is not reclassified to profit or loss on disposal of the investments.

A financial asset is held for trading if:

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

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

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

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

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

the investment and the amount of dividend can be measured reliably.

Impairment of financial assets

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

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

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

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

When making the assessment of whether there has been a

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

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

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

Derecognition of financial assets

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

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, may be designated as at FVTPL upon initial recognition if:

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

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

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

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

Financial liabilities subsequently measured at amortised cost

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

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

Financial guarantee contracts

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. 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.

3.1 Revenue recognition

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

3.2 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. The effect of changes is recognised in the financial statements during the period in which such changes are determined.

3.3 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 audit committee and the board of directors of the Company.

3.4 Valuation of investments in subsidiaries

Investments in subsidiaries are carried at cost. The management estimates the indicators of impairment of such

investments. This requires assessment of key assumptions used in calculation of cash flows, sale price, discount rate etc., which may effect the estimation of impairment in value of investments.

3.5 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

4. RECENT ACCOUNTING PRONOUNCEMENTS

Amendments to existing Standards

Ministry of Corporate Affairs has carried out amendments of the following accounting standards, which will be effective in subsequent period:

- a. Ind AS 103 – Business Combination
- b. Ind AS 1, Presentation of Financial Statements and Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors
- c. Ind AS 40 – Investment Property

The Company is in the process of evaluating the impact of the new amendments issued but not yet effective.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH, 2020

5 Property, plant and equipment

(₹ in Lakhs)

	As at 31 March 2020	As at 31 March 2019
Carrying amounts of :		
Land and building		
i. Own use	11.90	12.22
ii. Given under operating lease	35.12	39.13
Plant and equipment	0.77	1.03
Furniture and fixture	0.29	1.51
Vehicles	173.81	270.64
Office equipment	5.28	9.95
Computers	0.58	1.32
	227.75	335.80

(₹ 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 31 March, 2018	75.94	55.09	115.05	0.97	83.14	741.33	43.63	11.72	1,126.87
Additions	-	-	-	-	-	-	4.63	0.09	4.72
Disposals	62.47	-	-	-	-	44.09	-	-	106.56
Balance as at 31 March, 2019	13.47	55.09	115.05	0.97	83.14	697.24	48.26	11.81	1,025.03
Additions	-	-	-	-	-	0.72	0.28	0.76	1.76
Disposals	-	-	-	-	-	1.37	-	-	1.37
Balance as at 31 March, 2020	13.47	55.09	115.05	0.97	83.14	696.59	48.54	12.57	1,025.42
Accumulated depreciation :									
Balance as at 31 March, 2018	4.69	11.97	113.38	0.97	79.96	353.06	33.24	8.44	605.71
Depreciation expense	1.00	3.99	0.64	-	1.67	100.91	5.07	2.05	115.33
Elimination on disposals of assets	4.44	-	-	-	-	27.37	-	-	31.81
Balance as at 31 March, 2019	1.25	15.96	114.02	0.97	81.63	426.60	38.31	10.49	689.23
Depreciation expense	0.32	4.01	0.26	-	1.22	97.55	4.95	1.50	109.81
Elimination on disposals of assets	-	-	-	-	-	1.37	-	-	1.37
Balance as at 31 March, 2020	1.57	19.97	114.28	0.97	82.85	522.78	43.26	11.99	797.67
Carrying amount :									
Balance as at 31 March, 2018	71.25	43.12	1.67	-	3.18	388.27	10.39	3.28	521.16
Additions	-	-	-	-	-	-	4.63	0.09	4.72
Disposals	58.03	-	-	-	-	16.72	-	-	74.75
Depreciation expense	1.00	3.99	0.64	-	1.67	100.91	5.07	2.05	115.33
Balance as at 31 March, 2019	12.22	39.13	1.03	-	1.51	270.64	9.95	1.32	335.80
Additions	-	-	-	-	-	0.72	0.28	0.76	1.76
Disposals	-	-	-	-	-	-	-	-	-
Depreciation expense	0.32	4.01	0.26	-	1.22	97.55	4.95	1.50	109.81
Balance as at 31 March, 2020	11.90	35.12	0.77	-	0.29	173.81	5.28	0.58	227.75

Note:

- i. For details of assets charges as security, refer note 21 and 25

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH, 2020

6 Right of use assets

(₹ in Lakhs)

Particulars	Right of use assets	Right of use assets under development	Total
Amount recognised due to adoption of Ind AS-116 as at 01 April, 2019	1,542.64	10,484.69	12,027.33
Additions (Net)	14.36	-	14.36
Balance as at 31 March, 2020	1,557.00	10,484.69	12,041.69
Accumulated amortisation			
Balance as at 31 March, 2019	-	-	-
Amortisation expense during the year	191.87	478.40	670.27
Balance as at 31 March, 2020	191.87	478.40	670.27
Carrying amount			
Amount recognised due to adoption of Ind AS-116 as at 01 April, 2019	1,542.64	10,484.69	12,027.33
Additions (Net)	14.36	-	14.36
Amortisation expense	191.87	478.40	670.27
Balance as at 31 March, 2020	1,365.13	10,006.29	11,371.42

Notes:

a. Right of use assets

Right of use assets is lease liability measured at cost, which comprises initial amount of lease liability adjusted for lease payments made at or before the commencement date of 01 April, 2019 (see note 2)

b. Amortisation of Right of use assets under development is capitalised in 'Intangible assets under development'.

7 Investment property

(₹ in Lakhs)

	As at 31 March 2020	As at 31 March 2019
Freehold land	32.81	32.81
Buildings	1,486.12	1,543.95
Completed investment properties	1,518.93	1,576.76

(₹ in Lakhs)

	Freehold land		Buildings		Total	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Cost or deemed Cost						
Balance at the beginning of the year	32.81	32.81	1,665.76	1,665.76	1,698.57	1,698.57
Additions	-	-	-	-	-	-
Disposals	-	-	30.28	-	30.28	-
Balance at the end of the year	32.81	32.81	1,635.48	1,665.76	1,668.29	1,698.57
Accumulated depreciation						
Balance at the beginning of the year	-	-	121.81	91.38	121.81	91.38
Additions	-	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH, 2020

(₹ in Lakhs)

	Freehold land		Buildings		Total	
	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019	As at 31 March 2020	As at 31 March 2019
Disposals	-	-	2.57	-	2.57	-
Depreciation expense	-	-	30.12	30.43	30.12	30.43
Balance at the end of the year	-	-	149.36	121.81	149.36	121.81
Carrying amount						
Balance at the beginning of the year	32.81	32.81	1,543.95	1,574.38	1,576.76	1,607.19
Additions	-	-	-	-	-	-
Disposals	-	-	27.71	-	27.71	-
Depreciation expense	-	-	30.12	30.43	30.12	30.43
Balance at the end of the year	32.81	32.81	1,486.12	1,543.95	1,518.93	1,576.76

Fair Value of the Company's investment properties

The investment properties consist of 73 No's commercial properties in India.

As at 31 March, 2020 and 31 March, 2019, the fair values of the properties are ₹ 2,944.64 lakhs and ₹ 3,070.46 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 31 March, 2020 and 31 March, 2019 are as follows:

(₹ in Lakhs)

	Level 2	Level 3	As at 31 March 2020
Commercial Properties located in India	-	2,944.64	2,944.64
Total	-	2,944.64	2,944.64

(₹ in Lakhs)

	Level 2	Level 3	As at 31 March 2019
Commercial Properties located in India	-	3,070.46	3,070.46
Total	-	3,070.46	3,070.46

8 Other intangible assets

(₹ in Lakhs)

	As at 31 March 2020	As at 31 March 2019
Carrying amounts of :		
Assets on Build-operate-transfer (BOT) basis	1,863.84	1,982.46
Total	1,863.84	1,982.46
Intangible assets under development	45,399.94	39,407.91
Total	45,399.94	39,407.91

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH, 2020

(₹ in Lakhs)

	Assets on BOT basis		
	Own use	Given under operating lease	Total
Deemed cost			
Balance as at 31 March, 2018	-	17,217.37	17,217.37
Additions from internal developments	-	4,626.58	4,626.58
Disposals	-	-	-
Transferred to Assets held for sale	-	19,395.62	19,395.62
Balance as at 31 March, 2019	-	2,448.33	2,448.33
Additions from internal developments	-	-	-
Disposals	-	-	-
Balance as at 31 March, 2020	-	2,448.33	2,448.33
Accumulated amortisation			
Balance as at 31 March, 2018	-	2,163.89	2,163.89
Amortisation expense	-	798.07	798.07
Disposal	-	-	-
Transferred to Assets held for sale	-	2,496.09	2,496.09
Balance as at 31 March, 2019	-	465.87	465.87
Amortisation expense	-	118.62	118.62
Disposal	-	-	-
Balance as at 31 March, 2020	-	584.49	584.49
Carrying amount			
Balance as at 31 March, 2018	-	15,053.48	15,053.48
Additions from internal developments	-	4,626.58	4,626.58
Amortisation expense	-	798.07	798.07
Disposals	-	-	-
Transferred to Assets held for sale	-	16,899.53	16,899.53
Balance as at 31 March, 2019	-	1,982.46	1,982.46
Additions from internal developments	-	-	-
Amortisation expense	-	118.62	118.62
Disposals	-	-	-
Balance as at 31 March, 2020	-	1,863.84	1,863.84

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH, 2020

	(₹ in Lakhs)
	Intangible assets under development
Balance as at 31 March, 2018	59,788.56
Additions from internal developments	4,274.65
Disposals	-
Transferred to Assets held for sale	24,655.30
Balance as at 31 March, 2019	39,407.91
Additions from internal developments	5,992.03
Disposals	-
Balance as at 31 March, 2020	45,399.94

Notes:

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 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'

9 Investments - Non current (Unquoted)

	As at 31 March 2020	As at 31 March 2019
	(₹ in Lakhs)	
A. Investments carried at cost		
i. Subsidiaries		
a. Equity instruments	25,828.12	27,528.65
b. Preference shares	9,683.40	9,683.40
c. Debentures/bonds	10,926.72	23,489.92
Total - subsidiaries	46,438.24	60,701.97
ii. Joint venture	813.50	813.73
iii. Associates	290.00	291.60
B. Investments at fair value through profit and loss		
i. Other entities		
a. Equity instruments	1,048.25	1,048.25
C. Investments carried at amortised cost		
i. Other entities		
a. Debentures/bonds	32,894.74	28,855.03
	81,484.73	91,710.58

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH, 2020

Details of investments:

	As at 31 March 2020		As at 31 March 2019	
	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	27,20,101	6,165.05
b. Parsvnath Landmark Developers Private Limited [§] Class 'B' Equity Shares of ₹ 10 each fully paid-up	5,61,951	1,432.98	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
d. Parsvnath Film City Limited Equity Shares of ₹ 10 each fully paid-up	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
f. Parsvnath Hotels Limited Equity Shares of ₹ 10 each fully paid-up	54,00,000	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
h. Parsvnath Developers Pte. Limited Equity Shares of SGD 1 each fully paid-up	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
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
k. Parsvnath Promoters and Developers Private Limited * Equity Shares of ₹ 10 each fully paid-up	16,136	167.81	169,326	1,657.99
Less: Provision for diminution in value of investments	-	109.95	-	-
		57.86		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
m. Parsvnath Estate Developers Private Limited @ Class 'B' Equity Shares of ₹ 10 each fully paid-up	12,25,000	121.40	12,25,000	121.40
n. Parsvnath Buildwell Private Limited Class 'A' Equity Shares of ₹ 10 each fully paid-up	9,91,000	60.39	9,91,000	60.39
o. Parsvnath Buildwell Private Limited Class 'B' Equity Shares of ₹ 10 each fully paid-up	1,00,000	224.96	1,00,000	224.96

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH, 2020

	As at 31 March 2020		As at 31 March 2019	
	Qty.	₹ in Lakhs	Qty.	₹ in Lakhs
p. Parsvnath Buildwell Private Limited Class 'C' Equity Shares of ₹ 10 each fully paid-up	90,000	180.00	90,000	180.00
q. Parsvnath Rail Land Project Private Limited #€ Equity Shares of ₹ 10 each fully paid-up	1,20,000	1,145.00	1,20,000	1,145.00
r. Parsvnath HB Projects Private Limited Equity Shares of ₹ 10 each fully paid-up	25,000	2.50	25,000	2.50
s. Parsvnath Realty Ventures Limited @ Equity Shares of ₹ 10 each fully paid-up	50,000	5.00	50,000	5.00
t. Vasavi PDL Ventures Private Limited Equity Shares of ₹ 10 each fully paid-up	25,500	2.55	25,500	2.55
u. Farhad Realtors Private Limited Equity Shares of ₹ 10 each fully paid-up	10,000	1.00	10,000	1.00
v. Jarul Promoters & Developers Private Limited @ Equity Shares of ₹ 10 each fully paid-up	1,00,000	10.00	1,00,000	10.00
w. Suksma Buildtech Private Limited Equity Shares of ₹ 10 each fully paid-up	10,000	1.00	10,000	1.00
x. Parsvnath Realcon Private Limited Equity Shares of ₹ 10 each fully paid-up	10,000	1.00	-	-
y. Snigdha Buildwell Private Limited Equity Shares of ₹ 10 each fully paid-up	10,000	1.00	-	-
z. Vardaan Buildtech Private Limited % Equity Shares of ₹ 10 each fully paid-up	16,000	1.60	-	-
		25,828.12		27,528.65
B. Investments carried at cost - Subsidiaries				
(I) Preference shares				
a. Parsvnath Buildwell Private Limited 0.000001% Optionally Convertible Preference Shares of ₹ 100 each fully paid-up	4,84,170	9,683.40	4,84,170	9,683.40
		9,683.40		9,683.40
(II) Debentures				
a. Parsvnath Promoters and Developers Private Limited 16.00% Optionally convertible Debentures of ₹ 10 each fully paid-up	-	-	9,34,30,096	9,343.01
b. Parsvnath Buildwell Private Limited 15.50% Series A fully Convertible Debentures of ₹100 each fully paid up	87,51,000	9,843.13	87,51,000	9,843.13

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH, 2020

	As at 31 March 2020		As at 31 March 2019	
	Qty.	₹ in Lakhs	Qty.	₹ in Lakhs
c. Parsvnath Buildwell Private Limited 15.50% series B Fully Convertible Debentures of ₹ 100 each fully paid-up	10,83,593	1,083.59	10,83,593	1,083.59
d. Parsvnath Rail Land Project Private Limited # 17.50% Series 'B' Optionally convertible Debentures of ₹ 1040 each fully paid-up	-	-	309,634	3,220.19
		10,926.72		23,489.92
C. Investments carried at cost - Joint Venture				
(I) Association of Persons (AOP)				
a. Ratan Parsvnath Developers (AOP)		813.50		813.73
		813.50		813.73
D. Investments carried at cost - Associates				
(I) Equity instruments				
a. Amazon India Limited Equity Shares of ₹ 10 each fully paid-up	25,000	212.50	25,000	212.50
b. Home Life Real Estate Private Limited Equity Shares of ₹ 10 each fully paid-up	7,75,000	77.50	7,75,000	77.50
c. Vardaan Buildtech Private Limited Equity Shares of ₹ 10 each fully paid-up	-	-	16,000	1.60
		290.00		291.60
E. Investments at fair value through profit and loss - Other entities				
(I) Equity instruments				
a. Delhi Stock Exchange Limited Equity Shares of ₹ 1 each fully paid-up	14,96,500	1,047.55	14,96,500	1,047.55
b. Nakshatra Residency Private Limited Equity Shares of ₹ 10 each fully paid-up	5,000	0.50	5,000	0.50
c. Aadi Best Consortium Private Limited Equity Shares of ₹ 10 each fully paid-up	1,000	0.10	1,000	0.10
d. Riya Garments Private Limited Equity Shares of ₹ 10 each fully paid-up	1,000	0.10	1,000	0.10
		1,048.25		1,048.25

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH, 2020

	As at 31 March 2020		As at 31 March 2019	
	Qty.	₹ in Lakhs	Qty.	₹ in Lakhs
F. Investments carried at amortised cost - Other entities				
(I) Debentures				
a. Fortune Assets Private Limited	37,500	32,894.74	37,500	28,855.03
0.01% Optionally convertible Debentures of ₹ 1,00,000 each fully paid-up				
		32,894.74		28,855.03
TOTAL INVESTMENTS CARRYING VALUE (A+B+C+D+E+F)		81,484.73		91,710.58
Aggregate book value of quoted investments		-		-
Aggregate market value of quoted investments		-		-
Aggregate carrying value of unquoted investments		81,484.73		91,710.58

* 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.

% Vardaan Buildtech Private Limited is subsidiary as per Ind AS 110.

@ 49% of the Equity Shares are pledged with non-banking financial companies / debenture trustees towards securities against loans taken / debentures issued.

€ 71,916 shares out of 1,20,000 are pledged as a security for Term Loan from NBFC.

\$ The securities have been pledged with 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 2020	As at 31 March 2019
A	SUBSIDIARIES					
1	Parsvnath Landmark Developers Private Limited	Real estate	Delhi	Delhi	100%	100%
2	Parsvnath Infra Limited	Infrastructure	Delhi	Pan India	94.87%	94.87%
3	Parsvnath Hotels Limited	Hotel	Delhi	Shirdi	100%	100%
4	Parsvnath Hessa Developers Private Limited	Real estate	Delhi	Gurgaon	100%	100%
5	Parsvnath Estate Developers Private Limited	Real estate - Leasing	Delhi	Delhi	100%	100%
6	Parsvnath Promoters & Developers Private Limited #	Real estate	Delhi	Delhi	4.86%	51%
7	Parsvnath Film City Limited	Non-operative	Delhi	N.A.	100%	100%
8	Parsvnath Telecom Private Limited	Non-operative	Delhi	N.A.	-	100%

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH, 2020

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 2020	As at 31 March 2019
9	PDL Assets Limited	Real estate - Leasing	Delhi	N.A.	100%	100%
10	Primetime Realtors Private Limited	Real estate	Delhi	Delhi	-	100%
11	Parsvnath Buildwell Private Limited	Real estate	Delhi	Ghaziabad	99.83% / 99.10%	99.83% / 99.10%
12	Parsvnath Rail Land Project Private Limited *	Real estate	Delhi	Delhi	28.30% / 85.10%	28.30% / 85.10%
13	Parsvnath HB Projects Private Limited	Real estate	Delhi	Mohali	51%	51%
14	Parsvnath Realty Ventures Limited	Real estate - Leasing	Delhi	Delhi	100%	100%
15	Vasavi PDL Ventures Private Limited	Real estate	Hyderabad	Hyderabad	51%	51%
16	Parsvnath Developers Pte. Limited	Non-operative	Singapore	Singapore	53.32%	53.32%
17	Farhad Realtors Private Limited	Real estate	Delhi	Delhi	100%	100%
18	Suksma Buildtech Private Limited	Real estate - Leasing	Delhi	Delhi	100%	100%
19	Jarul Promoters and Developers Private Limited	Real estate - Leasing	Delhi	Delhi	100%	100%
20	Snigdha Buildwell Private Limited	Real estate	Delhi	Delhi	100%	-
21	Parsvnath Realcon Private Limited	Real estate	Delhi	Delhi	100%	-
22	Vardaan Buildtech Private Limited %	Non-operative	Delhi	N.A.	33.33%	-
B. STEP DOWN SUBSIDIARIES (Ownership interest of holding company)						
1	Parsvnath MIDC Pharma SEZ Private Limited (Subsidiary of Parsvnath Infra Limited)	Real estate	Maharashtra	N.A.	94.87%	94.87%
2	Parsvnath Realcon Private Limited (Subsidiary of Parsvnath Buildwell Private Limited)	Real estate	Delhi	Delhi	-	99.10%
3	Generous Buildwell Private Limited (Subsidiary of Snigdha Buildwell Private Limited)	Real estate	Delhi	Delhi/Sonipat	100%	-
4	Evergreen Realtors Private Limited (Subsidiary of Snigdha Buildwell Private Limited)	Real estate	Delhi	Sonipat	100%	-
C. JOINT VENTURES						
1	Ratan Parsvnath Developers (AOP)	Real estate	Delhi	Kanpur	50%	50%
D. ASSOCIATES						
1	Amazon India Limited	Non-operative	Delhi	N.A.	48.30%	48.30%
2	Home Life Real Estate Private Limited	Non-operative	Chandigarh	N.A.	50.00%	50.00%
3	Vardaan Buildtech Private Limited	Non-operative	Delhi	N.A.	-	33.33%

Parsvnath Promoters and Developers Private Limited is a subsidiary in terms of Section 2(87)(ii) of the Companies Act, 2013, since 51% of the equity capital is held by Parsvnath Developers Limited together with Parsvnath Rail Land Project Private Limited, a subsidiary of Parsvnath Developers Limited, which is holding 46.14% shares w.e.f. 03 March, 2020.

* Parsvnath Rail Land Project Private Limited is considered as a subsidiary on the basis of voting power in the said company.

% Vardaan Buildtech Private Limited is subsidiary as per Ind AS 110.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH, 2020

10 Loans

(₹ in Lakhs)

	As at 31 March 2020	As at 31 March 2019
I. Non-Current		
(unsecured, considered good)		
a. Loans to related parties	12,610.41	12,327.37
	12,610.41	12,327.37
II. Current		
(unsecured, considered good)		
a. Loans to related parties	7,235.66	4,312.76
b. Loans and advances to employees	17.76	18.04
	7,253.42	4,330.80

11 Other financial assets

(₹ in Lakhs)

	As at 31 March 2020	As at 31 March 2019
I. Non-Current		
a. Security deposits	1,750.46	1,743.19
	1,750.46	1,743.19
II. Current		
a. Security deposits	1,107.30	1,096.59
b. Interest receivables:		
i. Interest accrued on deposits with banks	138.19	136.77
ii. Interest accrued on investments	-	5,766.42
c. Receivables on sale of Investments	1,333.64	1,450.00
d. Other receivables (refer note 43)	14,422.06	14,951.41
	17,001.19	23,401.19

12 Deferred tax assets (Net)

(₹ in Lakhs)

	As at 31 March 2020	As at 31 March 2019
Deferred tax assets	14,464.83	12,040.67
Deferred tax liabilities	277.54	249.30
Net deferred tax assets (a)	14,187.29	11,791.37
Mat credit entitlement (b)	2,601.08	2,601.08
Total Deferred Tax Assets (a+b)	16,788.37	14,392.45

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH, 2020

(₹ in Lakhs)

Year ended 31 March, 2020	Opening Balance	Recognised in Profit or loss	Recognised in other comprehensive Income	Closing balance
Deferred tax assets/(liabilities) in relation to:				
Property, plant and equipment	(249.30)	(28.24)	-	(277.54)
Defined benefit obligation	186.30	23.50	(4.92)	204.88
Disallowances under Income Tax Act	4,991.10	2,368.09	-	7,359.19
	4,928.10	2,363.35	(4.92)	7,286.53
Unabsorbed depreciation and tax losses	6,863.27	37.49	-	6,900.76
	11,791.37	2,400.84	(4.92)	14,187.29

(₹ in Lakhs)

Year ended 31 March, 2019	Opening Balance	Recognised in Profit or loss	Recognised in other comprehensive Income	Closing balance
Deferred tax assets/(liabilities) in relation to:				
Property, Plant and equipment	(232.02)	(17.28)	-	(249.30)
Defined benefit obligation	223.03	(46.16)	9.44	186.30
Disallowances under Income Tax Act	2,669.94	2,321.16	-	4,991.10
	2,660.95	2,257.72	9.44	4,928.10
Unabsorbed depreciation and tax losses	4,764.42	2,098.85	-	6,863.27
	7,425.37	4,356.57	9.44	11,791.37

Notes:

- 1 The Company has tax losses of ₹ 26,541.34 lakhs (31 March, 2019 - ₹ 26,397.19 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	4,358.98
Year ending 31 March, 2024	1,002.37
Year ending 31 March, 2026	4,076.06
Year ending 31 March, 2027	8,545.70
Year ending 31 March, 2028	8,558.23
	26,541.34

- 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 24 of the financial statements. Revenue in respect of such sale agreements will get recognised in future years on completion of projects. 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 and approved by the board of directors.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH, 2020

13 Other assets

	(₹ in Lakhs)	
	As at 31 March 2020	As at 31 March 2019
I Non-Current		
a. Advances for land purchase to related parties	13,481.36	13,641.56
b. Advances for land purchase to others	365.21	62.80
c. Upfront fee paid for projects (Unamortised)	11,429.63	12,120.06
d. Prepaid expenses	174.72	180.64
	25,450.92	26,005.06
II Current		
a. Advances for land purchase to others	2,903.93	2,781.24
b. Prepaid expenses	1,718.67	1,513.88
c. Input Tax Credit receivables	2,121.48	2,830.03
d. Advances to suppliers	5,197.43	4,750.20
	11,941.51	11,875.35

14 Inventories

	(₹ in Lakhs)	
	As at 31 March 2020	As at 31 March 2019
Inventories (lower of cost and net realisable value)		
a. Work-in-progress	3,14,603.44	3,88,217.58
b. Finished flats/properties	7,244.04	7,263.91
	3,21,847.48	3,95,481.49

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:

	(₹ in Lakhs)	
	As at 31 March 2020	As at 31 March 2019
Less than 12 months	35,000.00	95,000.00
More than 12 months	2,86,847.48	3,00,481.49
	3,21,847.48	3,95,481.49

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH, 2020

15 Trade receivables

	(₹ in Lakhs)	
	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good		
Trade receivables (see note 47)	26,052.60	26,924.47
	26,052.60	26,924.47

Notes:

- The average credit period is 30 to 45 days. For payments, beyond credit period, interest is charged as per the terms of Agreement with Buyers.
- 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 expect any credit losses.

16 Cash and cash equivalents

	(₹ in Lakhs)	
	As at 31 March 2020	As at 31 March 2019
a. Balances with banks:-		
i. In current accounts	575.05	2,928.88
b. Cash on hand	13.07	15.63
	588.12	2,944.51

17 Bank balances, other than Cash and cash equivalents

	(₹ in Lakhs)	
	As at 31 March 2020	As at 31 March 2019
a. Deposits with banks held as margin money or security against borrowings or guarantees	5,316.65	5,593.80
	5,316.65	5,593.80

18 Tax assets and liabilities (Net)

	(₹ in Lakhs)	
	As at 31 March 2020	As at 31 March 2019
I. Tax assets		
Tax refund receivables	1,527.97	1,037.92
	1,527.97	1,037.92
II. Tax liabilities		
Tax payable/provision	-	-
	-	-

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH, 2020

19 Equity share capital

		As at 31 March 2020		As at 31 March 2019	
		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
ii.	Preference shares of ₹ 10 each	5,00,00,000	5,000.00	5,00,00,000	5,000.00
		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

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:

	Number of Shares	Share Capital ₹ in lakhs
Balance as at 31 March, 2018	4,35,181,170	21,759.06
Movements during the year	-	-
Balance as at 31 March, 2019	4,35,181,170	21,759.06
Movements during the year	-	-
Balance as at 31 March, 2020	4,35,181,170	21,759.06

(iii) Details of shares held by each shareholder holding more than 5% of total share capital:

		As at 31 March 2020		As at 31 March 2019	
		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	11,75,54,683	27.01	10,31,12,436	23.69
ii.	Pradeep Kumar Jain & Sons (HUF)	8,96,32,571	20.60	8,96,32,571	20.60
iii.	Parasnath And Associates Private Limited	4,71,86,992	10.84	4,71,86,992	10.84
iv.	Nutan Jain	4,48,55,111	10.31	4,21,59,644	9.69

(iv) The Company has not issued any preference share capital.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH, 2020

20 Other equity

	As at 31 March 2020	As at 31 March 2019
		(₹ in Lakhs)
General Reserve	7,960.00	7,960.00
Securities premium	1,40,711.41	1,40,711.41
Debenture redemption reserve	2,742.20	2,742.20
Retained earnings	(25,794.18)	(16,482.52)
Other comprehensive income	(51.87)	6.51
	1,25,567.56	1,34,937.60
General Reserve		
Balance at the beginning of the year	7,960.00	7,960.00
Balance at the end of the year	7,960.00	7,960.00
Securities premium		
Balance at the beginning of the year	1,40,711.41	1,40,711.41
Balance at the end of the year	1,40,711.41	1,40,711.41
Debenture Redemption Reserve		
Balance at the beginning of the year	2,742.20	9,527.50
Less: Transferred to retained earnings	-	6,785.30
Balance at the end of the year	2,742.20	2,742.20
Retained earnings		
Balance at the beginning of the year	(16,482.52)	64,141.20
Less: Adjustments due to adoption of Ind AS-115 as at 01 April, 2018 (see note 49)	-	63,129.22
Add: Profit/(loss) for the year	(9,311.66)	(24,279.80)
Add: Transferred from Debenture Redemption Reserve	-	6,785.30
Balance at the end of the year	(25,794.18)	(16,482.52)
Other comprehensive income		
Balance at the beginning of the year	6.51	33.36
Add: Remeasurement of defined benefit obligation (net of income tax)	(58.38)	(26.85)
	(51.87)	6.51

Nature and purpose of reserves:

- General reserve - The Company has transferred a part of the net profit of the Company to general reserve in earlier years.
- Securities premium - The amount received in excess of the face value of the equity shares issued by the Company is recognised in securities premium.
- Debenture redemption reserve - The company 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. Pursuant to Notification G.S.R. 574(E) dated 16 August, 2019 issued by the Ministry of Corporate Affairs, no further debenture redemption reserve has been created.
- Retained earnings - Retained earnings are profits/(losses) of the Company earned till date less transferred to general reserve and debenture redemption reserve.

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH, 2020

21 Non-current borrowings

(₹ in Lakhs)

	As at 31 March 2020		As at 31 March 2019	
	Non Current	Current	Non Current	Current
Secured - at amortised cost				
(i) Debentures				
13.00% Non-convertible redeemable debentures (Series XIV)	-	8,875.00	-	8,873.14
19.00% Non-convertible redeemable debentures (Series XVI)	940.22	1,253.62	1,794.70	299.12
	940.22	10,128.62	1,794.70	9,172.26
(ii) Term loans				
from financial institutions / other parties	48,565.13	43,442.05	80,484.62	54,746.53
Total non-current borrowings	49,505.35	53,570.67	82,279.32	63,918.79
Less: Amount disclosed under "other financial liabilities" (refer Note 22 (ii))	-	53,570.67	-	63,918.79
	49,505.35	-	82,279.32	-

Summary of Borrowings arrangements

(i) The terms of borrowings are stated below:

(₹ in Lakhs)

Security details	As at 31 March 2020	As at 31 March 2019	Rate of Interest (%)
Debentures :			
a. 13% NCDs of ₹ 35,500 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 promoters group (b) first charge by way of mortgage over a land at Dharuhera and Rahukhedi Indore (c) first charge by way of mortgage over land at Jodhpur (d) second charge on receivables of DMRC project at Shahdara metro station, and (e) Personal guarantee of Chairman. These NCDs are redeemable in 4 quarterly modified instalments commencing from July, 2018.	8,875.00	8,875.00	13.00%
b. 19% NCDs of ₹ 1,094 lakhs, ₹ 900 lakhs, ₹ 225 lakhs and ₹ 100.02 lakhs were issued during the years ended 31 March 2017, 31 March, 2018, 31 March, 2019 and 31 March, 2020 respectively. The NCDs are secured by (a) 1 st 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 modified instalments commencing from April, 2018.	2,193.84	2,093.82	19.00%
c. Ind AS Adjustments	-	(1.86)	-
	11,068.84	10,966.96	-

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH, 2020

Security details	(₹ in Lakhs)		
	As at 31 March 2020	As at 31 March 2019	Rate of Interest (%)
Term Loans :			
a. Term Loan from a non-banking finance company is secured by (a) mortgage & escrow of receivables of (1) project land at Sonapat, (2) project land at Kurukshetra, (3) development rights of group housing project at Gurgaon, and mortgage of all unsold units of the project by the company, Parsvnath Hessa Developers Private Limited and Parsvnath Sharmistha Realtors Pvt. Ltd, (b) corporate guarantee of land owning companies, and (c) personal guarantee of Chairman. The term loan is repayable in quarterly instalments commencing from November, 2018.	5,250.00	5,250.00	14.00%
b. Term loan from a financial institution is secured by mortgage of a project land parcel at Indore, charge on receivables of project at 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	13.50%
c. Term loan from a non-banking finance company is secured by (1) mortgage of (a) Land at Delhi, (b) Commercial land at Derrabassi, (c) land in Rajpura, (d) land in Sonipat, (2) Charge on receivables of (a) plots, floors and villas at Dharuhera, (b) Punchkula, (3) Cross Collateralization of the securities with other loans from the lender, (4) personal guarantee of Chairman, Managing Director and a wholetime Director of the company and (5) Corporate guarantees of land owning companies. The term loan is repayable in monthly instalments commencing from January, 2018.	6,863.69	8,760.48	11.06%
d. 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 commencing from September, 2019.	12,000.00	12,000.00	14.00%
e. Term loan from a non-banking finance company is secured by (1) mortgage of (a) Land at Delhi, (b) Commercial land at Derrabassi, (c) land in Rajpura, (d) land in Sonipat, (2) Charge on receivables of (a) plots, floors and villas at Dharuhera, (b) Punchkula, (3) Cross Collateralization of the securities with other loans from the lender, (4) personal guarantee of Chairman, Managing Director and a wholetime Director of the company and (5) Corporate guarantees of land owning companies. The term loan is repayable in monthly instalments commencing from August, 2019.	123.42	2,800.00	14.90%
f. Term loan from a non-banking finance company is secured by (1) mortgage of (a) Land at Delhi, (b) Commercial land at Derrabassi, (c) land in Rajpura, (d) land in Sonipat, (2) Charge on receivables of (a) plots, floors and villas at Dharuhera, (b) Punchkula, (3) Cross Collateralization of the securities with other loans from the lender, (4) personal guarantee of Chairman, Managing Director and a wholetime Director of the company and (5) Corporate guarantees of land owning companies. The term loan is repayable in monthly instalments commencing from August, 2019.	124.94	2,700.00	14.90%

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH, 2020

			(₹ in Lakhs)
Security details	As at 31 March 2020	As at 31 March 2019	Rate of Interest (%)
g. Term loan from a non-banking finance company is secured by (1) mortgage of (a) Land at Delhi, (b) Commercial land at Derrabassi, (c) land in Rajpura, (d) land in Sonipat, and (2) Charge on receivables of (a) plots, floors and villas at Dharuhera, (b) Punchkula, (3) Cross Collateralization of the securities with other loans from the lender, (4) personal guarantee of Chairman, Managing Director and a wholetime Director of the company and (6) Corporate guarantees of land owing companies. The term loan was fully repaid during the year.	-	5,604.50	10.32% to 12.00%
h. Term loan from a non-banking finance company is secured by (1) mortgage of (a) Land at Delhi, (b) Commercial land at Derrabassi, (c) land in Rajpura, (d) land in Sonipat, (2) Charge on receivables of (a) plots, floors and villas at Dharuhera, (b) Punchkula, (3) Cross Collateralization of the securities with other loans from the lender, (4) personal guarantee of Chairman, Managing Director and a wholetime Director of the company, and (5) Corporate guarantees of land owing companies. The term loan was fully repaid during the year.	-	3,033.07	18.80%
i. Term loan from a non-banking finance company is secured by (1) mortgage of (a) Land at Delhi, (b) Commercial land at Derrabassi, (c) land in Rajpura, (d) land in Sonipat, (2) Charge on receivables of (a) plots, floors and villas at Dharuhera, (b) Punchkula, (3) Cross Collateralization of the securities with other loans from the lender, (4) personal guarantee of Chairman, Managing Director and a wholetime Director of the company, and (5) Corporate guarantees of land owing companies. The term loan was fully repaid during the year.	-	4,934.12	11.00%
j. Term loan from a non-banking finance company is secured by (1) mortgage of (a) Land at Delhi, (b) Commercial land at Derrabassi, (c) land in Rajpura, (d) land in Sonipat, (2) Charge on receivables of (a) plots, floors and villas at Dharuhera, (b) Punchkula, (3) Cross Collateralization of the securities with other loans from the lender, (4) personal guarantee of Chairman, Managing Director and a wholetime Director of the company, and (5) Corporate guarantees of land owing companies. The term loan is repayable in monthly instalments commencing from January, 2020.	6,809.89	7,210.00	11.50%

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH, 2020

Security details	(₹ in Lakhs)		
	As at 31 March 2020	As at 31 March 2019	Rate of Interest (%)
k. Term loan from a non-banking finance company is secured by extension of (1) (a) Pledge of certain equity shares of the Company held by promoters group (b) first charge by way of mortgage over a land at Dharuhera and Rahukhedi Indore (c) first charge by way of mortgage over land at Jodhpur (d) second charge on receivables of DMRC project at Shahdara metro station, (2) mortgage & hypothecation of receivables of (a) project land at Sonapat, (b) project land at Kurukshetra, (c) over development rights of group housing project at Gurgaon, and mortgage of all unsold units of the project by the company, Parsvnath Hessa Developers Pvt. Ltd. and Parsvnath Sharmistha Realtors Pvt. Ltd. (3) corporate guarantee of land owning companies, 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 commencing from July, 2020.	10,000.00	10,000.00	14.00%
i. Term loan from a non-banking finance company is secured by (1) mortgage of (a) Land at Delhi, (b) Commercial land at Derrabassi, (c) land in Rajpura, (d) land in Sonipat, (2) Charge on receivables of (a) plots, floors and villas at Dharuhera, (b) Punchkula, (3) Cross Collateralization of the securities with other loans from the lender, (4) personal guarantee of Chairman, Managing Director and a wholetime Director of the company and (5) Corporate guarantees of land owning companies. The term loan is repayable in monthly instalments commencing from November, 2018.	4,452.41	4,475.92	14.88%
m. Term loan from a non-banking finance company is secured by (1) mortgage of (a) Land at Delhi, (b) Commercial land at Derrabassi, (c) land in Rajpura, (d) land in Sonipat, (2) Charge on receivables of (a) plots, floors and villas at Dharuhera, (b) Punchkula, (3) Cross Collateralization of the securities with other loans from the lender, (4) personal guarantee of Chairman, Managing Director and a wholetime Director of the company and (5) Corporate guarantees of land owning companies. The term loan was fully repaid during the year.	-	13,300.00	9.00%
n. Term loan from a non-banking finance company is secured by (1) mortgage of (a) Land at Delhi, (b) Commercial land at Derrabassi, (c) land in Rajpura, (d) land in Sonipat, (2) Charge on receivables of (a) plots, floors and villas at Dharuhera, (b) Punchkula, (3) Cross Collateralization of the securities with other loans from the lender, (4) personal guarantee of Chairman, Managing Director and a wholetime Director of the company and (5) Corporate guarantees of land owning companies. The term loan was fully repaid during the year.	-	64,840.21	11.00% to 11.80%

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH, 2020

Security details	(₹ in Lakhs)		Rate of Interest (%)
	As at 31 March 2020	As at 31 March 2019	
o. Term loan from a non-banking finance company is secured by (1) mortgage of (a) Land at Delhi, (b) Commercial land at Derrabassi, (c) land in Rajpura, (d) land in Sonipat, (2) Charge on receivables of (a) plots, floors and villas at Dharuhera, (b) Punchkula, (3) Cross Collateralization of the securities with other loans from the lender, (4) personal guarantee of Chairman, Managing Director and a wholetime Director of the company and (5) Corporate guarantees of land owning companies. The term loan is repayable in monthly instalments commencing from August, 2019.	4,718.77	-	14.90%
p. Term loan from a non-banking finance company is secured by (1) mortgage of (a) Land at Delhi, (b) Commercial land at Derrabassi, (c) land in Rajpura, (d) land in Sonipat, (2) Charge on receivables of (a) plots, floors and villas at Dharuhera, (b) Punchkula, (3) Cross Collateralization of the securities with other loans from the lender, (4) personal guarantee of Chairman, Managing Director and a wholetime Director of the company and (5) Corporate guarantees of land owning companies. The term loan is repayable in quarterly instalments commencing from July, 2022.	44,274.59	-	10.50%
q. Ind AS Adjustments	(15,101.66)	(22,168.28)	
	92,007.18	1,35,231.15	

(ii) Loans guaranteed by directors

	(₹ in Lakhs)	
	As at 31 March 2020	As at 31 March 2019
a. Debentures (net of Ind AS adjustment)	11,068.84	10,966.96
b. Term loans from financial institutions / others (net of Ind AS adjustment)	92,007.18	135,231.15
	1,03,076.02	1,46,198.11

(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 2020		As at 31 March 2019	
	Period of default	₹ in Lakhs	Period of default	₹ in Lakhs
a. Term loans from financial institutions / others				
- Principal	1 to 365 days	23,849.48	1 to 365 days	-
- Principal	above 365 days	12,491.13	above 365 days	12,491.13
- Interest	1 to 89 days	5,356.24	1 to 89 days	1,240.89
- Interest	90 to 179 days	2,227.96	90 to 179 days	754.80
- Interest	above 179 days	13,072.35	above 179 days	6,579.32

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH, 2020

22 Other financial liabilities

	(₹ in Lakhs)	
	As at 31 March 2020	As at 31 March 2019
I Non-Current		
a. Trade/security deposits received	5,973.42	8,770.15
b. Lease liabilities	11,195.92	-
	17,169.34	8,770.15
II Current		
a. Current maturities of long term debt (Refer Note 21)	53,570.67	63,918.79
b. Interest accrued but not due on borrowings	6,304.14	10,857.01
c. Interest accrued and due on borrowings	21,633.55	10,987.19
d. Interest accrued but not due on others	4,124.40	3,499.58
e. Debenture application money	-	100.00
f. Trade/security deposits received	4,195.73	6,459.54
g. Book overdraft - Banks	192.87	109.14
h. Lease liabilities	1,131.45	-
i. Others	483.45	-
	91,636.26	95,931.25

23 Provisions

	(₹ in Lakhs)	
	As at 31 March 2020	As at 31 March 2019
I Non-current		
a. Employee benefits	492.92	440.19
	492.92	440.19
II Current		
a. Employee benefits	14.84	15.03
	14.84	15.03
	507.76	455.22

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH, 2020

24 Other liabilities

(₹ in Lakhs)

	As at 31 March 2020	As at 31 March 2019
I Non-current		
a. Advances from customers	834.26	1,026.50
	834.26	1,026.50
II Current		
a. Advances from customers	1,74,423.54	2,16,730.11
b. Statutory dues (Contributions to PF, Withholding Tax, GST, VAT, etc.)	16,524.24	12,832.92
c. Advances received against sale/transfer of fixed assets / intangible assets	18,000.00	18,000.00
d. Other Advances		
- from related parties	13.96	14.49
- others	-	2.54
e. Rent received in advance	338.80	471.16
	2,09,300.54	2,48,051.22

25 Current borrowings

(₹ in Lakhs)

	As at 31 March 2020	As at 31 March 2019
I. Secured		
a. Loans repayable on demand		
i. From banks (Cash credit)	5,959.72	7,027.72
b. Loans from other parties	20,752.02	22,671.52
c. Other loans (against vehicles)		
i. From banks	9.51	32.37
II. Unsecured		
a. Loans repayable on demand		
i. From others	12,481.53	8,625.00
	39,202.78	38,356.61

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH, 2020

25.1 Details of securities provided in respect of short term borrowings from banks - cash credit are as under:

	As at 31 March 2020	As at 31 March 2019	Effective interest rate
a. Cash Credit is secured by first pari passu charge by way of hypothecation of stocks of construction & building materials, work-in-progress, finished goods (flats) and book debts / receivables of various projects/sites and mortgage of some specific units/land parcel/built up property at Moradabad, Sonapat and Panipat and personal guarantee of Chairman, Managing Director and a wholetime Director of the company.	4,748.75	5,572.41	16.50%
b. Cash Credit is secured by first pari passu charge by way of hypothecation of stocks of construction & building materials, work-in-progress, finished goods (flats) and book debts / receivables of various projects/sites and 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.	204.00	447.91	14.85%
c. Cash Credit is secured by first pari passu charge by way of hypothecation of stocks of construction & building materials, work-in-progress, finished goods (flats) and book debts / receivables of various projects/sites and mortgage of commercial plot at Rajpura and commercial space at Saharanpur, pledge of term deposit of ₹ 84 lakhs, personal guarantee of Chairman, Managing Director and a wholetime Director of the company and corporate guarantee of land owning company.	1,006.97	1,007.40	15.95%
	5,959.72	7,027.72	

25.2 Details of securities provided in respect of loans from financial institutions and others are as under:

	As at 31 March 2020	As at 31 March 2019	Effective interest rate
a. Term loan from a non-banking finance company is secured by pledge of certain equity shares of the company held by the promoters, mortgage of plot no. 11 of a group housing project at Moradabad, mortgage of land at Sonapat, personal guarantee of Chairman and cross collateral clause with another term loan from the lender.	2,214.46	2,746.27	17.25%
b. Term loan from a financial institution is secured against keyman Insurance Policy taken by the company. The loan was fully repaid during the year.	-	962.29	9.00%
c. Term loan from a non-banking finance company is secured by (1) pledge of certain equity shares of the company held by the promoters, (2) mortgage & hypothecation of receivables of (a) project land at Rohtak, (b) commercial project at Bhiwadi & Sonapat, (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 collaborator of Bhiwadi group housing project, and (5) personal guarantee of Chairman.	17,500.00	17,500.00	15.00%

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH, 2020

(₹ in Lakhs)

	As at 31 March 2020	As at 31 March 2019	Effective interest rate
d. Term loan from a non-banking finance company is secured by mortgage of plot No. 11 of a group housing project at Moradabad, land at Sonapat, personal guarantee of Chairman and cross collateral clause with another term loan from the lender.	537.56	666.65	17.25%
e. Term loan from a non-banking finance company is secured by pledge of certain equity shares of the company held by the promoters, mortgage of land at Sonapat and personal guarantee of Chairman.	500.00	796.31	18.00%
	20,752.02	22,671.52	

25.3 Details of securities provided in respect of vehicle loans from banks are as under:

(₹ in Lakhs)

	As at 31 March 2020	As at 31 March 2019	Effective interest rate
a. Loans taken from banks for vehicles are secured by way of hypothecation of specific vehicles financed and personal guarantee of Chairman.	9.51	32.37	10.20%
	9.51	32.37	

25.4 Details of short term borrowings guaranteed by some of the directors:

(₹ in Lakhs)

	As at 31 March 2020	As at 31 March 2019
a. Loans repayable on demand from banks	5,959.72	7,027.72
b. Term loans from banks / others (Net of Ind AS adjustments)	20,752.02	21,709.23
c. Vehicle Loans from banks	9.51	32.37
	26,721.25	28,769.32

25.5 Details of Period and amount of default in loan repayment as at year end:

	As at 31 March 2020		As at 31 March 2019	
	Period of default	₹ in Lakhs	Period of default	₹ in Lakhs
a. Term loans from financial institutions / others				
- Principal	1 to 89 days	6,271.81	1 to 89 days	4,500.00
- Principal	90 to 179 days	2,638.25	90 to 179 days	4,500.00
- Principal	above 179 days	-	above 179 days	4,000.00
- Interest	1 to 89 days	526.38	1 to 89 days	1,152.09
- Interest	90 to 179 days	122.95	90 to 179 days	746.08
- Interest	above 179 days	327.67	above 179 days	514.01

NOTES TO THE FINANCIAL STATEMENTS AS AT 31 MARCH, 2020

26 Trade Payables

	(₹ in Lakhs)	
	As at 31 March 2020	As at 31 March 2019
i. Total outstanding dues of micro enterprises and small enterprises	117.69	148.51
	117.69	148.51
ii. Total outstanding dues of creditors other than micro enterprises and small enterprises		
a. payables for goods and services	65,142.65	61,622.06
b. payables for land	10,807.29	9,288.44
	75,949.94	70,910.50

Notes:

1. The disclosure of the amount outstanding to micro, small and medium enterprises are as follows:

	(₹ in Lakhs)	
	As at 31 March 2020	As at 31 March 2019
a. Amount of principal remaining unpaid to such suppliers at the end of each accounting year	117.69	148.51
b. Interest due thereon remaining unpaid at the end of each accounting year	76.43	59.11
c. Amount of interest paid by the Company in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	0.23
d. Amount of interest due and payable for the period for delay in making payment (which has been paid but beyond the appointed day during the year) but without adding interest specified under Micro, Small and Medium Enterprises Development Act, 2006	17.32	13.80
e. Amount of interest accrued and remaining unpaid at the end of accounting year	76.43	59.11
f. Amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	1.93

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, 2020

27 Revenue from operations

	(₹ in Lakhs)	
	Year ended 31 March 2020	Year ended 31 March 2019
a. Revenue from sale of properties	1,08,433.61	79,378.56
	1,08,433.61	79,378.56
b. Sale of services		
i. Licence fee income	2,710.72	2,204.72
ii. Rent income	176.92	241.31
iii. Maintenance charges income	71.29	71.33
	2,958.93	2,517.36
c. Other operating revenue		
i. Sale of scrap	166.33	134.30
ii. Others	39.46	87.77
	205.79	222.07
	1,11,598.33	82,117.99

28 Other income

	(₹ in Lakhs)	
	Year ended 31 March 2020	Year ended 31 March 2019
a. Interest Income:		
i. From bank deposits	426.91	359.13
ii. From customers/others	4,062.16	762.17
b. Excess provision written back	11.61	18.28
c. Net gain on disposal of property, plant and equipment and Investment property	51.81	89.43
d. Net gain on disposal of investments	4,285.09	-
e. Premium on redemption of Debentures	1,506.83	-
f. Income upon maturity of Keyman Insurance Policy	1,723.50	-
g. Miscellaneous income	111.81	10.30
	12,179.72	1,239.31

29 Cost of materials consumed

	(₹ in Lakhs)	
	Year ended 31 March 2020	Year ended 31 March 2019
Construction material	725.36	841.34
	725.36	841.34

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

30 Changes in inventories of finished goods and work-in-progress

	(₹ in Lakhs)	
	Year ended 31 March 2020	Year ended 31 March 2019
a. Inventories at the beginning of the year:		
i. Work-in-progress (projects)	3,88,217.58	2,92,333.45
Add: Opening adjustment in WIP due to adoption of Ind AS-115 (see note 49)	-	1,35,515.88
Less: Transferred to finished flats	-	1,870.18
	3,88,217.58	4,25,979.15
ii. Finished flats	7,263.91	6,104.54
Add: Transferred from Work-in-progress	-	1,870.18
	7,263.91	7,974.72
	3,95,481.49	4,33,953.87
b. Add: Finance costs allocated to inventory of work-in-progress (Refer note (i) to note 32)	11,451.32	34,350.65
c. Inventories at the end of the year:		
i. Work-in-progress (projects)	3,14,603.44	3,88,217.58
ii. Finished flats	7,244.04	7,263.91
	3,21,847.48	3,95,481.49
d. Net (increase) /decrease (a+b-c)	85,085.33	72,823.03

31 Employee benefits expense

	(₹ in Lakhs)	
	Year ended 31 March 2020	Year ended 31 March 2019
a. Salaries and Wages	1,944.74	2,391.31
b. Contribution to provident and other funds	47.51	57.42
c. Staff Welfare expenses	53.56	48.55
	2,045.81	2,497.28

32 Finance costs

	(₹ in Lakhs)	
	Year ended 31 March 2020	Year ended 31 March 2019
a. Interest costs:		
i. On borrowings	32,115.90	44,986.73
ii. To customers / others	3,388.25	3,277.62
iii. On delayed / deferred payment of statutory liabilities	2,009.88	1,567.06
	37,514.03	49,831.41
Less:		
i. Interest cost allocated to inventory of work-in-progress (Refer note (i) below)	11,451.32	34,350.65
	26,062.71	15,480.76
b. Other borrowing cost	730.02	891.39
	730.02	891.39
	26,792.73	16,372.15

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 30).

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

33 Depreciation and amortisation expense

	(₹ in Lakhs)	
	Year ended 31 March 2020	Year ended 31 March 2019
a. Depreciation of Property, plant and equipment	109.81	115.33
b. Depreciation of investment property	30.12	30.43
c. Amortisation of intangible assets	118.62	798.07
d. Amortisation of Right of use assets	191.87	-
	450.42	943.83

34 Other expenses

	(₹ in Lakhs)	
	Year ended 31 March 2020	Year ended 31 March 2019
a. Power and fuel	566.68	813.94
b. Rent including lease rentals	1,853.97	931.83
c. Repair and maintenance		
- Building	185.49	123.59
- Machinery	138.60	12.63
- Others	418.88	369.31
d. Insurance	33.30	28.74
e. Rates and taxes	3,572.48	804.12
f. Postage and telegram	37.45	41.27
g. Travelling and conveyance	113.13	121.58
h. Printing and stationery	48.29	61.82
i. Advertisement and business promotion	41.07	17.65
j. Sales commission	21.12	43.60
k. Vehicle running and maintenance	48.73	63.74
l. Rebate and discount	199.02	93.05
m. Legal and professional charges	579.07	404.55
n. Payment to auditors (see note below)	54.14	51.14
o. Project consultancy fee	14.85	70.78
p. Share of loss from joint venture	0.23	0.24
q. Compensation paid to customers	2,316.80	474.63
r. Miscellaneous expenses	1,065.82	224.60
	11,309.12	4,752.81
Note:		
Payment to auditors comprise:		
i. To statutory auditors		
a. Statutory audit fee	15.00	15.00
b. Tax audit fee	2.00	2.00
c. Limited reviews fee	30.00	30.00
d. Reimbursement of out-of-pocket expenses	3.14	0.14
	50.14	47.14
ii. To cost auditors	4.00	4.00
	54.14	51.14

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

35 Income tax

	Year ended 31 March 2020	Year ended 31 March 2019
	(₹ in Lakhs)	
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	-	1,537.82
	-	1,537.82
Deferred tax		
In respect of the current year	(2,400.84)	(4,356.57)
	(2,400.84)	(4,356.57)
Total income tax expense/(benefit) recognised	(2,400.84)	(2,818.75)
ii. Income tax expense/(benefit) reconciliation with effective tax rate on accounting profit:		
Profit/(loss) before tax	(11,712.50)	(27,098.55)
Income tax expense calculated at 26% (2018-19: 26%)	(3,045.25)	(7,045.62)
Effect of tax rate change during the year	-	-
Effect of expenses that are not deductible in determining taxable profit	330.77	2,247.70
Adjustments recognised in the current year in relation to the current tax of previous years	-	1,537.82
Others	313.64	441.35
Income tax expense/(benefit) recognised in statement of profit and loss	(2,400.84)	(2,818.75)
The tax rates used for the financial years 2019-20 and 2018-19 in reconciliation above is the corporate tax rate of 25% plus education and health cess of 4% on corporate tax, payable by corporate entities in India on taxable profits under the Indian tax laws.		
iii. Income tax recognised in other comprehensive income		
Remeasurements of defined benefit obligation	4.92	(9.44)
Total income tax recognised in other comprehensive income	4.92	(9.44)

36 Contingencies

	Year ended 31 March 2020	Year ended 31 March 2019
	(₹ in Lakhs)	
a. Claims against the Company not acknowledged as debts*:		
i. Demand for payment of stamp duty	445.50	433.00
ii. Customer complaints pending in courts	29,918.35	37,917.56
iii. Civil cases against the Company	2,238.60	5,460.01
iv. Income tax demand	1,165.24	906.48
v. Value Added Tax / Trade tax demand	790.74	1,710.67
vi. Licence fee to DMRC (see note 40)	3,659.45	3,080.36
vii. Others	4.22	4.22
b. Security/performance guarantees issued by the banks to Government authorities on behalf of group companies, for which the Company has provided counter guarantee	683.81	683.81
c. Corporate guarantees issued on behalf of subsidiary companies in respect of loans taken by them:		
i. Sanctioned amount	1,72,668.00	1,39,668.00
ii. Outstanding amount	1,39,119.36	1,14,560.63

* 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

37 Commitments

	(₹ in Lakhs)	
	Year ended 31 March 2020	Year ended 31 March 2019
a. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	13,474.07	16,462.78
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.		

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

39 There were no amounts which were required to be transferred to the Investor Education and Protection Fund, during the year.

40 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. The Arbitral Tribunal has announced its award in favour of DMRC. The Company has now filed an appeal in the Delhi High Court against this award and the proceedings are going on.

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 ₹ 3,659.45 lakhs (previous year ₹ 3,080.36 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 invoked the arbitration clause under the concession agreement and the matter has been decided in favour of the Company during the previous year vide Arbitration order dated 20 July, 2018.

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 and the proceedings are going on.

41 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.

The project has been delayed due to non-receipt of approval for the revised building plans.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

The collaborators (land owners) are seeking cancellation of the Development Agreement and other related agreements and have taken legal steps in this regard. PBPL invoked the arbitration clause and as a consequence of the land owners not appointing their nominee Arbitrator, PBPL approached the High Court at Allahabad for appointment of Arbitrator under section 11 of the Arbitration and Conciliation Act. During the pendency of section 11 petition at Allahabad High Court, the Hon'ble Supreme Court, while hearing a Civil Appeal filed by PBPL and the Company in another matter, stayed the appointment of arbitrator by the Allahabad High Court vide its Order dated 09.04.2018 and further directed the land-owners to co-operate with PBPL for getting the building plan approved by the Ghaziabad Development Authority. Subsequently, vide Order dated 29.11.2019, the Hon'ble Supreme Court of India appointed a sole arbitrator to adjudicate the disputes between PBPL and the landowners.

The Sole Arbitrator has fixed timelines for completion of pleadings and also fixed 30.11.2020 as the date for framing of issues.

During the financial year 2016-17, the Company had entered into a Settlement Agreement with investors for which execution petition for enforcement filed by the investors before the Delhi High Court has been amicably settled pursuant to which the Investment Agreement dated 21 December, 2010 stands cancelled and the securities held by the investors have been acquired by the Company during the financial year 2018-19.

42 The Company had entered into a Memorandum of Understanding (MOU) dated 22 December, 2010 with Parsvnath Realcon Private Limited (PRPL), a wholly owned subsidiary company [earlier, 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 from South Delhi Municipal Corporation (SDMC) and the Company had appealed before the Appellate Tribunal, Municipal Corporation of Delhi (ATMCD) for adjudication.

Meanwhile, a Civil Writ Petition was filed before the Hon'ble Delhi High Court against SDMC, DDA, MoUD and DMRC seeking directions from the Hon'ble Court for getting this issue resolved. The matter has been finally resolved and the Company is expected to re-start the construction at the earliest.

Since the delay in completion of the project has been caused mainly due to certain acts of commission / omission by DMRC, the Company has invoked arbitration proceedings against DMRC and the Statement of Claim has been filed before the Arbitral Tribunal.

During the course of the financial year, the entire shareholding of PRPL has been acquired by the Company from PBPL and as such PRPL has become a wholly owned subsidiary of the Company.

43 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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

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 had issued notice to CHB for filing its reply and also called for the Arbitral Record from the Sole Arbitrator. The Additional District Judge, Chandigarh dismissed our application on 30 May, 2018. Aggrieved by the said order, the Company preferred an appeal under section 37 of the Arbitration and Conciliation Act, 1996 before the Hon'ble Punjab & Haryana High Court at Chandigarh and the proceedings are going on. Pending decision of the Hon'ble Punjab & Haryana High Court, the amount of ₹ 14,047 lakhs (net of tax deducted at source) has been shown as recoverable and included under 'other financial assets' in Note 11.

- 44** The Company had given an advance of ₹ 4,849.41 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, 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 for setting aside 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.

An 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 Hon'ble High Court also decided that CA is entitled to cumulatively claim/recover an amount of ₹ 8,746.60 lakhs from PFCL due to failure to develop the site and adhere to the terms of the agreements. PFCL has filed a Special Leave Petition (SLP) before the Hon'ble Supreme Court of India which has since been admitted and notice has been issued to the Opposite Party. CA has also filed a Special Leave Petition before the Hon'ble Supreme Court for allowing the counter claims made by them and both the matters have been tagged together and the matters are listed before the Ld. Registrar for completion of pleadings. Once the pleadings are completed, the Company proposes to move an application for early hearing in the matter.

- 45** 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. Parsvnath Promoters and Developers Private Limited (PPDPL) was identified as a Special Purpose Vehicle (SPV) company for implementation of the project. Subsequently, in terms of the requirements of RLDA, another Company in the name of Parsvnath Rail Land Project Private Limited (PRLPPL) was incorporated as the SPV to implement the project in place of PPDPL. RLDA accepted PRLPPL as the SPV vide its letter dated 3 August, 2012.

The Company entered into agreements with PRLPPL and overseas investors during 2012 and 2013 for financing the project.

Due to multifarious reasons, including delay in the statutory approvals, 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 and PRLPPL invoked the arbitration clause in the development agreement for recovery of amount paid to RLDA together with interest thereon on deemed termination

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

of the agreement and related matters and instituted four Arbitral proceedings namely Arbitration I, II, III & IV. The Arbitral Tribunal has announced its award in respect of the Arbitration II on 25 November, 2017 directing RLDA to refund the amount of ₹ 1,03,453.78 lakhs along with 4% interest per annum payable with effect from the 15 July, 2015 till the date of recovery. RLDA filed its objections under section 34 of the Arbitration and Conciliation Act, 1996 before the Hon'ble Delhi High Court for setting aside the said Arbitral award, which was rejected by the Court vide its order dated 3 April, 2018. Thereafter, RLDA filed an appeal before the Division Bench of the Hon'ble Delhi High Court which was dismissed vide judgement dated 14 March, 2019. Subsequently, the Special Leave Petition filed by RLDA before the Hon'ble Supreme Court of India, was also dismissed on 8 July, 2019.

PRLPPL has subsequently received the award amount during July, 2019.

In case of Arbitration I (with respect to RLDA's liability for payment of interest to PRLPPL on installments received in excess of and prior to RLDA's entitlement), the Arbitral Tribunal by award dated 1 June, 2018 rejected the claim filed by the Company and PRLPPL. The Company and PRLPPL have filed an appeal before the Hon'ble Delhi High Court against the said award and the proceedings are going on.

The Company and PRLPPL have further initiated two other Arbitration proceedings (Arbitration III and IV) seeking inter-alia refund of the amounts retained as alleged losses by RLDA, losses incurred on account of RLDA's breach of its representations and warranties in respect of the land sought to be leased and delay in return of Performance Bank Guarantee. The Arbitration proceedings have since commenced.

46 The Company has incurred cash losses during the current and previous years. Due to continued recession in the real estate sector owing to slow down in demand, the Company is facing tight liquidity situation as a result of which there have been delays/defaults in payment of principal and interest on borrowings, statutory liabilities, salaries to employees and other dues. 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 alternate sources of finance, including sale of non-core assets to generate adequate cash inflows for meeting these obligations and to overcome this liquidity crunch. In the opinion of the Management, no adverse impact is anticipated on future operations of the company.

47 Trade receivables

Trade receivables include ₹ 17,935.91 lakhs (Previous year ₹ 18,604.66 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.

48 The Company has availed loan of ₹ 17,500 lakhs from IL&FS Financial Services Limited (IFIN). The Company along with other co-borrowers entered into a settlement agreement with IFIN on 12 September, 2019 for repayment of loan and interest in monthly installments over the period 29 October, 2019 to 25 August, 2020. Total outstanding, including accrued interest as on the date of settlement agreement was ₹ 20,282 lakhs. The Company is under discussion with IFIN to provide valuation reports, reduction of rate of interest and to confirm release of security. Pending this, the Company has not made some of the scheduled payment to IFIN. The Company is quite hopeful of settlement of this matter.

49 Ind AS 115 "Revenue from Contracts with customers" was effective from accounting period beginning on or after 1 April, 2018. Accordingly, the Company had applied Ind AS 115 as on the transition date of 1 April, 2018. The Company has applied modified retrospective approach to its real estate projects that were not completed as at 1 April, 2018, accordingly profit recognised on such projects upto 31 March, 2018 amounting to ₹ 63,129.22 lakhs, as per the existing revenue recognition standards was de-recognised and debited to retained earnings as at 1 April, 2018. 'Cost of goods sold' amounting to ₹ 1,35,515.88 Lakhs was added to opening inventory with corresponding adjustment of revenue recognised in earlier years to trade receivables / advances from customers.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

- 50** The Company has entered into Memorandum of Understandings with its wholly owned subsidiaries for the purpose of transfer of all rights under the concession agreement in respect of its four projects situated at Akshardham Metro Station, Azadpur Metro Station, Seelampur Metro station and Inderlok Metro Station, subject to approval from Delhi Metro Rail Corporation (DMRC). The Company had acquired these development rights under concession agreement with DMRC. Pending transfer, book value of assets/rights (which is higher than the realisable value) under these concession agreements have been classified as 'Assets held for sale'.
- 51** 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.
- 52 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).
- 53** The Company has no outstanding derivative or foreign currency exposure as at the end of the current year and previous year.
- 54** 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.
- 55** 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)	
		Amount outstanding	
		As at 31 March 2020	As at 31 March 2019
a.	Parsvnath Film City Limited	4,849.40	4,848.81
b.	Parsvnath Hotels Limited	1,126.15	1,084.30
c.	Parsvnath H B Projects Private Limited	6,634.86	6,394.26
d.	Parsvnath Rail Land Project Private Limited	-	81.48
e.	Parsvnath Buildwell Private Limited	774.23	4,097.02
f.	Parsvnath Realcon Private Limited	4,572.48	131.48
g.	PDL Assets Limited	2.65	1.45
h.	Primetime Realtors Private Limited	-	1.33
i.	Snigdha Buildwell Private Limited	203.50	-
j.	Farhad Realtors Private Limited	0.55	-
k.	Jarul Promoters & Developers Private Limited	2.00	-
l.	Parsvnath Realty Ventures Limited	3.22	-
m.	Vardaan Buildtech Private Limited	156.72	-
n.	Parsvnath Hessa Developers Private Limited	1,464.06	-
o.	Parsvnath Landmark Developers Private Limited	56.25	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

(₹ in Lakhs)

	Maximum amount outstanding during the year	
	Year ended 31 March 2020	Year ended 31 March 2019
a. Parsvnath Film City Limited	4,849.40	4,848.81
b. Parsvnath Hotels Limited	2,092.26	1,084.30
c. Parsvnath H B Projects Private Limited	6,634.86	6,394.26
d. Parsvnath Rail Land Project Private Limited	107.55	382.46
e. Parsvnath Buildwell Private Limited	4,237.14	4,893.11
f. Parsvnath Realcon Private Limited	4,578.62	131.48
g. PDL Assets Limited	2.65	1.45
h. Primetime Realtors Private Limited	2.53	1.33
i. Snigdha Buildwell Private Limited	203.50	-
j. Farhad Realtors Private Limited	0.55	-
k. Jarul Promoters & Developers Private Limited	2.00	-
l. Parsvnath Realty Ventures Limited	3.22	-
m. Vardaan Buildtech Private Limited	156.72	-
n. Parsvnath Hessa Developers Private Limited	1,464.06	-
o. Parsvnath Landmark Developers Private Limited	1,701.28	71.56

Note:

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

- 56** 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)

	Year ended 31 March 2020	Year ended 31 March 2019
a. Salaries and wages	-	22.39
b. Contribution to provident and other funds	-	1.03
c. Legal and professional charges	7.41	8.35
d. Licence fee	-	1,789.56
e. Depreciation and amortisation expense on right of use assets under development	478.40	-
f. Miscellaneous expenses	3.78	74.43
	489.59	1,895.76

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

57 Details of borrowing costs capitalised during the year:

	(₹ in Lakhs)	
	Year ended 31 March 2020	Year ended 31 March 2019
a. Intangible assets/assets under development	5,092.37	6,085.75
b. Inventory	11,451.32	34,350.65
	16,543.69	40,436.40

58 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.

59 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)	
	Year ended 31 March 2020	Year ended 31 March 2019
a. Contribution to Provident Fund	38.75	42.74
b. Contribution to ESI	8.76	14.68
	47.51	57.42

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.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

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

Particulars	(₹ in Lakhs)	
	2019-2020	2018-2019
i Components of employer's expenses:		
Current service cost	34.86	30.33
Past service cost	-	-
Interest cost	26.57	33.92
Actuarial (gain)/loss	-	-
Net charge/(credit)	61.43	64.25
ii Actual contribution and benefit		
Actual benefit payments	65.95	168.90
Actual contributions	-	-
	65.95	168.90
iii Net liabilities/ (assets) recognised		
Present value of defined benefit obligation	400.64	346.89
Fair value of plan assets	-	-
Net liabilities/ (assets) recognised	400.64	346.89
Note: The fair value of plan assets is Nil, since defined benefit plans are unfunded.		
Short-term provisions	12.09	12.17
Long-term provisions	388.55	334.72
	400.64	346.89
iv Change in defined benefit obligation		
Present value of defined benefit obligation at beginning of the year	346.89	434.93
Current service cost	34.86	30.33
Past service Cost including curtailment Gains/Losses	-	-
Interest cost	26.57	33.92
Actuarial (gains)/losses on obligations	58.27	16.61
Benefits paid	(65.95)	(168.90)
Present value of DBO at the end of the year	400.64	346.89
v Other comprehensive income (OCI)		
Remeasurement of defined benefit obligation	(58.27)	(16.61)
vi Balance sheet reconciliation		
Net liability at the beginning of the year	346.89	434.93
Expenses recognised/(reversed) during the year	61.43	64.25
Actuarial (gains)/losses	58.27	16.61
Benefits paid	(65.95)	(168.90)
Amount recognised in the balance sheet	400.64	346.89

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

vii Experience adjustments:

						(₹ in Lakhs)
Particulars	31.03.2020	31.03.2019	31.03.2018	31.03.2017	31.03.2016	
i. Present value of Defined Benefit Obligation	400.64	346.89	434.93	354.34	339.77	
ii. Fair Value of plan assets	-	-	-	-	-	
iii. Funded status [Surplus/ (Deficit)]	400.64	346.89	434.93	354.34	339.77	
iv. Experience (gain)/loss adjustments on plan liabilities	58.27	16.61	46.51	30.96	(0.14)	
v. Experience gain/loss adjustments on plan assets	-	-	-	-	-	

viii Actuarial assumptions

		31.03.2020	31.03.2019
a. Financial assumptions			
i.	Discount rate (p.a.)	6.76%	7.66%
ii.	Salary escalation rate (p.a.)	5.00%	5.00%
b. Demographic assumptions			
i.	Retirement age	70 years	70 years
ii.	Mortality rate	100% of Indian Assured Lives Mortality (2006-08)	
- Withdrawal rate			
	Upto 30 years	3.00	3.00
	From 31 to 44 years	2.00	2.00
	Above 44 years	1.00	1.00

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 %	(24.99)	
	Decrease	0.50 %	27.56	
Salary escalation rate	Increase	0.50 %	27.91	
	Decrease	0.50 %	(25.51)	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

C. Actuarial assumptions for long-term compensated absences

	31.03.2020	31.03.2019
a. Financial assumptions		
i. Discount rate (p.a.)	6.76%	7.66%
ii. Salary escalation rate (p.a.)	5.00%	5.00%
b. Demographic assumptions		
i. Retirement age	70 years	70 years
ii. Mortality rate	100% of Indian Assured Lives Mortality (2006-08)	
- Withdrawal rate		
Upto 30 years	3.00	3.00
From 31 to 44 years	2.00	2.00
Above 44 years	1.00	1.00

60 Operating lease arrangements - As lessee - Ind AS 116

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. Licence fee payable to DMRC over the concession period has been recognised as 'Right of use assets' and 'lease liabilities' as at 1 April, 2019 as per Ind AS 116.

The company has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

i. Right-of-use assets

Movement and carrying value of right of use assets is as under:

	(₹ in Lakhs)		
	Building	Building under development	Total
Balance as at 31 March, 2019	-	-	-
Recognition on account of adoption of Ind AS 116 (Refer notes below)	1,542.64	10,484.69	12,027.33
Additions during the year	14.36	-	14.36
	1,557.00	10,484.69	12,041.69
Less: Depreciation during the year	191.87	478.40	670.27
Balance as at 31 March, 2020	1,365.13	10,006.29	11,371.42

Notes:

- The Company has adopted Ind AS 116 "Leases" effective April 1, 2019 and applied the standard to its lease contracts existing as at 1 April, 2019 using the modified retrospective approach. The Company has recorded lease liability at the present value of the lease payments that are not paid as at 1 April, 2019, discounted using the company's incremental borrowing rate and recognised right of use assets of equal amounts.
- The depreciation expense of ₹ 191.87 lakhs on right-of-use assets is included under depreciation and amortisation expense in the statement of Profit and Loss and depreciation of ₹ 478.40 lakhs has been capitalised in 'Intangible Assets Under Development'.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

- c. The following is the summary of practical expedients elected on initial application:
- (i) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date.
 - (ii) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application or low value leases.
 - (iii) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
 - (iv) Applied the practical expedient to assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

ii. Lease liability

The following is the movement in lease liabilities during the year ended March 31, 2020:

	(₹ in Lakhs)	
	As at 31 March 2020	As at 31 March 2019
Balance at the Beginning of the year	-	-
Recognition on account of adoption of Ind AS 116	12,027.33	-
Additions	14.36	-
	12,041.69	-
Add: Finance cost accrued during the year	1,325.76	-
Less: Payment of lease liabilities	1,040.08	-
Balance at the end	12,327.37	-
Current	1,131.45	-
Non-current	11,195.92	-
	12,327.37	-

Note: Since the Ind AS 116 is applicable from 1 April, 2019, hence there are no previous year's comparatives.

iii. Maturity analysis of lease liabilities:

The table below provides details regarding the contractual cash flows of lease liabilities as at 31 March, 2020 on an undiscounted basis:

	(₹ in Lakhs)	
	As at 31 March 2020	As at 31 March 2019
Due within one year	3,120.67	2,882.66
Due later than one year and not later than five years	14,053.25	13,456.02
Due later than five years	90,180.70	93,373.70
Total undiscounted lease liabilities	1,07,354.62	1,09,712.38

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

iv. Amounts recognised in Statement of profit and loss

	(₹ in Lakhs)	
	As at 31 March 2020	As at 31 March 2019
Lease charges	-	554.30
Interest on lease liabilities	165.56	-
Depreciation on right of use assets	191.87	-
Expenses relating to short-term and low value leases (see note vii)	1,573.57	290.08
	1,931.00	844.38

Note:

- a. Expenses on short-term lease mainly includes lease charges of assets held for transfer

v. Amounts capitalised to Intangible assets

	(₹ in Lakhs)	
	As at 31 March 2020	As at 31 March 2019
Lease charges	-	1,789.56
Interest on lease liabilities	1,160.20	-
Depreciation on right of use assets	478.40	-

vi. Impact of change in accounting policy:

The impact of change in accounting policy on account on adoption of Ind AS 116 is as follows:

	(₹ in Lakhs)
	As at 31 March 2020
Increase in lease liability by	12,327.37
Increase in rights of use by	11,371.42
Increase/(Decrease) in finance cost by	165.56
Increase/(Decrease) in depreciation by	191.87
Increase/(Decrease) in rent expense by	(242.80)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

vii. Disclosures for operating leases other than leases covered in Ind AS 116

The Company has entered into Concession Agreements with Delhi Metro Rail Corporation (DMRC) and has acquired the License Rights to develop properties. During the previous year, the Company has entered into agreements for transfer of some of these properties to SPVs, accordingly the Company has not applied Ind AS 116 to such lease contracts.

(₹ in Lakhs)

	As at 31 March 2020	As at 31 March 2019
a. As a lessee (expenses)		
Lease contracts held for transfer	1,469.06	-
Other short-term lease contracts	104.51	290.08
	1,573.57	290.08

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)

	As at 31 March 2020	As at 31 March 2019
Licence fee income		
a. Recognised in statement of profit and loss	2,710.72	2,204.72
	2,710.72	2,204.72

(₹ in Lakhs)

	As at 31 March 2020	As at 31 March 2019
The total of future minimum lease receivables are as follows:		
a. Not later than one year	1,197.99	1,765.97
b. Later than one year but not later than five years	1,860.20	2,786.62
c. Later than five years	333.41	357.63
	3,391.60	4,910.22

62 Earnings per Equity Share

		Year ended 31 March 2020	Year ended 31 March 2019
Profit/(loss) for the year	₹ in lakhs	(9,311.66)	(24,279.80)
Weighted average number of equity shares	No.'s	4,35,181,170	4,35,181,170
Earning per share - basic	₹	(2.14)	(5.58)
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	₹	(2.14)	(5.58)
Face value per equity share	₹	5.00	5.00

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

63 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)	
	As at 31 March 2020	As at 31 March 2019
Company's share of:		
a. Assets	474.26	472.61
b. Liabilities	0.56	0.56
c. Income	-	-
d. Expenditure	0.23	0.24
e. Tax	-	-
f. Capital commitment	-	-
g. Contingent liabilities	-	-

64 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 (upto 28 June, 2019)
- Parsvnath Hotels Limited
- PDL Assets Limited
- Parsvnath Developers Pte. Ltd. (Overseas subsidiary -Singapore)
- Primetime Realtors Private Limited (upto 17 February, 2020)
- 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
- Parsvnath HB Projects Private Limited
- Farhad Realtors Private Limited
- Parsvnath Rail Land Project Private Limited
- Jarul Promoters & Developers Private Limited[®]
- Suksma Buildtech Private Limited[®]
- Snigdha Buildwell Private Limited^{*}
- Generous Buildwell Private Limited[§] (Subsidiary of Snigdha Buildwell Private Limited)
- Evergreen Realtors Private Limited[§] (Subsidiary of Snigdha Buildwell Private Limited)

^{*} Became subsidiary during the year

[§] Became step-down subsidiary of Snigdha Buildwell Private Limited during the year

[®] Became subsidiary during the previous year

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

Subsidiary companies by virtue of Accounting Standard (Ind AS-110) on 'Consolidated Financial Statements':

- 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 (upto 07 December, 2019)
- Himsagar Infrastructure Private Limited
- Izna Realcon Private Limited
- Emerald Buildwell Private Limited
- Evergreen Realtors Private Limited (upto 06 February, 2020)
- Jaguar Buildwell Private Limited
- Label Real Estates Private Limited
- 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
 - Vardaan Buildtech Private Limited *
 - Yamuna Buildwell Private Limited
- * Became subsidiary during the year

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
- 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 (upto 06 March, 2019)
- Laban Real Estates Private Limited (upto 06 March, 2019)

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

- Landmark Malls and Towers Private Limited (upto 06 March, 2019)
 - Landmark Township Planners Private Limited (upto 06 March, 2019)
 - Madhukanta Real Estate Private Limited
 - Magic Promoters Private Limited
 - Mahanidhi Buildcon Private Limited
 - Neha Infracon (India) Private Limited
 - Nilanchal Realtors Private Limited (upto 06 March, 2019)
 - Noida Marketing Private Limited
 - P.S. Realtors Private Limited (upto 06 March, 2019)
 - 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
 - Pearl Propmart Private Limited
 - Pradeep Kumar Jain & Sons (HUF)
 - 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 [§]
 - Parsvnath Telecom Private Limited
 - Dreamweaver Realtors Private Limited (w.e.f. 20 March, 2020)
 - Digant Realtors Private Limited (w.e.f. 20 March, 2020)
 - Madhulekha Developers Private Limited (w.e.f. 20 March, 2020)
 - Sureshwar Properties Private Limited (w.e.f. 20 March, 2020)
 - Parikrama Infrastructure Private Limited (w.e.f. 20 March, 2020)
 - Prasadhi Developers Private Limited (w.e.f. 20 March, 2020)
 - Prastut Real Estate Private Limited (w.e.f. 20 March, 2020)
 - Springdale Realtors Private Limited (w.e.f. 20 March, 2020)
 - Sedna Properties Private Limited (w.e.f. 20 March, 2020)
 - Trishla Realtors Private Limited (w.e.f. 20 March, 2020)
- * Associates of the Company*
§ Became subsidiary during the year
Became subsidiary during the previous year
- iii. Joint Ventures**
- Ratan Parsvnath Developers (AOP)
- 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, 2020

(₹ in Lakhs)

Transaction / Outstanding Balances	Subsidiary Companies	Entities under significant influence	Joint Venture Entities	Key Management Personnel and their relatives	Total
b. Transactions / balances outstanding with related parties:					
(i) Transactions during the year					
Advances given					
Parsvnath Film City Limited	0.60	-	-	-	0.60
	0.90	-	-	-	0.90
Parsvnath Landmark Developers Private Limited	1,043.11	-	-	-	1,043.11
	674.71	-	-	-	674.71
Parsvnath Rail Land Project Private Limited	-	-	-	-	-
	288.00	-	-	-	288.00
Parsvnath Realcon Private Limited	4,561.02	-	-	-	4,561.02
	13.27	-	-	-	13.27
Parsvnath Hotels Limited	1,042.63	-	-	-	1,042.63
	257.54	-	-	-	257.54
Parsvnath HB Projects Private Limited	240.60	-	-	-	240.60
	701.99	-	-	-	701.99
PDL Assets Limited	1.20	-	-	-	1.20
	0.45	-	-	-	0.45
Primetime Realtors Private Limited	-	-	-	-	-
	1.33	-	-	-	1.33
Vardaan Buildtech Private Limited	156.72	-	-	-	156.72
	-	-	-	-	-
Parsvnath Buildwell Private Limited	899.66	-	-	-	899.66
	4,252.43	-	-	-	4,252.43
Lakshya Realtors Private Limited	1.01	-	-	-	1.01
	-	-	-	-	-
Parsvnath Hessa Developers Private Limited	1,464.06	-	-	-	1,464.06
	-	-	-	-	-
Snigdha Buildwell Private Limited	203.50	-	-	-	203.50
	-	-	-	-	-
Farhad Realtors Private Limited	0.55	-	-	-	0.55
	-	-	-	-	-
Parsvnath Realty Ventures Limited	3.22	-	-	-	3.22
	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

(₹ in Lakhs)

Transaction / Outstanding Balances	Subsidiary Companies	Entities under significant influence	Joint Venture Entities	Key Management Personnel and their relatives	Total
Jarul Promoters & Developers Private Limited	2.00	-	-	-	2.00
	-	-	-	-	-
Parsvnath Telecom Limited	0.50	-	-	-	0.50
	-	-	-	-	-
	9,620.38	-	-	-	9,620.38
	6,190.62	-	-	-	6,190.62
Advance received					
Parsvnath Infra Limited	-	-	-	-	-
	100.00	-	-	-	100.00
Parsvnath Rail Land Project Private Limited	1,228.34	-	-	-	1,228.34
	-	-	-	-	-
Parsvnath Estate Developers Private Limited	483.45	-	-	-	483.45
	-	-	-	-	-
Samiksha Realtors Private Limited	0.27	-	-	-	0.27
	-	-	-	-	-
Parsvnath Promoters And Developers Private Limited	831.53	-	-	-	831.53
	-	-	-	-	-
	2,543.59	-	-	-	2,543.59
	100.00	-	-	-	100.00
Advance received back during the year					
Parsvnath Realcon Private Limited	120.02	-	-	-	120.02
	-	-	-	-	-
Parsvnath Landmark Developers Private Limited	986.86	-	-	-	986.86
	674.71	-	-	-	674.71
Parsvnath Hotels Limited	1,000.78	-	-	-	1,000.78
	-	-	-	-	-
Parsvnath Buildwell Private Limited	4,222.45	-	-	-	4,222.45
	1,383.56	-	-	-	1,383.56
Parsvnath Rail Land Project Private Limited	-	-	-	-	-
	206.52	-	-	-	206.52
Parsvnath HB Projects Private Limited	-	-	-	-	-
	9.77	-	-	-	9.77
Others (each having less than 10% of transactions)	225.92	-	-	-	225.92
	71.18	-	-	-	71.18
	6,556.03	-	-	-	6,556.03
	2,345.74	-	-	-	2,345.74

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

(₹ in Lakhs)

Transaction / Outstanding Balances	Subsidiary Companies	Entities under significant influence	Joint Venture Entities	Key Management Personnel and their relatives	Total
Advances repaid					
Parsvnath Rail Land Project Private Limited	1,146.58	-	-	-	1,146.58
	-	-	-	-	-
Parsvnath Buildwell Private Limited	-	-	-	-	-
	650.00	-	-	-	650.00
Vital Buildwell Private Limited	0.07	-	-	-	0.07
	-	-	-	-	-
Time Bound Contracts Private Limited	-	0.90	-	-	0.90
	-	-	-	-	-
Jodhpur Infrastructure Private Limited	-	0.10	-	-	0.10
	-	-	-	-	-
	1,146.65	1.00	-	-	1,147.65
	650.00	-	-	-	650.00
Purchase of development rights					
Silversteet Infrastructure Private Limited	9.40	-	-	-	9.40
	-	-	-	-	-
Elixir Infrastructure Private Limited	40.66	-	-	-	40.66
	-	-	-	-	-
Prosperity Infrastructures Private Limited	24.74	-	-	-	24.74
	-	-	-	-	-
Label Real Estate Private Limited	43.89	-	-	-	43.89
	-	-	-	-	-
Evergreen Realtors Private Limited	-	-	-	-	-
	11.21	-	-	-	11.21
Neelgagan Realtors Private Limited	-	-	-	-	-
	35.93	-	-	-	35.93
Yamuna Buildwell Private Limited	-	-	-	-	-
	14.60	-	-	-	14.60
	118.69	-	-	-	118.69
	61.74	-	-	-	61.74
Advances received against transfer / sale of land and other intangible assets / intangible assets under development					
Jarul Promoters & Developers Private Limited	-	-	-	-	-
	3,500.00	-	-	-	3,500.00

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

(₹ in Lakhs)

Transaction / Outstanding Balances	Subsidiary Companies	Entities under significant influence	Joint Venture Entities	Key Management Personnel and their relatives	Total
Parsvnath Realty Ventures Limited	-	-	-	-	-
	11,000.00	-	-	-	11,000.00
PDL Assets Limited	-	-	-	-	-
	3,500.00	-	-	-	3,500.00
Parsvnath Estate Developers Private Limited	31,000.00	-	-	-	31,000.00
	-	-	-	-	-
	31,000.00	-	-	-	31,000.00
	18,000.00	-	-	-	18,000.00
Sale of development rights					
Evergreen Realtors Private Limited	-	-	-	-	-
	30.83	-	-	-	30.83
Neelgagan Realtors Private Limited	-	-	-	-	-
	240.09	-	-	-	240.09
Elixir Infrastructure Private Limited	43.50	-	-	-	43.50
	-	-	-	-	-
Yamuna Buildwell Private Limited	-	-	-	-	-
	110.66	-	-	-	110.66
Label Real Estate Private Limited	35.00	-	-	-	35.00
	-	-	-	-	-
Silver Street Infrastructure Private Limited	11.25	-	-	-	11.25
	-	-	-	-	-
Prosperity Infrastructure Private Limited	27.25	-	-	-	27.25
	-	-	-	-	-
	117.00	-	-	-	117.00
	381.58	-	-	-	381.58
Advance paid for purchase of land / Property					
New Hind Enterprises Private Limited	58.90	-	-	-	58.90
	0.40	-	-	-	0.40
Spearhead Realtors Private Limited	116.15	-	-	-	116.15
	0.06	-	-	-	0.06
Others (each having less than 10% of transactions)	8.60	-	-	-	8.60
	8.29	-	-	-	8.29
	183.65	-	-	-	183.65
	8.75	-	-	-	8.75

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

(₹ in Lakhs)

Transaction / Outstanding Balances	Subsidiary Companies	Entities under significant influence	Joint Venture Entities	Key Management Personnel and their relatives	Total
Security deposit received					
Parsvnath Hotels Limited	0.69	-	-	-	0.69
	-	-	-	-	-
Parsvnath Estate Developers Private Limited	517.91	-	-	-	517.91
	-	-	-	-	-
Parsvnath Hessa Developers Private Limited	97.46	-	-	-	97.46
	79.03	-	-	-	79.03
Parsvnath Infra Limited	7.41	-	-	-	7.41
	-	-	-	-	-
Parsvnath Buildwell Private Limited	0.14	-	-	-	0.14
	-	-	-	-	-
Parsvnath Realcon Limited	0.13	-	-	-	0.13
	-	-	-	-	-
Parsvnath Landmark Developers Limited	0.35	-	-	-	0.35
	-	-	-	-	-
	624.09	-	-	-	624.09
	79.03	-	-	-	79.03
Advance / Refundable Security deposit received against property					
Parsvnath Estate Developers Private Limited	-	-	-	-	-
	1,636.00	-	-	-	1,636.00
	-	-	-	-	-
	1,636.00	-	-	-	1,636.00
Refund of security deposits					
Parsvnath Hessa Developers Private Limited	2,223.07	-	-	-	2,223.07
	60.26	-	-	-	60.26
Parsvnath Rail Land Project Private Limited	832.50	-	-	-	832.50
	267.50	-	-	-	267.50
Parsvnath Estate Developers Private Limited	2,348.32	-	-	-	2,348.32
	19,673.12	-	-	-	19,673.12
	5,403.89	-	-	-	5,403.89
	20,000.88	-	-	-	20,000.88
Redemption of debentures / share warrants (Amount received)					
Parsvnath Promoters & Developers Private Limited (Debentures)	10,849.84	-	-	-	10,849.84
	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

(₹ in Lakhs)

Transaction / Outstanding Balances	Subsidiary Companies	Entities under significant influence	Joint Venture Entities	Key Management Personnel and their relatives	Total
	10,849.84	-	-	-	10,849.84
	-	-	-	-	-
Sale of plots / Scrap					
Parsvnath Landmark Developers Private Limited	0.54	-	-	-	0.54
	9.75	-	-	-	9.75
	0.54	-	-	-	0.54
	9.75	-	-	-	9.75
Sale of Investment					
New Hind Enterprises Private Limited	51.50	-	-	-	51.50
	-	-	-	-	-
Parasnath And Associates Private Limited	-	51.50	-	-	51.50
	-	-	-	-	-
Parsvnath Rail Land Project Private Limited	8,995.46	-	-	-	8,995.46
	-	-	-	-	-
	9,046.96	51.50	-	-	9,098.46
	-	-	-	-	-
Purchase of Scrap					
Parsvnath Landmark Developers Private Limited	-	-	-	-	-
	4.16	-	-	-	4.16
	-	-	-	-	-
	4.16	-	-	-	4.16
Cancellation of sale of plots					
Parsvnath Landmark Developers Private Limited	685.51	-	-	-	685.51
	235.57	-	-	-	235.57
	685.51	-	-	-	685.51
	235.57	-	-	-	235.57
Purchase of Investments / Shares					
New Hind Enterprises Private Limited	0.50	-	-	-	0.50
	5.50	-	-	-	5.50
Parsvnath Buildwell Private Limited	1.00	-	-	-	1.00
	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

(₹ in Lakhs)

Transaction / Outstanding Balances	Subsidiary Companies	Entities under significant influence	Joint Venture Entities	Key Management Personnel and their relatives	Total
Parsvnath And Associates Private Limited	-	0.50	-	-	0.50
	-	5.50	-	-	5.50
	1.50	0.50	-	-	2.00
	5.50	5.50	-	-	11.00
Rent Received (Income)					
Parsvnath Hotels Limited	1.53	-	-	-	1.53
	-	-	-	-	-
Parsvnath Infra Limited	16.54		-	-	16.54
	-	-	-	-	-
Parsvnath Buildwell Private Limited	0.31	-	-	-	0.31
	-	-	-	-	-
Parsvnath Realcon Private Limited	0.30	-	-	-	0.30
	-	-	-	-	-
Parsvnath Hessa Developers Private Limited	1.01	-	-	-	1.01
	-	-	-	-	-
Parsvnath Landmark Developers Private Limited	0.77	-	-	-	0.77
	-	-	-	-	-
	20.46	-	-	-	20.46
	-	-	-	-	-
Interest income on advances					
Parsvnath HB Projects Private Limited	-	-	-	-	-
	581.12	-	-	-	581.12
	-	-	-	-	-
	581.12	-	-	-	581.12
Share of profit/(loss) from AOP					
Ratan Parsvnath Developers AOP	-	-	(0.23)	-	(0.23)
	-	-	(0.24)	-	(0.24)
	-	-	(0.23)	-	(0.23)
	-	-	(0.24)	-	(0.24)
Interest paid (Expense)					
Parsvnath Estate Developers Private Limited	13.97	-	-	-	13.97
	13.93	-	-	-	13.93
Parsvnath Buildwell Private Limited	1.27	-	-	-	1.27
	1.27	-	-	-	1.27

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

(₹ 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	0.65	-	-	-	0.65
	0.64	-	-	-	0.64
	15.89	-	-	-	15.89
	15.84	-	-	-	15.84
Rent paid (Expense)					
Pradeep Kumar Jain	-	-	-	5.76	5.76
	-	-	-	6.91	6.91
Nutan Jain	-	-	-	41.77	41.77
	-	-	-	51.13	51.13
Pradeep Kumar Jain & Sons (HUF)	-	6.48	-	-	6.48
	-	7.78	-	-	7.78
	-	6.48	-	47.53	54.01
	-	7.78	-	58.04	65.82
Reimbursement of expenses (paid)					
Parsvnath Buildwell Private Limited	-	-	-	-	-
	12.92	-	-	-	12.92
	-	-	-	-	-
	12.92	-	-	-	12.92
Corporate guarantee given for					
Parsvnath Estate Developers Private Limited	40,500.00	-	-	-	40,500.00
	-	-	-	-	-
Vardaan Buildtech Private Limited	-	-	-	-	-
	-	3,200.00	-	-	3,200.00
	40,500.00	-	-	-	40,500.00
	-	3,200.00	-	-	3,200.00
Corporate guarantee given for - Ceased					
Parsvnath Rail Land Project Private Limited	7,500.00	-	-	-	7,500.00
	-	-	-	-	-
Parsvnath Buildwell Private Limited	-	-	-	-	-
	72.35	-	-	-	72.35
	7,500.00	-	-	-	7,500.00
	72.35	-	-	-	72.35
Corporate guarantee given by - Ceased					
Primetime Realtors Private Limited	1,45,200.00	-	-	-	1,45,200.00
	2,610.00	-	-	-	2,610.00
	1,45,200.00	-	-	-	1,45,200.00
	2,610.00	-	-	-	2,610.00

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

(₹ in Lakhs)

Transaction / Outstanding Balances	Subsidiary Companies	Entities under significant influence	Joint Venture Entities	Key Management Personnel and their relatives	Total
Corporate guarantee received					
Parsvnath Hotels Limited	-	-	-	-	-
	18,000.00	-	-	-	18,000.00
	-	-	-	-	-
	18,000.00	-	-	-	18,000.00
Provision for diminution in value of investment					
Parsvnath Promoters And Developers Private Limited	109.95	-	-	-	109.95
	-	-	-	-	-
	109.95	-	-	-	109.95
	-	-	-	-	-
Sitting fees paid to directors					
Mr. Ashok Kumar	-	-	-	4.80	4.80
	-	-	-	5.40	5.40
Dr. Pritam Singh	-	-	-	5.60	5.60
	-	-	-	3.50	3.50
Ms. Deepa Gupta	-	-	-	5.60	5.60
	-	-	-	5.60	5.60
Mr. Mahendra Nath Verma	-	-	-	5.60	5.60
	-	-	-	4.50	4.50
	-	-	-	21.60	21.60
	-	-	-	19.00	19.00
(ii) Balances at the year end					
Trade receivables					
Parsvnath Landmark Developers Private Limited	0.55	-	-	-	0.55
	-	-	-	-	-
Parsvnath Realcon Private Limited	300.00	-	-	-	300.00
	300.00	-	-	-	300.00
Parsvnath Hessa Developers Private Limited	0.71	-	-	-	0.71
	-	-	-	-	-
Parsvnath Hotels Limited	1.08	-	-	-	1.08
	-	-	-	-	-
Parsvnath Infra Limited	16.00	-	-	-	16.00
	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

(₹ in Lakhs)

Transaction / Outstanding Balances	Subsidiary Companies	Entities under significant influence	Joint Venture Entities	Key Management Personnel and their relatives	Total
	318.34	-	-	-	318.34
	300.00	-	-	-	300.00
Interest accrued on investments					
Parsvnath Estate Developers Private Limited	-	-	-	-	-
	-	-	-	-	-
Parsvnath Promoters And Developers Private Limited	-	-	-	-	-
	5,053.52	-	-	-	5,053.52
Parsvnath Rail Land Project Private Limited	-	-	-	-	-
	712.89	-	-	-	712.89
	-	-	-	-	-
	5,766.41	-	-	-	5,766.41
Advances for land purchase / Property					
Brinly Properties Private Limited	1,729.59	-	-	-	1,729.59
	1,729.23	-	-	-	1,729.23
Generous Buildwell Private Limited	1,737.90	-	-	-	1,737.90
	1,937.76	-	-	-	1,937.76
LSD Realcon Private Limited	1,418.45	-	-	-	1,418.45
	1,419.10	-	-	-	1,419.10
Others (each having less than 10% of balance outstanding)	8,595.42	-	-	-	8,595.42
	8,555.46	-	-	-	8,555.46
	13,481.36	-	-	-	13,481.36
	13,641.55	-	-	-	13,641.55
Short-term / long-term loans and advances					
Parsvnath Rail Land Project Private Limited	-	-	-	-	-
	81.48	-	-	-	81.48
Parsvnath Landmark Developers Private Limited	56.25	-	-	-	56.25
	-	-	-	-	-
Primetime Realtors Private Limited	-	-	-	-	-
	1.33	-	-	-	1.33
Parsvnath Film City Limited	4,849.40	-	-	-	4,849.40
	4,848.81	-	-	-	4,848.81
Parsvnath Realcon Private Limited	4,572.48	-	-	-	4,572.48
	131.48	-	-	-	131.48

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

(₹ in Lakhs)

Transaction / Outstanding Balances	Subsidiary Companies	Entities under significant influence	Joint Venture Entities	Key Management Personnel and their relatives	Total
Parsvnath Hotels Limited	1,126.15	-	-	-	1,126.15
	1,084.30	-	-	-	1,084.30
Parsvnath HB Projects Private Limited	6,634.86	-	-	-	6,634.86
	6,394.26	-	-	-	6,394.26
PDL Assets Limited	2.65	-	-	-	2.65
	1.45	-	-	-	1.45
Parsvnath Buildwell Private Limited	774.23	-	-	-	774.23
	4,097.02	-	-	-	4,097.02
Vardaan Buildtech Private Limited	156.72	-	-	-	156.72
	-	-	-	-	-
Snigdha Buildwell Private Limited	203.50	-	-	-	203.50
	-	-	-	-	-
Jarul Promoters & Developers Private Limited	2.00	-	-	-	2.00
	-	-	-	-	-
Parsvnath Realty Ventures Private Limited	3.22	-	-	-	3.22
	-	-	-	-	-
Parsvnath Hessa Developers Private Limited	1,464.06	-	-	-	1,464.06
	-	-	-	-	-
Farhad Realtors Private Limited	0.55	-	-	-	0.55
	-	-	-	-	-
	19,846.07	-	-	-	19,846.07
	16,640.13	-	-	-	16,640.13
Security deposit (assets)					
Nutan Jain	-	-	-	11.36	11.36
	-	-	-	11.36	11.36
	-	-	-	11.36	11.36
	-	-	-	11.36	11.36
Trade / Other payables					
Parsvnath Infra Limited	388.43	-	-	-	388.43
	1,134.33	-	-	-	1,134.33
Pradeep Kumar Jain (HUF)	-	-	-	-	-
	-	1.17	-	-	1.17
Nutan Jain	-	-	-	5.58	5.58
	-	-	-	-	-

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

(₹ in Lakhs)

Transaction / Outstanding Balances	Subsidiary Companies	Entities under significant influence	Joint Venture Entities	Key Management Personnel and their relatives	Total
Pradeep Kumar Jain	-	-	-	-	-
	-	-	-	1.56	1.56
	388.43	-	-	5.58	394.01
	1,134.33	1.17	-	1.56	1,137.06
Other receivables					
Parsvnath Telecom Private Limited	-	0.50	-	-	0.50
	-	-	-	-	-
	-	0.50	-	-	0.50
	-	-	-	-	-
Other Advances received					
Jodhpur Infrastructure Private Limited	-	12.07	-	-	12.07
	-	12.17	-	-	12.17
Timebound Contracts Private Limited	-	-	-	-	-
	-	0.90	-	-	0.90
Vital Buildwell Private Limited	1.35	-	-	-	1.35
	1.42	-	-	-	1.42
Parsvnath Estate Developers Private Limited	483.45	-	-	-	483.45
	-	-	-	-	-
Parsvnath Rail Land Project Private Limited	0.28	-	-	-	0.28
	-	-	-	-	-
Samiksha Realtors Private Limited	0.27	-	-	-	0.27
	-	-	-	-	-
Parsvnath Promoters And Developers Private Limited	831.53	-	-	-	831.53
	-	-	-	-	-
	1316.88	12.07	-	-	1328.95
	1.42	13.07	-	-	14.49
Advances from customers					
Parsvnath Landmark Developers Private Limited	-	-	-	-	-
	777.49	-	-	-	777.49
Parsvnath Hotels Limited	490.11	-	-	-	490.11
	490.11	-	-	-	490.11
Parsvnath Infra Limited	185.00	-	-	-	185.00
	185.00	-	-	-	185.00

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

(₹ in Lakhs)

Transaction / Outstanding Balances	Subsidiary Companies	Entities under significant influence	Joint Venture Entities	Key Management Personnel and their relatives	Total
Parsvnath MIDC Pharma SEZ Private Limited	206.00	-	-	-	206.00
	206.00	-	-	-	206.00
Parsvnath Estate Developers Private Limited	31,000.00	-	-	-	31,000.00
	-	-	-	-	-
	31,881.11	-	-	-	31,881.11
	1,658.60	-	-	-	1,658.60
Advances received against transfer / sale of other intangible assets & intangible assets under development					
Jarul Promoters & Developers Private Limited	3,500.00	-	-	-	3,500.00
	3,500.00	-	-	-	3,500.00
Parsvnath Realty Ventures Limited	11,000.00	-	-	-	11,000.00
	11,000.00	-	-	-	11,000.00
PDL Assets Limited	3,500.00	-	-	-	3,500.00
	3,500.00	-	-	-	3,500.00
	18,000.00	-	-	-	18,000.00
	18,000.00	-	-	-	18,000.00
Interest payable					
Parsvnath Estate Developers Private Limited	12.57	-	-	-	12.57
	-	-	-	-	-
	12.57	-	-	-	12.57
	-	-	-	-	-
Security deposits (liability)					
Parsvnath Estate Developers Private Limited	519.51	-	-	-	519.51
	2,349.92	-	-	-	2,349.92
Parsvnath Buildwell Private Limited	13.88	-	-	-	13.88
	13.74	-	-	-	13.74
Parsvnath Landmark Developers Private Limited	3,959.85	-	-	-	3,959.85
	3,959.50	-	-	-	3,959.50
Parsvnath Hessa Developers Private Limited	7.42	-	-	-	7.42
	2,133.02	-	-	-	2,133.02
Parsvnath Rail Land Project Private Limited	-	-	-	-	-
	832.50	-	-	-	832.50

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

(₹ in Lakhs)

Transaction / Outstanding Balances	Subsidiary Companies	Entities under significant influence	Joint Venture Entities	Key Management Personnel and their relatives	Total
Parsvnath Infra Limited	7.41	-	-	-	7.41
	-	-	-	-	-
Parsvnath Hotels Limited	0.69	-	-	-	0.69
	-	-	-	-	-
Parsvnath Realcon Private Limited	0.13	-	-	-	0.13
	-	-	-	-	-
	4,508.89	-	-	-	4,508.89
	9,288.68	-	-	-	9,288.68
Interest accrued on margin money deposit					
Parsvnath Buildwell Private Limited	1.15	-	-	-	1.15
	-	-	-	-	-
Parsvnath Hessa Developers Private Limited	4.65	-	-	-	4.65
	4.07	-	-	-	4.07
	5.80	-	-	-	5.80
	4.07	-	-	-	4.07
Corporate guarantee given for loans					
Parsvnath Hotels Limited	1,268.00	-	-	-	1,268.00
	1,268.00	-	-	-	1,268.00
Parsvnath Landmark Developers Private Limited	20,000.00	-	-	-	20,000.00
	20,000.00	-	-	-	20,000.00
Parsvnath Estate Developers Private Limited	1,48,200.00	-	-	-	1,48,200.00
	1,07,700.00	-	-	-	1,07,700.00
Parsvnath Rail Land Project Private Limited	-	-	-	-	-
	7,500.00	-	-	-	7,500.00
Vardaan Buildtech Private Limited	3,200.00	-	-	-	3,200.00
	-	3,200.00	-	-	3,200.00
	1,72,668.00	-	-	-	1,72,668.00
	1,36,468.00	3,200.00	-	-	1,39,668.00
Corporate guarantee given for					
Parsvnath Buildwell Private Limited	11.81	-	-	-	11.81
	11.81	-	-	-	11.81
Parsvnath Estate Developers Private Limited	672.00	-	-	-	672.00
	672.00	-	-	-	672.00

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

(₹ in Lakhs)

Transaction / Outstanding Balances	Subsidiary Companies	Entities under significant influence	Joint Venture Entities	Key Management Personnel and their relatives	Total
	683.81	-	-	-	683.81
	683.81	-	-	-	683.81
Corporate guarantee given by					
Parsvnath Infra Limited	22,500.00	-	-	-	22,500.00
	22,500.00	-	-	-	22,500.00
Parsvnath Hotels Limited	18,000.00	-	-	-	18,000.00
	18,000.00	-	-	-	18,000.00
Primetime Realtors Private Limited	-	-	-	-	-
	1,45,200.00	-	-	-	1,45,200.00
	40,500.00	-	-	-	40,500.00
	1,85,700.00	-	-	-	1,85,700.00
Guarantee for loans					
Chairman and whole-time Directors	-	-	-	1,29,797.26	1,29,797.26
	-	-	-	1,74,967.43	1,74,967.43
	-	-	-	1,29,797.26	1,29,797.26
	-	-	-	1,74,967.43	1,74,967.43
Investments held					
Parsvnath Landmark Developers Private Limited (Equity shares)	7,598.03	-	-	-	7,598.03
	7,598.03	-	-	-	7,598.03
Parsvnath Infra Limited (Equity shares)	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
Parsvnath Realty Ventures Limited (Equity shares)	5.00	-	-	-	5.00
	5.00	-	-	-	5.00
Vasavi PDL Ventures Private Limited (Equity shares)	2.55	-	-	-	2.55
	2.55	-	-	-	2.55
Parsvnath Telecom Private Limited (Equity shares)	-	-	-	-	-
	103.00	-	-	-	103.00
Parsvnath Hotels Limited (Equity shares)	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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

(₹ in Lakhs)

Transaction / Outstanding Balances	Subsidiary Companies	Entities under significant influence	Joint Venture Entities	Key Management Personnel and their relatives	Total
Parsvnath Developers Pte. Limited (Equity shares)	145.49	-	-	-	145.49
	145.49	-	-	-	145.49
Primetime Realtors Private Limited (Equity shares)	-	-	-	-	-
	1.00	-	-	-	1.00
Parsvnath Promoters And Developers Private Limited (Equity shares)	57.86	-	-	-	57.86
	1,657.99	-	-	-	1,657.99
Parsvnath Estate Developers Private Limited (Equity shares)	498.90	-	-	-	498.90
	498.90	-	-	-	498.90
Parsvnath Hessa Developers Private Limited (Equity shares)	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
Home Life Real Estate Private Limited (Equity shares)	-	77.50	-	-	77.50
	-	77.50	-	-	77.50
Vardaan Buildtech Private Limited (Equity shares)	1.60	-	-	-	1.60
	-	1.60	-	-	1.60
Ratan Parsvnath Developers (AOP) (Capital Contribution)	-	-	813.50	-	813.50
	-	-	813.73	-	813.73
Parsvnath Buildwell Private Limited (Equity shares and Preference shares)	10,148.75	-	-	-	10,148.75
	10,148.75	-	-	-	10,148.75
Parsvnath Buildwell Private Limited (Debentures)	10,926.72	-	-	-	10,926.72
	10,926.72	-	-	-	10,926.72
Parsvnath Promoters And Developers Private Limited (Debentures)	-	-	-	-	-
	9,343.01	-	-	-	9,343.01
Farhad Realtors Private Limited (Equity Shares)	1.00	-	-	-	1.00
	1.00	-	-	-	1.00
Jarul Promoters & Developers Private Limited (Equity Shares)	10.00	-	-	-	10.00
	10.00	-	-	-	10.00
Suksma Buildtech Private Limited (Equity Shares)	1.00	-	-	-	1.00
	1.00	-	-	-	1.00
Parsvnath Rail Land Project Private Limited (Equity shares)	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

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

(₹ in Lakhs)

Transaction / Outstanding Balances	Subsidiary Companies	Entities under significant influence	Joint Venture Entities	Key Management Personnel and their relatives	Total
Parsvnath Realcon Private Limited (Equity shares)	1.00	-	-	-	1.00
	-	-	-	-	-
Snigdha Buildwell Private Limited (Equity shares)	1.00	-	-	-	1.00
	-	-	-	-	-
Parsvnath Rail Land Project Private Limited (Debentures)	-	-	-	-	-
	3,220.19	-	-	-	3,220.19
	46,438.24	290.00	813.50	-	47,541.74
	60,701.97	291.60	813.73	-	61,807.30

Note:

- Figures in italics represents figures as at and for the year ended 31 March, 2019.

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, 2020, other than impairment of investment as disclosed above, the Company has not recorded any impairment of investments and receivables from related parties (31 March, 2019 - 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.

65 Financial Instruments

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

(₹ in Lakhs)

	As at 31 March 20				As at 31 March 19			
	Total	Amortised Cost	At cost	FVTPL	Total	Amortised Cost	At cost	FVTPL
Financial assets								
i. Investments	81,484.73	32,894.74	47,541.74	1,048.25	91,710.58	28,855.03	61,807.30	1,048.25
ii. Trade receivables	26,052.60	26,052.60	-	-	26,924.47	26,924.47	-	-
iii. Cash and cash equivalents	588.12	588.12	-	-	2,944.51	2,944.51	-	-
iv. Bank balances other than (iii) above	5,316.65	5,316.65	-	-	5,593.80	5,593.80	-	-
v. Loans	19,863.83	19,863.83	-	-	16,658.17	16,658.17	-	-
vi. Other financial assets	18,751.65	18,751.65	-	-	25,144.38	25,144.38	-	-
Total financial assets	1,52,057.58	1,03,467.59	47,541.74	1,048.25	1,68,975.91	1,06,120.36	61,807.30	1,048.25
Financial liabilities								
i. Borrowings	88,708.13	88,708.13	-	-	1,20,635.93	1,20,635.93	-	-
ii. Trade Payables	76,067.63	76,067.63	-	-	71,059.01	71,059.01	-	-
iii. Other financial liabilities	1,08,805.60	1,08,805.60	-	-	1,04,701.40	1,04,701.40	-	-
Total financial liabilities	2,73,581.36	2,73,581.36	-	-	2,96,396.34	2,96,396.34	-	-

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, 2020

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 data

(₹ in Lakhs)

	As at 31 March 20		As at 31 March 19	
	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

66 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:

	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, 2020					
Borrowings	1,42,278.80	84,553.19	13,346.70	6,743.26	37,635.65
Trade payables	76,067.63	69,945.47	6,122.16	-	-
Other financial liabilities	55,234.93	35,128.69	6,742.04	5,643.92	7,720.28
	2,73,581.36	1,89,627.35	26,210.90	12,387.18	45,355.93
As at 31 March, 2019					
Borrowings	1,84,554.72	91,978.13	64,106.52	23,081.70	5,388.37
Trade payables	71,059.01	65,165.84	5,673.17	220.00	-
Other financial liabilities	40,782.61	34,626.47	19.67	4,881.38	1,255.09
	2,96,396.34	1,91,770.44	69,799.36	28,183.08	6,643.46

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

Note: Current maturities of long term debt have been excluded from Other financial liabilities and included under Borrowings.

	(₹ in Lakhs)	
	As at 31 March 2020	As at 31 March 2019
Financing facilities		
Secured bank overdraft facility :		
- amount used	5,959.72	7,027.72
- amount unused	-	-

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)	
	As at 31 March 2020	As at 31 March 2019
Variable rate borrowings		
Long term	1,03,076.02	1,46,198.11
Short term	39,202.78	38,356.61
Total variable rate borrowing	1,42,278.80	1,84,554.72
Fixed rate borrowings		
Long term	-	-
Short term	-	-
Total fixed rate borrowings	-	-
Total borrowings	1,42,278.80	1,84,554.72

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-2020	Year ended 31-March-2019
Actual interest cost	32,115.90	44,986.73
if ROI is increased by 1% on outstanding loans	1,573.80	2,067.25
Total interest cost	33,689.70	47,053.98
if ROI is decreased by 1% on outstanding loans	1,573.80	2,067.25
Total interest cost	30,542.10	42,919.48

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

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)	
	Year ended 31-March-2020	Year ended 31-March-2019
Outstanding for more than 6 months	17,935.91	18,604.66
Outstanding for 6 months or less	858.86	301.25
Not due for payment	7,257.83	8,018.56
	26,052.60	26,924.47

67 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)	
	Year ended 31-March-2020	Year ended 31-March-2019
Borrowings:		
Long term	49,505.35	82,279.32
Short term	39,202.78	38,356.61
Current maturities of long term borrowings	53,570.67	63,918.79
Total borrowings (A)	1,42,278.80	1,84,554.72
Equity		
Share capital	21,759.06	21,759.06
Other equity	1,25,567.56	1,34,937.60
Total Equity (B)	1,47,326.62	1,56,696.66
Debt to equity ratio (A/B)	0.97	1.18

- 68** The outbreak of Coronavirus (COVID-19) pandemic has caused significant disturbance and slowdown of economic activity. COVID-19 has adversely impacted the business operation of the company, by way of interruption of construction activities, supply chain disruption, unavailability of labour, etc. The Company has assessed the economic impact of Covid-19 on its business by evaluating various scenarios on certain assumptions and current indicators of future economic conditions and on the basis of internal and external sources of information. Based on this, the Company has assessed recoverability and carrying value of its assets comprising

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

inventory, receivables, investments, investment properties, intangible assets, right of use assets, advances, deferred tax assets and other financial and non-financial assets and believes that it will recover the carrying value of all its assets. The management will continue to closely monitor any material changes arising out of future economic conditions and impact on its business.

69 Events after the reporting period

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

70 Approval of the financial statements

The financial statements were approved for issue by Board of Directors on 17 July, 2020.

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: Delhi

Date: 17 July, 2020

INDEPENDENT AUDITOR'S REPORT

To the Members of Parsvnath Developers Limited

Report on the audit of the Consolidated Ind AS Financial Statements

Opinion

We have audited the accompanying consolidated Ind AS financial statements of Parsvnath Developers Limited ("the Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), its associates and joint venture, which comprise the consolidated Balance Sheet as at 31 March 2020, and the consolidated statement of Profit and Loss (including other comprehensive income), the consolidated statement of changes in equity and the consolidated statement of cash flows for the year then ended, and notes to the consolidated Ind AS financial statements, including a summary of significant accounting policies ("the consolidated Ind AS financial statements").

In our opinion and to the best of our information and according to the explanations given to us, and based on the consideration of reports of other auditors on separate financial statements of the subsidiaries, associates and joint venture referred to on the Other Matters section below, the aforesaid consolidated Ind AS financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, and other accounting principles generally accepted in India, of the consolidated state of affairs of the Group, its associates and joint venture as at 31 March 2020, of consolidated loss, consolidated total comprehensive loss, consolidated changes in equity and its consolidated cash flows for the year then ended.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Ind AS Financial Statements section of our report. We are independent

of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the consolidated Ind AS financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in sub-para (a) and (b) of the Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matters

We draw attention to the following matters in the notes to the consolidated Ind AS financial statements:

- (i) Note 48, which indicates that the group has incurred cash loss during the current and previous years and there have been delays/defaults in payment of principal and interest on borrowings, statutory liabilities, salaries to employees and other dues by the group. The management of the Holding Company is of the opinion that no adverse impact is anticipated on future operations of the Group.
- (ii) Note 12, which explains management position regarding utilization of Deferred Tax Assets and Minimum Alternate Tax Credit aggregating to ₹ 25,495.30 lakhs as at 31 March, 2020. Based on the management assumptions and future business plans, no provision has been considered in the books of account.

Our opinion is not modified in respect of these matters.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the consolidated Ind AS financial statements of the current period. These matters were addressed in the context of our audit of the consolidated Ind AS financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report:

Key audit matters	How the matter was addressed in our audit
<p>Revenue recognition</p> <p>The group has applied Ind AS 115 – ‘Revenue from Contracts with Customers’ as on the transition date of 1 April, 2018</p> <p>Revenue from sale of constructed properties is recognised at a ‘Point of Time’, when the Group satisfies the performance obligations, which generally coincides with completion/possession of the unit.</p> <p>Recognition of revenue at a point in time based on satisfaction of performance obligation requires estimates and judgements regarding timing of satisfaction of performance obligation, allocation of cost incurred to segment/units and the estimated cost for completion of some final pending works. Due to judgement and estimates involved, revenue recognition is considered as key audit matter.</p>	<p>Our audit procedures on revenue recognition included the following:</p> <ul style="list-style-type: none"> • We have evaluated that the group’s revenue recognition policy is in accordance with Ind AS 115 and other applicable accounting standards; • We verified performance obligations satisfied by the Group; • We tested flat buyer agreements/sale deeds, occupancy certificates (OC), project completion, possession letters, sale proceeds received from customers to test transfer of controls; • We conducted site visits during the year to understand status of the project and its construction status; • We verified calculation of revenue to be recognised and matching of related cost; • We verified allocation of common cost to units sold and estimates of cost yet to be incurred before final possession of units.
<p>Inventories</p> <p>The Group’s inventories comprise of projects under construction/development (Work-in-progress) and unsold flats (finished flats).</p> <p>The inventories are carried 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 and/or identified by the Group for properties in same geographical area. NRV of properties under construction is assessed with reference to market value of completed property as at the reporting date less estimated cost to complete.</p> <p>The carrying value of inventories is significant part of the total assets of the Group and involves significant estimates and judgements in assessment of NRV. Accordingly, it has been considered as key audit matter.</p>	<p>Our audit procedures to assess the net realisable value (NRV) of inventories included the following:</p> <ul style="list-style-type: none"> • We had discussions with management to understand management’s process and methodology to estimate NRV, including key assumptions used; • We verified project wise unsold units/area from sales department; • We tested sale price of the units with reference to recently transacted price of same or similar projects and available market information in same geographical area; • To calculate NRV of work-in-progress, we verified the estimated cost to construction to complete the project.

Key audit matters	How the matter was addressed in our audit
<p>Deferred Tax Assets (DTA)</p> <p>The group has recognised deferred tax assets (DTA) on carried forward business losses and unabsorbed depreciation (Refer to note 12 to the financial statements)</p> <p>The Group has recognised DTA considering sale agreements executed with the customers against which revenue will get recognised in future on point of time.</p> <p>Recognition of DTA is based on future business plan and sales projections of the Group, which have been approved by the audit committee and board of directors of the Holding Company and the subsidiary companies.</p> <p>Since recognition of DTA on carried forward losses involves significant judgements and estimates, it has been considered as key audit matter.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • We have discussions with management to understand process over recording and review of deferred tax assets (DTA); • We obtained approved business plan, profitability projects of existing projects and verified mandates given for sale of some identified assets; • We had discussion at separate audit committee meeting of the holding company with independent directors; • We tested the computation of the amount and the tax rate used for recognition of DTA; • We also verified the disclosures made by the Group in Note 12 to the financial statements.
<p>Customer complaints and litigation</p> <p>The Group is having various customers complaints, claims and litigations for delays in execution of its real estate projects.</p> <p>Management estimates the possible outflow of economic resources based on legal opinion and available information on the status of the legal cases.</p> <p>Determination of amount to be provided and disclosure of contingent liabilities involves significant estimates and judgements, therefor it has been considered as key audit matter.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • We had discussion with management and understood management process for identification of claims and its quantification; • We had discussion with Head of Legal department of the Holding Company, to assess the financial impact of legal cases; • We read judgments of the courts and appeals filed by the respective companies; • We read minutes of the audit committee and the board of directors of the respective companies to get status of the material litigations; • We verified that, in cases, where management estimates possible flow of economic resources, adequate provision is made in books of account and in other cases, required disclosure is made of contingent liabilities.

Key audit matters	How the matter was addressed in our audit
<p>Statutory dues and borrowings</p> <p>The Group has incurred cash losses during the current and previous year, due to recession in the real estate sector, due to which the Group is facing tight liquidity situation.</p> <p>As a result, there have been delays/defaults in statutory liabilities, principal and interest on borrowings and other dues.</p> <p>Defaults in payment of statutory dues and borrowings involves calculation of interest, penal interest and other penalties on delayed payments and recording of liabilities. It requires significant estimates, hence considered as key audit matter.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • We had discussion with management and understood management process for provision of interest and penalties for delays/defaults in payment of statutory dues and repayment of borrowings and interest thereon; • For statutory dues, we have verified the schedule of statutory liabilities and due date of payments. We verified calculation of interest on delayed payments; • For borrowings, we verified loan agreement and sanction letters to check repayment schedule and penal interest, if any. We verified calculation of interest including penal interest; • We verified disclosures made in the financial statements in respect of defaults in repayment of borrowings and interest thereon; • Defaults in payment of statutory dues is reported in Annexure A to our audit report on standalone financial statements.
<p>Advances for land</p> <p>The Group has given advances for procurement of land for construction of real estate projects. These advances are given based on agreements.</p> <p>The Group acquires land through SPVs and paid advances to SPVs for acquisition of land.</p> <p>These advances are tested for recoverability. Due to significant amount and the time involved in square up of these advances, it has been considered as key audit matter.</p>	<p>Our audit procedures included:</p> <ul style="list-style-type: none"> • We had discussion with management and understood management process for land acquisition; • We have verified the agreements and Memorandum of Understanding (MOUs) with the SPVs; • We verified financial statements of these SPVs to test land held by these entities and its book value; • For advances given to third parties, we have verified the agreements and had discussion with the management on timeline for land procurement.

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

- The Holding Company’s Board of Directors is responsible for the other information. The other information comprises the information included in the Director’s Report, Management Discussion and Analysis Report and Corporate Governance Report, but does not include financial statements and our auditor’s report thereon. These reports are expected to be made available to us after the date of this auditor’s report.
- Our opinion on the consolidated financial statements does not cover the other information and we will not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information

- and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.
- When we read Director’s Report, Management Discussion and Analysis Report and Corporate Governance Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance as required under SA 720 ‘The Auditors Responsibilities relating to other information’.

Management’s Responsibility for the Consolidated Ind AS Financial Statements

The Holding Company’s Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to

preparation of these consolidated Ind AS financial statements in term of the requirements of 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 jointly venture and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial 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.

In preparing the consolidated Ind AS financial statements, the respective Board of Directors of the companies included in the Group and of its associates and joint joint venture are responsible for assessing the ability of the Group and of its associates and joint venture to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless Management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

The respective Board of Directors of the companies included in the Group and of its associates and joint venture are responsible for overseeing the financial reporting process of the Group and of its associates and joint venture.

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

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

in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated Ind AS financial statements.

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

- Identify and assess the risks of material misstatement of the consolidated Ind AS financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Group has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by Management.
- Conclude on the appropriateness of Management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates and joint venture to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated Ind AS financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates and joint venture to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated Ind AS financial statements, including the disclosures, and whether the consolidated Ind AS financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities within the Group and

its associates and joint venture to express an opinion on the consolidated Ind AS financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated Ind AS financial statements of which we are the independent auditors. For the other entities included in the consolidated Ind AS financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated Ind AS financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

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

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated Ind AS financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

We did not audit the financial statements of fifty one subsidiaries and one joint venture, whose financial statements reflect total assets (after eliminating intra-group transactions) of ₹ 35,139.95 lakhs

as at 31 March 2020, total revenue (after eliminating intra-group transactions) of ₹ 414.33 lakhs, loss after tax of ₹ 82.62 lakhs, total comprehensive loss of ₹ 82.62 lakhs and net cash inflows amounting to ₹ 1.43 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 ₹ 1.41 lakhs for the year ended 31 March 2020, as considered in the consolidated Ind AS financial statements, in respect of two associates, 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.

One of these subsidiaries is located outside India whose financial statements and other financial information have been prepared in accordance with accounting principles generally accepted in that country and which have been audited by other auditors under generally accepted auditing standards applicable in that country. The Holding Company's Management has converted the financial statements of such subsidiary located outside India from accounting principles generally accepted in that country to accounting principles generally accepted in India. We have audited these conversion adjustments made by the Holding Company's Management. Our opinion in so far as it relates to the balances and affairs of such subsidiary located outside India is based on the report of other auditors and the conversion adjustments prepared by the Management of the Holding Company and audited by us.

Our opinion on the consolidated Ind AS financial statements above, 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 and the reports of the other auditors.

Report on Other Legal and Regulatory Requirements

As required by Section 143(3) of the Act based on our audit and on the consideration of reports of the other auditors on separate financial statements and the other financial information of subsidiaries, associates and joint venture, as noted in the 'Other Matters' paragraph, 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 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.
- (c) The Consolidated Balance Sheet, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), and the Consolidated Statement of Cash Flows and Consolidated Statement of Changes in Equity 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.
- (d) In our opinion, the aforesaid consolidated Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- (e) 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:
- Attention is invited to Note No. 45 and 46, which indicates material uncertainty related to outcome of legal disputes of subsidiary companies.
- (f) On the basis of the written representations received from the directors of the Holding Company as on 31 March 2020 taken on record by the Board of Directors of the Holding Company and the reports of the 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 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- (g) With respect to the adequacy of internal financial controls with reference to financial statements of the Group and its associates incorporated in India and the operating effectiveness of such controls, refer to our separate report in Annexure A.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of Section 197(16) of the Act, as amended:
- In our opinion and to the best of our information and according to the explanations given to us, the Holding Company has not paid any remuneration to its directors during the year.
- (i) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditor's) Rules, 2014, 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 report of the other auditors on separate financial statements as also the other financial information of the subsidiaries, associates and joint joint venture, 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 37 to the consolidated Ind AS financial statements.
 - ii. The Group, its associates and jointly joint venture did not have any material foreseeable losses on long-term contracts including derivative contracts – Refer Note 39 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 and associates incorporated in India – Refer Note 40 to the consolidated financial statements.

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

Sd/-
Vinesh Jain
Partner
Membership No.: 87701
UDIN: 20087701AAAACI6862

Place: New Delhi
Date: 17 July, 2020

Annexure A

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

1. In conjunction with our audit of the consolidated financial statements of the company as of and for the year ended 31 March 2020, we have audited the internal financial controls with reference to financial statements 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, 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 with reference to financial statements of the Holding Company, its subsidiary companies and its associate 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 with reference to financial statements 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 with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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 with reference to financial statements of the Holding Company, its subsidiary companies and its associate companies as aforesaid.

Meaning of Internal Financial Controls with reference to financial statements

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 with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable

assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to financial statements

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

Opinion

8. In our opinion, the Holding Company, its subsidiary companies and its associate companies, which are companies incorporated in India, have, in all material respects, adequate internal financial controls system with reference to financial statements and such internal financial controls with reference

to financial statements were operating effectively as at 31 March 2020, based on internal control over financial reporting criteria.

Other Matter

9. Our aforesaid reports under Section 143(3)(i) of the Act on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements insofar as it relates to fifty subsidiaries and two 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**

Chartered Accountants

Firm's Registration No.:000050N/N500045

Sd/-

Vinesh Jain

Partner

Membership No.: 87701

UDIN: 20087701AAAACI6862

Place: New Delhi

Date: 17 July, 2020

CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2020

(₹ in Lakhs)

	Notes	As at 31-March-2020	As at 31-March-2019
ASSETS			
1 Non-current assets			
a. Property, plant and equipment	5	269.79	351.36
b. Right of use assets	6	37,710.74	-
c. Capital work-in-progress	5	6,526.05	6,402.59
d. Investment property	7	3,214.02	2,296.92
e. Goodwill on consolidation		-	6,878.85
f. Other intangible assets	8	44,808.70	46,851.46
g. Intangible assets under development	8	84,926.93	75,025.72
h. Financial assets			
i. Investments	9	34,396.46	30,308.01
ii. Other financial assets	11	13,066.39	1,40,213.01
i. Deferred tax assets (net)	12	25,495.30	24,249.75
j. Tax assets (net)	18	3,941.33	3,561.71
k. Other non-current assets	13	21,750.65	22,367.45
Total non-current assets		2,76,106.36	3,58,506.83
2 Current assets			
a. Inventories	14	4,60,165.89	5,29,630.02
b. Financial assets			
i. Trade receivables	15	27,925.92	29,126.49
ii. Cash and cash equivalents	16	979.92	3,445.71
iii. Bank balances other than (ii) above	17	5,334.66	5,623.58
iv. Loans	10	2,536.29	1,923.06
v. Other financial assets	11	17,615.70	18,543.20
c. Other current assets	13	18,247.61	21,985.73
Total current assets		5,32,805.99	6,10,277.79
Total assets		8,08,912.35	9,68,784.62
EQUITY AND LIABILITIES			
1 Equity			
a. Equity share capital	19	21,759.06	21,759.06
b. Other equity	20	38,978.49	72,486.20
Total Equity (For shareholders of parent)		60,737.55	94,245.26
Non-controlling interest		349.76	7,706.70
Total Equity		61,087.31	1,01,951.96
Liabilities			
2 Non-current liabilities			
a. Financial liabilities			
i. Borrowings	21	1,97,388.49	3,09,663.05
ii. Other financial liabilities	22	41,680.64	4,119.60
b. Provisions	23	492.92	440.19
c. Other non-current liabilities	24	5,746.00	4,526.50
Total non-current liabilities		2,45,308.05	3,18,749.34
3 Current liabilities			
a. Financial liabilities			
i. Borrowings	25	39,690.71	47,651.61
ii. Trade Payables	26		
- Total outstanding dues of micro enterprises and small enterprises		121.92	148.51
- Total outstanding dues of creditors other than micro enterprises and small enterprises		85,142.66	79,300.14
iii. Other financial liabilities	22	1,31,873.93	1,05,279.28
b. Provisions	23	36.25	30.17
c. Current tax liabilities (Net)	18	3.46	1.81
d. Other current liabilities	24	2,45,648.06	3,15,671.80
Total current liabilities		5,02,516.99	5,48,083.32
Total liabilities		7,47,825.04	8,66,832.66
Total equity and liabilities		8,08,912.35	9,68,784.62

See accompanying notes to the consolidated financial statements

1-71

In terms of our report attached
For S. N. Dhawan & Co. LLP
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: Delhi
Date: 17 July, 2020

Place: Delhi
Date: 17 July, 2020

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31 MARCH, 2020

(₹ in Lakhs)

	Notes	Year ended 31 March, 2020	Year ended 31 March, 2019
I. Revenue from operations	27	1,19,143.48	91,105.52
II. Other income	28	7,681.42	1,438.88
III. Total income (I + II)		1,26,824.90	92,544.40
IV. Expenses			
a. Cost of land / development rights		7,044.78	5,915.37
b. Cost of materials consumed	29	1,237.37	1,044.49
c. Purchases of stock-in-trade	30	1,358.32	(190.03)
d. Contract cost, labour and other charges		2,561.21	6,398.48
e. Changes in inventories of finished goods and work-in-progress	31	82,661.62	72,131.21
f. Employee benefits expense	32	2,266.87	2,623.15
g. Finance costs	33	48,101.95	33,531.60
h. Depreciation and amortisation expense	34	2,704.64	2,890.12
i. Other expenses	35	16,403.18	8,365.92
Total expenses (IV)		1,64,339.94	1,32,710.31
V. Profit/(loss) before tax (III-IV)		(37,515.04)	(40,165.91)
VI. Tax expense/(benefit):	36		
a. Current tax		43.59	5.82
b. Tax adjustment for earlier years		17.27	1,563.74
c. Deferred tax		(1,250.54)	(4,995.93)
		(1,189.68)	(3,426.37)
VII. Profit/(loss) for the year (V - VI)		(36,325.36)	(36,739.54)
VIII. Share of profit/(loss) in Associates (Net)		1.41	1.86
IX. Profit/(loss) for the year (VII+VIII)		(36,323.95)	(36,737.68)
X. Other comprehensive income			
(i) Items that will not be reclassified to profit or loss			
a) Remeasurements of the defined benefit plans		(53.46)	(36.29)
(ii) Income tax relating to items that will not be reclassified to profit or loss	36	4.92	(9.44)
Total other comprehensive income (i-ii)		(58.38)	(26.85)
XI. Total comprehensive income for the year (IX + X)		(36,382.33)	(36,764.53)
XII. Net profit / (loss) attributable to:			
a. Shareholders of the company		(34,713.99)	(36,359.92)
b. Non-controlling interest		(1,668.34)	(404.61)
XIII. Earnings per equity share (face value ₹ 5 per share)	59		
a. Basic (in ₹)		(7.96)	(8.36)
b. Diluted (in ₹)		(7.96)	(8.36)

See accompanying notes to the consolidated financial statements

1-71

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

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

Place: Delhi
 Date: 17 July, 2020

For and on behalf of the Board of Directors

Sd/-
Pradeep Kumar Jain
 Chairman
 (DIN 00333486)

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

Place: Delhi
 Date: 17 July, 2020

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

Sd/-
V. Mohan
 Company Secretary

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2020

(₹ in Lakhs)

	Year ended 31-March-2020	Year ended 31-March-2019
A. Cash flow from operating activities		
Profit/(loss) before tax (including OCI)	(37,568.50)	(40,202.20)
Adjustments for:		
Depreciation and amortisation expense	2,704.64	2,890.12
Loss/(Profit) on sale of property, plant and equipment (net)	(51.81)	(89.43)
Income from maturity of Keyman Insurance Policy	(1,723.50)	-
Finance costs	48,101.95	33,531.60
Interest income	(5,343.15)	(1,156.93)
Interest income on income tax refunds	(126.37)	-
Excess provision written back	(46.44)	(22.60)
Operating profit/(loss) before working capital changes	5,946.82	(5,049.44)
Movement in working capital:		
Adjustments for (increase)/decrease in operating assets:		
Inventories	82,661.62	74,434.55
Trade receivables	1,200.57	(12,811.74)
Loans - current	(613.23)	159.01
Other financial assets - non current	1,23,029.69	352.82
Other financial assets - current	811.61	55.32
Other assets - non current	812.99	3,046.64
Other assets - current	3,738.12	14,105.74
Adjustments for increase/(decrease) in operating liabilities:		
Trade payables	8,242.94	3,054.62
Other financial liabilities - non current	401.47	220.24
Other financial liabilities - current	(772.97)	(124.95)
Other liabilities - non current	1,219.50	415.42
Other liabilities - current	(70,023.74)	54,384.14
Provisions - non current	57.65	(73.56)
Provisions - current	1.16	(25.56)
Cash generated from/(used in) operations	1,56,714.20	1,32,143.25
Income taxes paid (net)	(438.83)	(1,103.82)
Net cash flow from/(used in) operating activities	(A) 1,56,275.37	1,31,039.43

CONSOLIDATED STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31 MARCH, 2020

		(₹ in Lakhs)	
		Year ended 31-March-2020	Year ended 31-March-2019
B. Cash flow from investing activities			
Payments for Property, Plant and Equipment , Investment Properties and intangible assets including under development		(8,703.47)	(11,923.66)
Proceeds from sale of Property, Plant and equipment and Investment property		79.52	655.78
Proceeds from maturity of Keyman Insurance Policy		1,723.50	-
(Increase)/decrease in bank balances not considered as cash and cash equivalents		4,405.85	46.31
Purchase of non-current investments		(4,087.04)	(28,855.03)
Purchase of Shares from Non-Controlling Interest		-	(8,161.61)
Redemption/sale of non-current investments			
- Associates		-	8.50
Interest received		5,472.43	1,244.10
Net cash flow from/(used in) investing activities	(B)	(1,109.21)	(46,985.61)
C. Cash flow from financing activities			
Interest paid		(50,355.15)	(62,982.45)
Proceeds from / (repayment of) working capital borrowings		(1,068.00)	(1,088.12)
Proceeds from other short-term borrowings		13,687.47	37,955.29
Repayment of other short-term borrowings		(20,580.37)	(35,480.83)
Proceeds from long-term borrowings		1,17,943.34	1,13,284.88
Repayment of long-term borrowings		(2,17,259.24)	(1,33,140.73)
Net cash flow from/(used in) financing activities	(C)	(1,57,631.95)	(81,451.96)
D. Net increase/(decrease) in Cash and cash equivalents	(A+B+C)	(2,465.79)	2,601.86
E. Cash and cash equivalents at the beginning of the year		3,445.71	843.85
F. Cash and cash equivalents at the end of the year		979.92	3,445.71

See accompanying notes to the consolidated financial statements

1-71

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

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

Place: Delhi
 Date: 17 July, 2020

For and on behalf of the Board of Directors

Sd/-
Pradeep Kumar Jain
 Chairman
 (DIN 00333486)

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

Place: Delhi
 Date: 17 July, 2020

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

Sd/-
V. Mohan
 Company Secretary

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31 MARCH, 2020

a. Equity Share Capital

(₹ in Lakhs)

	Amount
Balance as at 31 March, 2018	21,759.06
Changes in equity share capital during the year	-
Balance as at 31 March, 2019	21,759.06
Changes in equity share capital during the year	-
Balance as at 31 March, 2020	21,759.06

b. Other Equity

(₹ in Lakhs)

	Reserves and Surplus							Other Comprehensive Income Remeasurement of defined benefit plan	Attributable to shareholders of parent	Non Controlling Interest
	Capital Reserve	Capital Redemption Reserve	Securities premium	Debenture redemption reserve	Foreign Currency Translation Reserve	General Reserve	Retained earnings			
Balance as at 31 March, 2018	2,045.60	230.00	1,45,591.47	14,527.50	5.84	9,310.00	22,993.09	33.35	1,94,736.85	16,272.92
Profit/(loss) for the year	-	-	-	-	-	-	(36,333.07)	-	(36,333.07)	(404.61)
Exchange differences arising on translating the foreign operations	-	-	-	-	45.69	-	-	-	45.69	-
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	(26.85)	(26.85)	-
Add/(less) Adjustment due to adoption of Ind AS - 115 as at 01 April, 2018 (Refer note 60)	-	-	-	-	-	-	(85,936.42)	-	(85,936.42)	(366.94)
Non-controlling adjustment due to acquisition of stake in subsidiary	-	-	-	-	-	-	-	-	-	(7,794.67)
Transfer to retained earnings	-	-	-	(6,785.30)	-	-	-	-	(6,785.30)	-
Transfer from Debenture redemption reserve	-	-	-	-	-	-	6,785.30	-	6,785.30	-
Balance as at 31 March, 2019	2,045.60	230.00	1,45,591.47	7,742.20	51.53	9,310.00	(92,491.10)	6.50	72,486.20	7,706.70
Profit/(loss) for the year	-	-	-	-	-	-	(34,655.61)	-	(34,655.61)	(1,668.34)
Exchange differences arising on translating the foreign operations	-	-	-	-	16.03	-	-	-	16.03	-
Other comprehensive income for the year, net of income tax	-	-	-	-	-	-	-	(58.38)	(58.38)	-
Add/(Less): Adjusted upon further acquisition of shares of a subsidiary	1,190.25	-	-	-	-	-	-	-	1,190.25	(5,688.60)
Balance as at 31 March, 2020	3,235.85	230.00	1,45,591.47	7,742.20	67.56	9,310.00	(1,27,146.71)	(51.88)	38,978.49	349.76

See accompanying notes to the financial statements

1-71

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

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

Place: Delhi
 Date: 17 July, 2020

For and on behalf of the Board of Directors

Sd/-
Pradeep Kumar Jain
 Chairman
 (DIN 00333486)

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

Place: Delhi
 Date: 17 July, 2020

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

Sd/-
V. Mohan
 Company Secretary

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

1. CORPORATE INFORMATION

Parsvnath Developers Limited ("the Company" or "the Holding 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 'Parsvnath Tower' Near Shahdara Metro Station, Delhi - 110032. 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'). The date of transition to Ind AS is 1 April, 2015.

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 March 20	31 March 19
Subsidiaries			
1	Parsvnath Landmark Developers Private Limited	100.00%	100.00%
2	Parsvnath Infra Limited	94.87%	94.87%
3	Parsvnath Film City Limited	100.00%	100.00%
4	Parsvnath Telecom Private Limited*	-	100.00%
5	Parsvnath Hotels Limited	100.00%	100.00%
6	PDL Assets Limited	100.00%	100.00%
7	Parsvnath Estate Developers Private Limited	100.00%	100.00%
8	Parsvnath Promoters and Developers Private Limited	4.86%	51.00%
9	Parsvnath Developers Pte. Limited	53.32%	53.32%
10	Parsvnath Hessa Developers Private Limited	100.00%	100.00%
11	Primetime Realtors Private Limited*	-	100.00%
12	Parsvnath Buildwell Private Limited	99.83%/99.10%	99.83%/99.10%
13	Parsvnath HB Projects Private Limited	51.00%	51.00%
14	Parsvnath MIDC Pharma SEZ Private Limited	94.87%	94.87%
15	Parsvnath Realcon Private Limited	100.00%	99.10%
16	Parsvnath Reality Ventures Limited	100.00%	100.00%
17	Vasavi PDL Ventures Private Limited	51.00%	51.00%
18	Farhad Realtors Private Limited	100.00%	100.00%
19	Parsvnath Rail Land Project Private Limited	28.30/85.10%	28.30/85.10%
20	Suksma Buildtech Private Limited	100.00%	100.00%
21	Jarul Promoters and Developers Private Limited	100.00%	100.00%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

Name of the Company		Percentage of ownership/voting rights	
		31 March 20	31 March 19
22	Snigdha Buildwell Private Limited	100.00%	-
23	Generous Buildwell Private Limited	100.00%	-
24	Evergreen Realtors Private Limited	100.00%	-
Subsidiaries by virtue of Accounting Standard (Ind AS – 110) on 'Consolidated financial statements'			
25	Vardaan Buildtech Private Limited	33.33%	-
26	Aahna Realtors Private Limited	-	-
27	Afra Infrastructure Private Limited	-	-
28	Anubhav Buildwell Private Limited	-	-
29	Arctic Buildwell Private Limited	-	-
30	Arunachal Infrastructure Private Limited	-	-
31	Bae Buildwell Private Limited	-	-
32	Bakul Infrastructure Private Limited	-	-
33	Banita Buildcon Private Limited	-	-
34	Bliss Infrastructure Private Limited	-	-
35	Brinly Properties Private Limited	-	-
36	Coral Buildwell Private Limited	-	-
37	Dae Realtors Private Limited	-	-
38	Dai Real Estates Private Limited	-	-
39	Dhiren Real Estates Private Limited	-	-
40	Elixir Infrastructure Private Limited	-	-
41	Emerald Buildwell Private Limited	-	-
42	Evergreen Realtors Private Limited*	-	-
43	Gem Buildwell Private Limited	-	-
44	Himsagar Infrastructure Private Limited	-	-
45	Izna Realcon Private Limited	-	-
46	Jaguar Buildwell Private Limited	-	-
47	Label Real Estates Private Limited	-	-
48	Lakshya Realtors Private Limited	-	-
49	LSD Realcon Private Limited	-	-
50	Mirage Buildwell Private Limited	-	-
51	Navneet Realtors Private Limited	-	-
52	Neelgagan Realtors Private Limited	-	-
53	New Hind Enterprises Private Limited	-	-
54	Oni Projects Private Limited	-	-
55	Paavan Buildcon Private Limited	-	-
56	Perpetual Infrastructure Private Limited	-	-
57	Prosperity Infrastructures Private Limited	-	-
58	Rangoli Infrastructure Private Limited	-	-
59	Samiksha Realtors Private Limited	-	-
60	Sapphire Buildtech Private Limited	-	-
61	Silverstreet Infrastructure Private Limited	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

Name of the Company		Percentage of ownership/voting rights	
		31 March 20	31 March 19
62	Spearhead Realtors Private Limited	-	-
63	Springdale Realtors Private Limited	-	-
64	Stupendous Buildtech Private Limited	-	-
65	Sumeru Developers Private Limited	-	-
66	Trishla Realtors Private Limited	-	-
67	Vital Buildwell Private Limited	-	-
68	Yamuna Buildwell Private Limited	-	-
Joint Ventures			
1	Ratan Parsvnath Developers (AOP)	50.00%	50.00%
Associates			
1	Amazon India Limited	48.30%	48.30%
2	Home Life Real Estate Private Limited	50.00%	50.00%
3	Vardaan Buildtech Private Limited#	-	33.33%

* Ceased to be subsidiaries during the year

Became subsidiary during the year

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

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;

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

- 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 and the 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 profit or 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.
- 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

The principal accounting policies are set out below.

2.4 Revenue recognition

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

- i. Revenue from real estate projects – The Group derives revenue, primarily from sale of properties comprising of both commercial and residential units. Revenue from sale of constructed properties is recognised at a 'Point of Time', when the Group satisfies the performance obligations, which generally coincides with completion/possession of the unit. To estimate the transaction price in a contract, the Group adjusts the contracted amount of consideration to the time value of money if the contract includes a significant financing component.
- ii. In case of joint development projects, wherein land owner provides land and the 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 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

Ind AS 116

The group has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

As a lessee

The group recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

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

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

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

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

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

Short-term leases and leases of low-value assets

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

As lessor

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

Under Ind AS 17

Leases were 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 were classified as operating leases.

As lessee

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

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.

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 group recognises MAT credit available as an asset only to the extent that there is convincing evidence that the respective Group 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 Group does not have

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

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, 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 is any 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

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:

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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 attributable to bring the asset to its working condition for

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

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 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 Cost of revenue

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

2.21 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

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 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. An asset is

treated as current when it is:

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

2.24 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 than financial assets and financial liabilities at

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

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.

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

A financial asset is held for trading if:

- it has been acquired principally for the purpose of selling it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

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 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 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.

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 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 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

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.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

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 recognised and 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 equity components 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, may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- the financial liability forms part of a group of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the 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 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

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 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 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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

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. 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.

3.1 Revenue recognition

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

3.2 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. The effect of

changes is recognised in the financial statements during the period in which such changes are determined.

3.3 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 audit committee and the board of directors of the Company.

3.4 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

4. RECENT ACCOUNTING PRONOUNCEMENTS

Amendments to existing Standards

Ministry of Corporate Affairs has carried out amendments of the following accounting standards, which will be effective in subsequent period:

- a. Ind AS 103 – Business Combination
- b. Ind AS 1, Presentation of Financial Statements and Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors
- c. Ind AS 40 – Investment Property

The group is in the process of evaluating the impact of the new amendments issued but not yet but not yet effective.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2020

5 Property, plant and equipment

(₹ in Lakhs)

	As at 31 March 2020	As at 31 March 2019
Carrying amounts of :		
Land and building		
i. Own use	11.91	12.22
ii. Given under operating lease	35.13	39.13
Plant and equipment	39.44	16.15
Shuttering and scaffolding	-	-
Furniture and fixture	2.79	1.51
Vehicles	173.82	271.07
Office equipment	5.28	9.95
Computers	1.42	1.33
Sub-total	269.79	351.36
Capital work-in-progress	6,526.05	6,402.59
Total	6,795.84	6,753.95

(₹ 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 31 March, 2018	75.94	55.09	155.07	0.97	83.40	743.71	44.06	11.72	1,169.96
Additions	-	-	-	-	-	-	4.63	0.10	4.73
Disposals	62.47	-	-	-	-	16.72	-	-	79.19
Balance as at 31 March, 2019	13.47	55.09	155.07	0.97	83.40	726.99	48.69	11.82	1,095.50
Additions	-	-	31.32	-	2.68	0.72	0.28	1.75	36.75
Disposals	-	-	-	-	-	1.37	-	-	1.37
Balance as at 31 March, 2020	13.47	55.09	186.39	0.97	86.08	726.34	48.97	13.57	1,130.88
Accumulated depreciation									
Balance as at 31 March, 2018	4.69	11.97	131.12	0.97	80.22	354.60	33.52	8.44	625.53
Depreciation expense	1.00	3.99	7.80	-	1.67	101.32	5.22	2.05	123.05
Elimination on disposals of assets	4.44	-	-	-	-	-	-	-	4.44
Balance as at 31 March, 2019	1.25	15.96	138.92	0.97	81.89	455.92	38.74	10.49	744.14
Depreciation expense	0.31	4.00	8.03	-	1.40	97.97	4.95	1.66	118.32
Elimination on disposals of assets	-	-	-	-	-	1.37	-	-	1.37
Balance as at 31 March, 2020	1.56	19.96	146.95	0.97	83.29	552.52	43.69	12.15	861.09
Carrying amount									
Balance as at 31 March, 2018	71.25	43.12	23.95	-	3.18	389.11	10.54	3.28	544.43
Additions	-	-	-	-	-	-	4.63	0.10	4.73
Disposals	58.03	-	-	-	-	16.72	-	-	74.75
Depreciation expense	1.00	3.99	7.80	-	1.67	101.32	5.22	2.05	123.05
Balance as at 31 March, 2019	12.22	39.13	16.15	-	1.51	271.07	9.95	1.33	351.36
Additions	-	-	31.32	-	2.68	0.72	0.28	1.75	36.75
Disposals	-	-	-	-	-	-	-	-	-
Depreciation expense	0.31	4.00	8.03	-	1.40	97.97	4.95	1.66	118.32
Balance as at 31 March, 2020	11.91	35.13	39.44	-	2.79	173.82	5.28	1.42	269.79

Note:

- i. For details of assets charges as security, refer note 21 and 25

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2020

6 Right of use assets

(₹ in Lakhs)

	As at 31 March 2020	As at 31 March 2019
Right of use assets	7,620.48	-
Right of use assets-under development	30,090.26	-
	37,710.74	-

(₹ in Lakhs)

Particulars	Right of use assets	Right of use assets under development	Total
Amount recognised due to adoption of Ind AS-116 as at 01 April, 2019	8,104.09	31,490.43	39,594.52
Additions (Net)	14.36	-	14.36
Balance as at 31 March, 2020	8,118.45	31,490.43	39,608.88
Accumulated amortisation			
Balance as at 31 March, 2019	-	-	-
Amortisation expense	497.97	1,400.17	1,898.14
Balance as at 31 March, 2020	191.87	478.40	670.27
Carrying amount			
Amount recognised due to adoption of Ind AS-116 as at 01 April, 2019	8,104.09	31,490.43	39,594.52
Additions (Net)	14.36	-	14.36
Amortisation expense	497.97	1,400.17	1,898.14
Balance as at 31 March, 2020	7,620.48	30,090.26	37,710.74

Notes:

a. Right of use assets

Right of use assets is lease liability measured at cost, which comprises initial amount of lease liability adjusted for lease payments made at or before the commencement date of 01 April, 2019 (see note 2)

b. Amortisation of Right of use assets under development is capitalised in 'Intangible assets under development'.

7 Investment property

(₹ in Lakhs)

	As at 31 March 2020	As at 31 March 2019
Freehold land	32.81	32.81
Buildings	3,181.21	2,264.11
Completed investment properties	3,214.02	2,296.92

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2020

(₹ in Lakhs)

	Freehold land		Buildings		Total	
	Year ended 31-March-20	Year ended 31-March-19	Year ended 31-March-20	Year ended 31-March-19	Year ended 31-March-20	Year ended 31-March-19
Cost or deemed Cost						
Balance at the beginning of the year	32.81	524.41	2,385.92	2,011.10	2,418.73	2,535.51
Additions	-	-	974.93	374.82	974.93	374.82
Disposals	-	491.60	30.28	-	30.28	491.60
Balance at the end of the year	32.81	32.81	3,330.57	2,385.92	3,363.38	2,418.73
Accumulated depreciation						
Balance at the beginning of the year	-	-	121.81	91.38	121.81	91.38
Disposals	-	-	2.57	-	2.57	-
Depreciation expense	-	-	30.12	30.43	30.12	30.43
Balance at the end of the year	-	-	149.36	121.81	149.36	121.81
Carrying amount						
Balance at the beginning of the year	32.81	524.41	2,264.11	1,919.72	2,296.92	2,444.13
Additions	-	-	974.93	374.82	974.93	374.82
Disposals	-	491.60	27.71	-	27.71	491.60
Depreciation expense	-	-	30.12	30.43	30.12	30.43
Balance at the end of the year	32.81	32.81	3,181.21	2,264.11	3,214.02	2,296.92

Fair Value of the Group's investment properties

The investment properties consist of 76 No's commercial properties in India and one property overseas.

These valuations are based on valuations performed by Chartered Engineers, specialist in valuing these types of investment properties.

The group 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, 2020 and 31 March, 2019 are as follows:

(₹ in Lakhs)

	Level 2	Level 3	As at 31 March 2020
Freehold land	-	32.81	32.81
Commercial Properties located in India	-	3,639.64	3,639.64
Commercial Properties located overseas	-	1,000.09	1,000.09
Total	-	4,672.54	4,672.54

(₹ in Lakhs)

	Level 2	Level 3	As at 31 March 2019
Freehold land	-	32.81	32.81
Commercial Properties located in India	-	3,070.46	3,070.46
Commercial Properties located overseas	-	720.16	720.16
Total	-	3,823.43	3,823.43

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2020

8 Other intangible assets

	As at 31 March 2020	As at 31 March 2019
(₹ in Lakhs)		
Carrying amounts of :		
Assets on Build-operate-transfer (BOT) basis	44,808.70	46,851.46
Sub-total	44,808.70	46,851.46
Intangible assets under development	84,926.93	75,025.72
Sub-total	84,926.93	75,025.72
Total	1,29,735.63	1,21,877.18

	Assets on BOT basis		
	Own use	Given under operating lease	Total
(₹ in Lakhs)			
Deemed cost			
Balance as at 31 March, 2018	-	52,913.30	52,913.30
Additions from internal developments	-	4,637.08	4,637.08
Disposals	-	-	-
Balance as at 31 March, 2019	-	57,550.38	57,550.38
Additions from internal developments	-	15.47	15.47
Disposals	-	-	-
Balance as at 31 March, 2020	-	57,565.85	57,565.85
Accumulated amortisation			
Balance as at 31 March, 2018	-	7,962.28	7,962.28
Amortisation expense	-	2,736.64	2,736.64
Disposal	-	-	-
Balance as at 31 March, 2019	-	10,698.92	10,698.92
Amortisation expense	-	2,058.23	2,058.23
Disposal	-	-	-
Balance as at 31 March, 2020	-	12,757.15	12,757.15
Carrying amount			
Balance as at 31 March, 2018	-	44,951.02	44,951.02
Additions from internal developments	-	4,637.08	4,637.08
Disposals	-	-	-
Amortisation expense	-	2,736.64	2,736.64
Balance as at 31 March, 2019	-	46,851.46	46,851.46
Additions from internal developments	-	15.47	15.47
Disposals	-	-	-
Amortisation expense	-	2,058.23	2,058.23
Balance as at 31 March, 2020	-	44,808.70	44,808.70

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2020

Notes:

i. Significant intangible assets

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

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 Government 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.

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'.

9 Investments - Non current (Unquoted)

	(₹ in Lakhs)	
	As at 31 March 2020	As at 31 March 2019
A. Investments carried at cost		
Associates		
i. Equity instruments	453.47	404.73
B. Investment at fair value through profit and loss		
Other entities		
i. Equity instruments	1,048.25	1,048.25
C. Investment carried at amortised cost		
Other entities		
i. Debentures/bonds	32,894.74	28,855.03
	34,396.46	30,308.01

Details of investments:

	As at 31 March 2020		As at 31 March 2019	
	Qty.	₹ in Lakhs	Qty.	₹ in Lakhs
I Investments at cost				
A. 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
Add: Goodwill on consolidation		210.00		210.00
Add: Share in opening accumulated profits		38.59		40.78
Add: Share in profits/(losses) of current year		(0.16)		(0.26)
Add: Other adjustments		-		(1.93)
		250.93		251.09

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2020

	As at 31 March 2020		As at 31 March 2019	
	Qty.	₹ in Lakhs	Qty.	₹ in Lakhs
2 Home Life Real Estate Private Limited				
Equity Shares of ₹ 10 each fully paid-up	7,75,000	77.50	7,75,000	77.50
Add: share in opening accumulated profits		32.97		30.88
Add: Share in profits/(losses) of current year		1.57		2.09
		112.04		110.47
3 Vardaan Buildtech Private Limited				
Equity Shares of ₹ 10 each fully paid-up		-	32,000	3.20
Add: share in opening accumulated profits		-		2.94
Add: Share in profits/(losses) of current year		-		0.03
		-		6.17
4 Parsvnath Telecom Private Limited				
Equity Shares of ₹ 10 each fully paid-up	5,15,000	51.50	-	-
5 Adela Buildcon Private Limited	5,000	0.50	5,000	0.50
Equity Shares of ₹ 10 each fully paid-up				
6 Ashirwad Realtors Private Limited	5,000	0.50	5,000	0.50
Equity Shares of ₹ 10 each fully paid-up				
7 Baasima Buildcon Private Limited	10,000	1.00	10,000	1.00
Equity Shares of ₹ 10 each fully paid-up				
8 Baidehi Infrastructure Private Limited.	5,000	0.50	5,000	0.50
Equity Shares of ₹ 10 each fully paid-up				
9 Balbina Real Estates Private Limited	5,000	0.50	5,000	0.50
Equity Shares of ₹ 10 each fully paid-up				
10 Charushila Buildwell Private Limited	5,000	0.50	5,000	0.50
Equity Shares of ₹ 10 each fully paid-up				
11 Congenial Real Estates Private Limited	5,000	0.50	5,000	0.50
Equity Shares of ₹ 10 each fully paid-up				
12 Cyanea Real Estates Private Limited	5,000	0.50	5,000	0.50
Equity Shares of ₹ 10 each fully paid-up				
13 Deborah Real Estates Private Limited	5,000	0.50	5,000	0.50
Equity Shares of ₹ 10 each fully paid-up				
14 Deleena Developers Private Limited	5,000	0.50	5,000	0.50
Equity Shares of ₹ 10 each fully paid-up				
15 Enormity Buildcon Private Limited	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
Equity Shares of ₹ 10 each fully paid-up				

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2020

	As at 31 March 2020		As at 31 March 2019	
	Qty.	₹ in Lakhs	Qty.	₹ in Lakhs
17 Gauresh Buildwell Private Limited	5,000	0.50	5,000	0.50
Equity Shares of ₹ 10 each fully paid-up				
18 Jodhpur Infrastructure Private Limited	5,000	0.50	5,000	0.50
Equity Shares of ₹ 10 each fully paid-up				
19 Mahanidhi Buildcon Private Limited	5,000	0.50	5,000	0.50
Equity Shares of ₹ 10 each fully paid-up				
20 Madhukanta Real Estates Private Limited	5,000	0.50	5,000	0.50
Equity Shares of ₹ 10 each fully paid-up				
21 Magic Promoters Private Limited	5,000	0.50	5,000	0.50
Equity Shares of ₹ 10 each fully paid-up				
22 Digant Realtors Pvt Ltd.	5,000	0.50	-	-
Equity Shares of ₹ 10 each fully paid-up				
23 Parsvnath Biotech Private Limited	25,000	2.50	25,000	2.50
Equity Shares of ₹ 10 each fully paid-up				
24 Parsvnath Cyber city Private Limited	10,000	1.00	10,000	1.00
Equity Shares of ₹ 10 each fully paid-up				
25 Parsvnath Dehradun Info Park Private Limited	25,000	2.50	25,000	2.50
Equity Shares of ₹ 10 each fully paid-up				
26 Parsvnath Developers (GMBT) Private Limited	25,000	2.50	25,000	2.50
Equity Shares of ₹ 10 each fully paid-up				
27 Parsvnath Developers (SBBT) Private Limited	20,000	2.00	20,000	2.00
Equity Shares of ₹ 10 each fully paid-up				
28 Parsvnath Gurgaon Info Park Private Limited	25,000	2.50	25,000	2.50
Equity Shares of ₹ 10 each fully paid-up				
29 Parsvnath Knowledge Park Private Limited	10,000	1.00	10,000	1.00
Equity Shares of ₹ 10 each fully paid-up				
30 Parsvnath Indore Info Park Private Limited	25,000	2.50	25,000	2.50
Equity Shares of ₹ 10 each fully paid-up				
31 Parsvnath Retail Limited	40,000	4.00	40,000	4.00
Equity Shares of ₹ 10 each fully paid-up				
32 Pearl Propmart Private Limited	5,000	0.50	5,000	0.50
Equity Shares of ₹ 10 each fully paid-up				
33 Madhulekha Developers Pvt Ltd.	5,000	0.50	-	-
Equity Shares of ₹ 10 each fully paid-up				
34 Rangoli Buildon Private Limited	5,000	0.50	5,000	0.50
Equity Shares of ₹ 10 each fully paid-up				

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2020

	As at 31 March 2020		As at 31 March 2019	
	Qty.	₹ in Lakhs	Qty.	₹ in Lakhs
35 Sadgati Buildcon Private Limited Equity Shares of ₹ 10 each fully paid-up	5,000	0.50	5,000	0.50
36 Scorpio Realtors Private Limited Equity Shares of ₹ 10 each fully paid-up	5,000	0.50	5,000	0.50
37 Sureshwar Properties Pvt Ltd Equity Shares of ₹ 10 each fully paid-up	5,000	0.50	-	-
38 Parsvnath Sharmishtha Realtors Pvt Ltd. Equity Shares of ₹ 10 each fully paid-up	5,000	0.50	5,000	0.50
39 Dreamweaver Realtors Pvt Ltd. Equity Shares of ₹ 10 each fully paid-up	5,000	0.50	-	-
40 Timebound Contracts Private Limited Equity Shares of ₹ 10 each fully paid-up	50,000	5.00	50,000	5.00
Total - A		453.47		404.73
B. Investments at fair value through profit and loss				
Other entities				
(I) Equity instruments				
1. Delhi Stock Exchange Limited Equity Shares of ₹ 1 each fully paid-up	14,96,500	1,047.55	14,96,500	1,047.55
2. Nakshatra Residency Private Limited Equity Shares of ₹ 10 each fully paid-up	5,000	0.50	5,000	0.50
3. Aadi Best Consortium Private Limited Equity Shares of ₹ 10 each fully paid-up	1,000	0.10	1,000	0.10
4. Riya Garments Private Limited Equity Shares of ₹ 10 each fully paid-up	1,000	0.10	1,000	0.10
Total - B		1,048.25		1,048.25
C. Investments carried at amortised cost				
Other entities				
(I) Debenture/bonds				
1. Fortune Assets Private Limited 0.01 % Optionally convertible Debentures of ₹ 1,00,000 each fully paid-up	37,500	32,894.74	37,500	28,855.03
Total - C		32,894.74		28,855.03
TOTAL INVESTMENTS CARRYING VALUE (A+B+C)		34,396.46		30,308.01
Aggregate book value of quoted investments		-		-
Aggregate market value of quoted investments		-		-
Aggregate carrying value of unquoted investments		34,396.46		30,308.01

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2020

10 Loans

(₹ in Lakhs)

	As at 31 March 2020	As at 31 March 2019
Current		
(unsecured, considered good)		
a. Loans and advances to employees	17.76	18.04
b. Loans to Others	2,518.53	1,905.02
	2,536.29	1,923.06

11 Other financial assets

(₹ in Lakhs)

	As at 31 March 2020	As at 31 March 2019
I. Non-Current		
a. Security deposits	1,777.81	1,777.94
b. Deposit with Banks held under lien	19.45	4,136.41
c. Interest accrued on deposits with banks	0.67	0.64
d. Claim for refund on deemed cancellation of a project	6,442.62	129,472.18
e. Others	4,825.84	4,825.84
	13,066.39	1,40,213.01
II. Current		
a. Security deposits	815.85	1,097.07
b. Interest receivables:		
i. Interest accrued on deposits with banks	138.45	141.36
c. Receivables on sale of fixed assets / investments	1,482.22	1,595.20
d. Advances to others	755.69	756.74
e. Other receivables (see note 44)	14,423.49	14,952.83
	17,615.70	18,543.20

12 Deferred tax assets (Net)

(₹ in Lakhs)

	As at 31 March 2020	As at 31 March 2019
Deferred tax assets	26,468.22	24,884.44
Less: Deferred tax liabilities	3,576.46	3,271.30
Net deferred tax assets (a)	22,891.76	21,613.14
Mat credit entitlement (b)	2,603.54	2,636.61
Total Deferred Tax Assets (a+b)	25,495.30	24,249.75

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2020

(₹ in Lakhs)

Year ended 31 March, 2020	Opening Balance	Recognised in Profit or loss	Recognised in retained earning	Recognised in other comprehensive Income	Closing balance
Deferred tax asset/(liability) in relation to:					
Property, plant and equipment	(3,271.30)	(305.16)	-	-	(3,576.46)
Employee benefits	193.20	21.45	-	(4.92)	209.73
Disallowances under Income Tax Act	4,991.10	2,368.09	-	-	7,359.19
	1,913.00	2,084.38	-	(4.92)	3,992.46
Unabsorbed depreciation and tax losses	13,880.09	94.60	-	-	13,974.69
Ind AS 115 adjustment	5,820.05	(895.44)			4,924.61
	21,613.14	1,283.54	-	(4.92)	22,891.76
MAT credit written off	-	33.00	-	-	
		1,250.54		(4.92)	

(₹ in Lakhs)

Year ended 31 March, 2019	Opening Balance	Recognised in Profit or loss	Recognised in retained earnings	Recognised in other comprehensive Income	Closing balance
Deferred tax asset/(liability) in relation to:					
Property, plant and equipment	(2,934.80)	(336.50)	-	-	(3,271.30)
Employee benefits	229.54	(45.78)	-	9.44	193.20
Disallowances under Income Tax Act	2,669.94	2,321.16	-	-	4,991.10
	(35.32)	1,938.88	-	9.44	1,913.00
Unabsorbed depreciation and tax losses	10,823.04	3,057.05	-	-	13,880.09
Ind AS 115 adjustment (Refer note 60)			5,820.05		5,820.05
	10,787.72	4,995.93	5,820.05	9.44	21,613.14

Notes:

- The group has tax losses of ₹ 55,840.17 lakhs (31 March, 2019 - ₹ 53,017.89 lakhs) that are available for offsetting for eight years against future taxable income of the respective Companies. The losses will expire as under:

(₹ in Lakhs)

	Amount
Year ending 31 March, 2022	129.35
Year ending 31 March, 2023	11,441.06
Year ending 31 March, 2024	6,109.84
Year ending 31 March, 2025	2,963.34
Year ending 31 March, 2026	11,018.88
Year ending 31 March, 2027	12,229.69
Year ending 31 March, 2028	11,948.01
	55,840.17

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2020

- 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 24 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.
- The recognition of deferred tax assets on unabsorbed depreciation and tax losses is based on detailed budgets prepared by the respective companies has have been approved by their board of directors.

13 Other assets

	(₹ in Lakhs)	
	As at 31 March 2020	As at 31 March 2019
I Non-Current		
a. Capital advances	444.21	248.02
b. Advances for land purchase to others	1,337.25	422.84
c. Upfront fee paid for projects (Unamortised)	19,729.89	21,460.38
d. Prepaid expenses	174.72	180.64
e. Others	64.58	55.57
	21,750.65	22,367.45
II Current		
a. Advances for land purchase to others	3,497.87	3,596.37
b. Upfront fee paid for projects (Unamortised)	991.42	1,872.57
c. Prepaid expenses	1,952.19	4,441.95
d. Input Tax Credit receivable	2,168.20	3,375.09
e. Advances to suppliers	8,692.25	8,010.61
f. Unbilled receivables	83.59	-
g. Others	862.09	689.14
	18,247.61	21,985.73

14 Inventories

	(₹ in Lakhs)	
	As at 31 March 2020	As at 31 March 2019
Inventories (lower of cost and net realisable value)		
a. Work-in-progress	4,51,791.62	5,22,594.20
b. Finished flats/properties	8,374.27	7,035.82
	4,60,165.89	5,29,630.02

Note:

The group 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:

	(₹ in Lakhs)	
	As at 31 March 2020	As at 31 March 2019
Less than 12 months	37,500.00	1,00,000.00
More than 12 months	4,22,665.89	4,29,630.02
	4,60,165.89	5,29,630.02

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2020

15 Trade receivables

(₹ in Lakhs)

	As at 31 March 2020	As at 31 March 2019
Unsecured, considered good		
Trade receivables (see note 49)	27,925.92	29,126.49
	27,925.92	29,126.49

Notes:

- The average credit period is 30 to 45 days. For payments, beyond credit period, interest is charged as per terms of agreement with buyers.
- 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 group till full payment is realised. Accordingly, the group does not expect any credit losses.

16 Cash and cash equivalents

(₹ in Lakhs)

	As at 31 March 2020	As at 31 March 2019
a. Balances with banks:-		
i. In current accounts	932.02	3,393.08
b. Cash on hand	47.90	52.63
	979.92	3,445.71

17 Bank balances, other than Cash and cash equivalents

(₹ in Lakhs)

	As at 31 March 2020	As at 31 March 2019
Bank balances, other than Cash and cash equivalents		
a. Deposits with banks held as margin money or security against borrowings or guarantees	5,334.66	5,623.58
	5,334.66	5,623.58

18 Tax assets and liabilities (Net)

(₹ in Lakhs)

	As at 31 March 2020	As at 31 March 2019
I. Tax assets		
Tax refund receivables	3,941.33	3,561.71
	3,941.33	3,561.71
II. Current tax liabilities		
Tax payable/provision	3.46	1.81
	3.46	1.81

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2020

19 Equity share capital

	As at 31 March 2020		As at 31 March 2019	
	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
ii. Preference shares of ₹ 10 each	5,00,00,000	5,000.00	5,00,00,000	5,000.00
	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

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:

	Number of Shares	Share Capital ₹ in Lakhs
Balance as at 31 March, 2018	43,51,81,170	21,759.06
Movements during the year	-	-
Balance as at 31 March, 2019	43,51,81,170	21,759.06
Movements during the year	-	-
Balance as at 31 March, 2020	43,51,81,170	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 2020		As at 31 March 2019	
	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	11,75,54,683	27.01	10,31,12,436	23.69
ii. Pradeep Kumar Jain & Sons (HUF)	8,96,32,571	20.60	8,96,32,571	20.60
iii. Parasnath And Associates Private Limited	4,71,86,992	10.84	4,71,86,992	10.84
iv. Nutan Jain	4,48,55,111	10.31	4,21,59,644	9.69

iv) The Company has not issued any preference share capital.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2020

20 Other equity

	(₹ in Lakhs)	
	As at 31 March 2020	As at 31 March 2019
Capital Reserve	3,235.85	2,045.60
Capital Redemption Reserve	230.00	230.00
Securities premium	1,45,591.47	1,45,591.47
Debenture redemption reserve	7,742.20	7,742.20
Foreign Currency Translation Reserve	67.56	51.53
General Reserve	9,310.00	9,310.00
Retained earnings	(1,27,146.71)	(92,491.10)
Other comprehensive income	(51.88)	6.50
	38,978.49	72,486.20
Capital Reserve		
Balance at the beginning of the year	2,045.60	2,045.60
Add/(Less): Adjusted upon further acquisition of shares of a subsidiary	1,190.25	-
Balance at the end of the year	3,235.85	2,045.60
Capital Redemption Reserve		
Balance at the beginning of the year	230.00	230.00
Balance at the end of the year	230.00	230.00
Securities premium		
Balance at the beginning of the year	1,45,591.47	1,45,591.47
Balance at the end of the year	1,45,591.47	1,45,591.47
Debenture Redemption Reserve		
Balance at the beginning of the year	7,742.20	14,527.50
Less: Transferred to retained earnings	-	6,785.30
Balance at the end of the year	7,742.20	7,742.20
Foreign Currency Translation Reserve		
Balance at the beginning of the year	51.53	5.84
Add/(less): Effect of exchange rate variations during the year	16.03	45.69
Balance at the end of the year	67.56	51.53
General Reserve		
Balance at the beginning of the year	9,310.00	9,310.00
Balance at the end of the year	9,310.00	9,310.00

(₹ in Lakhs)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2020

	As at 31 March 2020	As at 31 March 2019
Retained earnings		
Balance at the beginning of the year	(92,491.10)	22,993.09
Add: Impact of Ind AS 115 (Refer note 60)	-	(85,936.42)
Add: Profit/(loss) for the year	(34,655.61)	(36,333.07)
Add: Transferred from Debenture Redemption Reserve	-	6,785.30
Balance at the end of the year	(1,27,146.71)	(92,491.10)
Other comprehensive income		
Balance at the beginning of the year	6.50	33.35
Add: Measurement of defined benefit obligation (net of income tax)	(58.38) (51.88)	(26.85) 6.50
	38,978.49	72,486.20

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 - The amount received in excess of the face value of the equity shares issued by the group is recognised in securities premium.
- e. Debenture redemption reserve - The group 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. Pursuant to Notification G.S.R. 574(E) dated 16 August, 2019 issued by Ministry of Corporate Affairs, no further Debenture Redemption Reserve has been created.
- 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.

21 Non-current borrowings

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2020

(₹ in Lakhs)

	As at 31 March 2020		As at 31 March 2019	
	Non Current	Current	Non Current	Current
Secured - at amortised cost				
(i) Debentures				
13.00% Non-convertible redeemable debentures (Series XIV)	-	8,875.00	-	8,873.14
16.00% Non-convertible redeemable debentures (Series XIV)	-	22,130.50	21,879.53	-
15.00% Non-convertible redeemable debentures (Series A)	360.00	-	36,000.00	-
15.50% Non-convertible redeemable debentures (Series B)	11,257.49	-	24,439.00	-
14.00% Non-convertible debentures	18,000.00	-	18,000.00	-
19.00% Non-convertible redeemable debentures (Series XVI)	940.22	1,253.62	1,794.70	299.12
	30,557.71	32,259.12	1,02,113.23	9,172.26
(ii) Term loans				
from banks	682.59	227.53	842.22	52.64
from financial institutions / other parties	1,65,774.37	44,687.36	1,65,650.39	54,990.45
Total Secured non-current borrowings	1,97,014.67	77,174.01	2,68,605.84	64,215.35
Unsecured:				
(i) Debentures				
16% Fully Convertible debentures (Series I)	-	-	9,340.73	-
16% Fully Convertible debentures (Series II)	-	-	8,792.66	-
0.1% Optional convertible debentures (Series X)	-	-	6,550.00	-
0.1% Optional convertible debentures (Series Y)	-	-	16,000.00	-
	-	-	40,683.39	-
(ii) Inter corporate deposits	58.83	-	58.83	-
(iii) Other borrowings	314.99	-	314.99	-
	373.82	-	41,057.21	-
Total non-current borrowings	1,97,388.49	77,174.01	3,09,663.05	64,215.35
Less: Amount disclosed under "Other financial liabilities" [Refer note 22 (ii)]	-	77,174.01	-	64,215.35
	1,97,388.49	-	3,09,663.05	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2020

Summary of Borrowings arrangements

(i) The terms of borrowings are stated below:

Security details	(₹ in Lakhs)		
	As at 31 March 2020	As at 31 March 2019	Rate of Interest (%)
Debentures :			
a. 13% NCDs of ₹ 35,500 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 promoters group (b) first charge by way of mortgage over a land at Dharuhera and Rahukhedhi Indore (c) first charge by way of mortgage over land at Jodhpur (d) second charge on receivables of DMRC project at Shahdara metro station, and (e) Personal guarantee of Chairman. These NCDs are redeemable in 4 quarterly modified instalments commencing from July, 2018.	8,875.00	8,875.00	13.00%
b. 16% Redeemable NCDs of ₹ 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 subsidiary 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 repayable on the expiry of 36 months from the date of issue. The maturity date has been extended to 30 September, 2020.	22,130.50	21,879.53	16.00%
Security details			
c. 15% NCDs of ₹ 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.	360.00	36,000.00	15.00%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2020

(₹ in Lakhs)			
Security details	As at 31 March 2020	As at 31 March 2019	Rate of Interest (%)
d. 15% NCDs of ₹ 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.	11,257.49	24,439.00	15.00%
e. 19% NCDs of ₹ 1,094 lakhs, ₹ 900 lakhs, ₹ 225 lakhs and ₹ 100.02 lakhs were issued during the years ended 31 March 2017, 31 March, 2018, 31 March, 2019 and 31 March, 2020 respectively. The NCDs are secured by (a) 1 st 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 modified instalments commencing from April, 2018.	2,193.84	2,093.82	19.00%
f. 14% NCDs of ₹ 3,500 lakhs were issued by a subsidiary company during the year ended 31 March, 2019. The NCDs are secured by (a) Second charge over all receivables and Escrow Account(s) of the subsidiary company together with all monies lying in the Escrow account from time to time, (b) corporate guarantee of the Holding Company, and (c) Pledge of 49% shares of the Subsidiary Company held by the Holding Company. These NCDs are redeemable on the expiry of 50 months from the date of issue.	3,500.00	3,500.00	14.00%
g. 14% NCDs of ₹ 11,000 lakhs were issued by a subsidiary company during the year ended 31 March, 2019. The NCDs are secured by (a) Second charge over all receivables and Escrow Account(s) of the subsidiary company together with all monies lying in the Escrow account from time to time, (b) corporate guarantee of the Holding Company, and (c) Pledge of 49% shares of the Subsidiary Company held by the Holding Company. These NCDs are redeemable on the expiry of 50 months from the date of issue.	11,000.00	11,000.00	14.00%
h. 14% NCDs of ₹ 3,500 lakhs were issued by a subsidiary company during the year ended 31 March, 2019. The NCDs are secured by (a) Second charge over all receivables and Escrow Account(s) of the subsidiary company together with all monies lying in the Escrow account from time to time, (b) corporate guarantee of the Holding Company, and (c) Pledge of 49% shares of the Subsidiary Company held by the Holding Company. These NCDs are redeemable on the expiry of 50 months from the date of issue.	3,500.00	3,500.00	14.00%
i. Ind AS Adjustments	-	(1.86)	
	62,816.83	1,11,285.49	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2020

(₹ in Lakhs)			
Security details	As at 31 March 2020	As at 31 March 2019	Rate of Interest (%)
Term Loans :			
a. Term loan from 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 Holding Company and personal guarantee of Chairman. Loan is repayable in thirty quarterly instalments ending in March, 2023. The loan has been re-scheduled and as per revised terms, loan is repayable in 17 quarterly installments starting from 31 January, 2020	910.12	894.86	3.25% above base rate
b. Term loan from a non banking finance company, 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 Holding 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 ₹ 32,810 lakhs is repayable in monthly instalments commencing from April, 2017; upto ₹ 14,200 lakhs in monthly instalments from May, 2018, ₹ 47,800 lakhs in monthly instalments from June, 2018, ₹ 12,500 lakhs in monthly instalments from August, 2017 and ₹ 40,450 lakhs in quarterly installments commencing from September, 2020	1,17,209.24	85,165.77	10.00 to 18.83%
c. Term Loan from a non-banking finance company is secured by (a) mortgage & escrow of receivables of (1) project land at Sonapat, (2) project land at Kurukshetra, (3) development rights of group housing project at Gurgaon, and mortgage of all unsold units of the project by the company, Parsvnath Hessa Developers Private Limited and Parsvnath Sharmistha Realtors Private Limited, (b) corporate guarantee of land owning companies, and (c) personal guarantee of Chairman. The term loan is repayable in quarterly instalments commencing from November, 2018.	5,250.00	5,250.00	14.00%
d. Term loan from a financial institution is secured by mortgage of a project land parcel at Indore, charge on receivables of project at 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	13.50%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2020

(₹ in Lakhs)			
Security details	As at 31 March 2020	As at 31 March 2019	Rate of Interest (%)
e. Term loan from a non-banking finance company is secured by (1) mortgage of (a) Land at Delhi, (b) Commercial land at Derrabassi, (c) land in Rajpura, (d) land in Sonipat, (2) Charge on receivables of (a) plots, floors and villas at Dharuhera, (b) Punchkula, (3) Cross Collateralization of the securities with other loans from the lender, (4) personal guarantee of Chairman, Managing Director and a wholetime Director of the company and (5) Corporate guarantees of land owning companies. The term loan is repayable in monthly instalments commencing from November, 2018.	4,452.41	4,475.92	14.88%
f. Term loan from a non-banking finance company is secured by (1) mortgage of (a) Land at Delhi, (b) Commercial land at Derrabassi, (c) land in Rajpura, (d) land in Sonipat, (2) Charge on receivables of (a) plots, floors and villas at Dharuhera, (b) Punchkula, (3) Cross Collateralization of the securities with other loans from the lender, (4) personal guarantee of Chairman, Managing Director and a wholetime Director of the company and (5) Corporate guarantees of land owning companies. The term loan is repayable in monthly instalments commencing from January, 2018.	6,863.69	8,760.48	11.06%
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. The term loan is repayable in 4 quarterly instalments commencing from September, 2019.	12,000.00	12,000.00	14.00%
h. Term loan from a non-banking finance company is secured by (1) mortgage of (a) Land at Delhi, (b) Commercial land at Derrabassi, (c) land in Rajpura, (d) land in Sonipat, (2) Charge on receivables of (a) plots, floors and villas at Dharuhera, (b) Punchkula, (3) Cross Collateralization of the securities with other loans from the lender, (4) personal guarantee of Chairman, Managing Director and a wholetime Director of the company and (5) Corporate guarantees of land owing companies. The term loan is repayable in monthly instalments commencing from August, 2019.	123.42	2,800.00	14.90%
i. Term loan from a non-banking finance company is secured by (1) mortgage of (a) Land at Delhi, (b) Commercial land at Derrabassi, (c) land in Rajpura, (d) land in Sonipat, (2) Charge on receivables of (a) plots, floors and villas at Dharuhera, (b) Punchkula, (3) Cross Collateralization of the securities with other loans from the lender, (4) personal guarantee of Chairman, Managing Director and a wholetime Director of the company and (5) Corporate guarantees of land owing companies. The term loan is repayable in monthly instalments commencing from August, 2019.	124.94	2,700.00	14.90%
j. Term loan from a non-banking finance company is secured by (1) mortgage of (a) Land at Delhi, (b) Commercial land at Derrabassi, (c) land in Rajpura, (d) land in Sonipat, and (2) Charge on receivables of (a) plots, floors and villas at Dharuhera, (b) Punchkula, (3) Cross Collateralization of the securities with other loans from the lender, (4) personal guarantee of Chairman, Managing Director and a wholetime Director of the company, and (6) Corporate guarantees of land owing companies. The term loan was fully repaid during the year.	-	5,604.50	10.32% to 12.00%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2020

(₹ in Lakhs)			
Security details	As at 31 March 2020	As at 31 March 2019	Rate of Interest (%)
k. Term loan from a non-banking finance company is secured by (1) mortgage of (a) Land at Delhi, (b) Commercial land at Derrabassi, (c) land in Rajpura, (d) land in Sonipat, (2) Charge on receivables of (a) plots, floors and villas at Dharuhera, (b) Punchkula, (3) Cross Collateralization of the securities with other loans from the lender, (4) personal guarantee of Chairman, Managing Director and a wholetime Director of the company, and (5) Corporate guarantees of land owing companies. The term loan was fully repaid during the year.	-	3,033.07	18.80%
l. Term loan from a non-banking finance company is secured by (1) mortgage of (a) Land at Delhi, (b) Commercial land at Derrabassi, (c) land in Rajpura, (d) land in Sonipat, (2) Charge on receivables of (a) plots, floors and villas at Dharuhera, (b) Punchkula, (3) Cross Collateralization of the securities with other loans from the lender, (4) personal guarantee of Chairman, Managing Director and a wholetime Director of the company, and (5) Corporate guarantees of land owing companies. The term loan was fully repaid during the year.	-	4,934.12	11.00%
m. Term loan from a non-banking finance company is secured by (1) mortgage of (a) Land at Delhi, (b) Commercial land at Derrabassi, (c) land in Rajpura, (d) land in Sonipat, (2) Charge on receivables of (a) plots, floors and villas at Dharuhera, (b) Punchkula, (3) Cross Collateralization of the securities with other loans from the lender, (4) personal guarantee of Chairman, Managing Director and a wholetime Director of the company, and (5) Corporate guarantees of land owing companies. The term loan is repayable in monthly instalments commencing from January, 2020.	6,809.89	7,210.00	11.50%
n. Term loan from a non-banking finance company is secured by extension of (1) (a) Pledge of certain equity shares of the Company held by promoters group (b) first charge by way of mortgage over a land at Dharuhera and Rahukhedi Indore (c) first charge by way of mortgage over land at Jodhpur (d) second charge on receivables of DMRC project at Shahdara metro station, (2) mortgage & hypothecation of receivables of (a) project land at Sonapat, (b) project land at Kurukshetra, (c) over development rights of group housing project at Gurgaon, and mortgage of all unsold units of the project by the company, Parsvnath Hessa Developers Pvt. Ltd. and Parsvnath Sharmistha Realtors Pvt. Ltd. (3) corporate guarantee of land owning companies, 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 commencing from July, 2020.	10,000.00	10,000.00	14.00%
o. 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, (d) Land at Rajpura, and (e) Land at Sonapat. The term loan is repayable in monthly instalments commencing from May, 2017.	1,245.31	243.92	11.80% to 21.15%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2020

(₹ in Lakhs)

Security details	As at 31 March 2020	As at 31 March 2019	Rate of Interest (%)
p. Term loan from a non-banking finance company is secured by (1) mortgage of (a) Land at Delhi, (b) Commercial land at Derrabassi, (c) land in Rajpura, (d) land in Sonipat, (2) Charge on receivables of (a) plots, floors and villas at Dharuhera, (b) Punchkula, (3) Cross Collateralization of the securities with other loans from the lender, (4) personal guarantee of Chairman, Managing Director and a wholetime Director of the company and (5) Corporate guarantees of land owning companies. The term loan is repayable in monthly instalments commencing from August, 2019.	4,718.77	-	14.90%
q. Term loan from a non-banking finance company is secured by (1) mortgage of (a) Land at Delhi, (b) Commercial land at Derrabassi, (c) land in Rajpura, (d) land in Sonipat, (2) Charge on receivables of (a) plots, floors and villas at Dharuhera, (b) Punchkula, (3) Cross Collateralization of the securities with other loans from the lender, (4) personal guarantee of Chairman, Managing Director and a wholetime Director of the company and (5) Corporate guarantees of land owning companies. The term loan is repayable in quarterly instalments commencing from July, 2022.	44,274.59	-	10.50%
r. Term loan from a non-banking finance company is secured by (1) mortgage of (a) Land at Delhi, (b) Commercial land at Derrabassi, (c) land in Rajpura, (d) land in Sonipat, (2) Charge on receivables of (a) plots, floors and villas at Dharuhera, (b) Punchkula, (3) Cross Collateralization of the securities with other loans from the lender, (4) personal guarantee of Chairman, Managing Director and a wholetime Director of the company and (5) Corporate guarantees of land owning companies. The term loan was fully repaid during the year.	-	13,300.00	9.00%
s. Term loan from a non-banking finance company is secured by (1) mortgage of (a) Land at Delhi, (b) Commercial land at Derrabassi, (c) land in Rajpura, (d) land in Sonipat, (2) Charge on receivables of (a) plots, floors and villas at Dharuhera, (b) Punchkula, (3) Cross Collateralization of the securities with other loans from the lender, (4) personal guarantee of Chairman, Managing Director and a wholetime Director of the company and (5) Corporate guarantees of land owning companies. The term loan was fully repaid during the year.	-	64,840.21	11.00% to 11.80%
t. Ind AS Adjustments	(15,101.66)	(22,168.28)	
	2,11,371.85	2,21,535.70	
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. These debentures were redeemed during the year.	-	9,340.73	16.00%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2020

			(₹ in Lakhs)
Security details	As at 31 March 2020	As at 31 March 2019	Rate of Interest (%)
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. These debentures were redeemed during the year.	-	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 debentures were redeemed during the year.	-	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 debentures were redeemed during the year.	-	16,000.00	0.10%
	-	40,683.39	

(ii) Loans guaranteed by directors

			(₹ in Lakhs)
	As at 31 March 2020	As at 31 March 2019	
a. Debentures (net of Ind AS adjustment)	33,199.34	32,846.49	
b. Term loans from banks	910.12	894.86	
c. Term loans from financial institutions/others (net of Ind AS adjustment)	92,007.18	1,35,231.15	
	1,26,116.64	1,68,972.50	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2020

(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 2020		As at 31 March 2019	
	Period of default	₹ in Lakhs	Period of default	₹ in Lakhs
a. Term loans from financial institutions / others				
- Principal	1 to 365 days	23,849.48	1 to 365 days	7,500.00
- Principal	above 365 days	12,491.13	above 365 days	12,491.13
- Interest	1 to 89 days	6,028.93	1 to 89 days	1,257.96
- Interest	90 to 179 days	2,227.96	90 to 179 days	754.80
- Interest	above 179 days	13,072.35	above 179 days	7,450.26

22 Other financial liabilities

	(₹ in Lakhs)	
	As at 31 March 2020	As at 31 March 2019
I Non-Current		
a. Trade/security deposits received	4,521.07	4,119.60
b. Lease liabilities	37,159.57	-
	41,680.64	4,119.60
II Current		
a. Current maturities of long term debt (Refer note 21)	77,174.01	64,215.35
b. Interest accrued but not due on borrowings	19,250.92	19,362.49
c. Interest accrued and due on borrowings	22,306.24	11,875.20
d. Interest accrued but not due on others	4,124.40	3,499.58
e. Trade/security deposits received	3,654.77	4,615.06
f. Book overdraft - Banks	192.87	109.14
g. Debentures application money	-	100.00
h. Payables on purchase of fixed assets	255.91	270.92
i. Advances from companies	-	1.16
j. Lease liabilities	3,495.71	-
k. Others	1,419.10	1,230.38
	1,31,873.93	1,05,279.28

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2020

23 Provisions

	(₹ in Lakhs)	
	As at 31 March 2020	As at 31 March 2019
I Non-current		
a. Employee benefits	492.92	440.19
	492.92	440.19
II Current		
a. Employee benefits	36.25	30.17
	36.25	30.17

24 Other liabilities

	(₹ in Lakhs)	
	As at 31 March 2020	As at 31 March 2019
I Non-current		
a. Advances from customers	2,246.00	1,026.50
b. Trade / Security deposits received	3,500.00	3,500.00
	5,746.00	4,526.50
II Current		
a. Advances from customers	221,783.35	294,292.54
b. Statutory dues (Contributions to PF, Withholding Tax, GST, VAT etc.)	23,512.23	19,538.41
c. Advances received from related parties	12.07	13.07
d. Rent received in advance	338.80	1,823.82
e. Others	1.61	3.96
	245,648.06	315,671.80

25 Current borrowings

	(₹ in Lakhs)	
	As at 31 March 2020	As at 31 March 2019
I. Secured		
a. Loans repayable on demand		
i. From banks (Cash credit)	5,959.72	7,027.72
b. Loans from financial institutions and other parties	21989.08	31,966.52
c. Other loans (against vehicles)		
i. From banks	9.51	32.37
II. Unsecured		
a. Loans repayable on demand		
i. From others	11,732.40	8,625.00
	39,690.71	47,651.61

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2020

(₹ in Lakhs)

	As at 31 March 2020	As at 31 March 2019	Effective interest rate (%)
25.1 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 by way of hypothecation of stocks of construction & building materials, work-in-progress, finished goods (flats) and book debts / receivables of various projects/sites and mortgage of some specific units/land parcel/built up property at Moradabad, Sonapat and Panipat and personal guarantee of Chairman, Managing Director and a wholetime Director of the company.	4,748.75	5,572.41	16.50%
b. Cash Credit is secured by first pari passu charge by way of hypothecation of stocks of construction & building materials, work-in-progress, finished goods (flats) and book debts / receivables of various projects/sites and 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.	204.00	447.91	14.85%
c. Cash Credit is secured by first pari passu charge by way of hypothecation of stocks of construction & building materials, work-in-progress, finished goods (flats) and book debts / receivables of various projects/sites and mortgage of commercial plot at Rajpura and commercial space at Saharanpur, pledge of term deposit of ₹ 84 lakhs, personal guarantee of Chairman, Managing Director and a wholetime Director of the company and corporate guarantee of land owning company.	1,006.97	1,007.40	15.95%
	5,959.72	7,027.72	
25.2 Details of securities provided in respect of loans from financial institutions and others are as under:			
a. Term loan from a non-banking finance company is secured by pledge of certain equity shares of the company held by the promoters, mortgage of plot no. 11 of a group housing project at Moradabad, mortgage of land at Sonapat, personal guarantee of Chairman and cross collateral clause with another term loan from the lender.	2,214.46	2,746.27	17.25%
b. Term loan from a financial institution is secured against keyman Insurance Policy taken by the company. The loan was fully repaid during the year.	-	962.29	9.00%
c. Term loan from a non-banking finance company is secured by (1) pledge of certain equity shares of the company held by the promoters, (2) mortgage & hypothecation of receivables of (a) project land at Rohtak, (b) commercial project at Bhiwadi & Sonapat, (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 collaborator of Bhiwadi group housing project, and (5) personal guarantee of Chairman.	17,500.00	17,500.00	15.00%
d. Term loan from a non-banking finance company is secured by mortgage of plot No. 11 of a group housing project at Moradabad, land at Sonapat, personal guarantee of Chairman and cross collateral clause with another term loan from the lender.	537.56	666.65	17.25%

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2020

(₹ in Lakhs)

	As at 31 March 2020	As at 31 March 2019	Effective interest rate (%)
e. Term loan from a non-banking finance company is secured by pledge of certain equity shares of the company held by the promoters, mortgage of land at Sonapat and personal guarantee of Chairman.	500.00	796.31	18.00%
f. 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, (d) Land at Rajpura, and (e) Land at Sonapat.	237.06	1,795.00	11.80% to 21.15%
g. Term loan from a non-banking finance company, sanctioned to a subsidiary company, is secured by (a) pledge of 51% shareholding in the subsidiary company held by the holding Company, (b) First exclusive charge on the current assets and fixed assets (including hypothecation of all the book debts, operating cash flows, receivables, etc.) of the subsidiary company, (c) First pari passu charge/assignment/mortgage of leasehold rights of the RLDA project, project contracts, rights, goodwill and other intangible assets; mortgage of immovable assets; hypothecation of movable assets including receivables of the subsidiary company, (d) Mortgage & hypothecation of receivables (on pari passu basis) of (i) Hotel plot at Jodhpur owned by a fellow subsidiary, (ii) Township project at Rohtak, (iii) Land at Indore owned by holding company, (iv) City centre project at Bhiwadi owned by holding company, and (v) school land at Sonapat, (e) Corporate guarantee of the holding company (f) personal guarantee of Chairman, and (g) pledge of certain equity shares of holding company held by the promoters group. The loan was fully repaid during the year.	-	7,500.00	16.00%
h. Term loan from a non-banking finance company, sanctioned to a subsidiary company, is secured by mortgage of land belonging to the subsidiary company admeasuring approximately 4.03 acres at Civil Hospital site, Railway road, Sonapat, receivables of the said land and cross collateral clause with another term loan from the lender in group companies.	1,000.00	-	15.00%
	21,989.08	31,966.52	
25.3 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.	9.51	32.37	10.20%
	9.51	32.37	

(₹ in Lakhs)

	As at 31 March 2020	As at 31 March 2019
25.4 Details of short term borrowings guaranteed by some of the directors:		
a. Loans repayable on demand from banks	5,959.72	7,027.72
b. Term loans from financial institutions, banks and others	20,752.02	29,209.23
c. Vehicle Loans from bank	9.51	32.37
	26,721.25	36,269.32

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS AS AT 31 MARCH, 2020

25.5 Details of Period and amount of default in loan repayment as at year end:

	As at 31 March 2020		As at 31 March 2019	
	Period of default	₹ in Lakhs	Period of default	₹ in Lakhs
a. Term loans from financial institutions / others				
- Principal	1 to 89 days	6,271.81	1 to 89 days	4,500.00
- Principal	90 to 179 days	2,638.25	90 to 179 days	4,500.00
- Principal	above 179 days	-	above 179 days	4,000.00
- Interest	1 to 89 days	526.38	1 to 89 days	1,152.09
- Interest	90 to 179 days	122.95	90 to 179 days	746.08
- Interest	above 179 days	327.67	above 179 days	514.01

26 Trade Payables

	(₹ in Lakhs)	
	As at 31 March 2020	As at 31 March 2019
i. Total outstanding dues of micro and small enterprises	121.92	148.51
Sub total-I	121.92	148.51
ii. Total outstanding dues of creditors other than micro and small enterprises :-		
a. Trade payables for goods and services	68,797.50	65,454.25
b. Trade payables for land	16,345.16	13,845.89
Sub total-II	85,142.66	79,300.14
Total (I+II)	85,264.58	79,448.65

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 at the end of each accounting year	121.92	148.51
b. Interest due thereon remaining unpaid at the end of each accounting year	76.43	59.11
c. Amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	0.23
d. Amount of interest due and payable for the period for delay in making payment (which has been paid but beyond the appointed day during the year) but without adding interest specified under Micro, Small and Medium Enterprises Development Act, 2006	17.32	13.80
e. Amount of interest accrued and remaining unpaid at the end of accounting year	76.43	59.11
f. Amount of further interest remaining due and payable even in succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	1.93

The above information is based on intimations received by the Company from its suppliers.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

27 Revenue from operations

	(₹ in Lakhs)	
	Year ended 31 March 2020	Year ended 31 March 2019
a. Revenue from sale of properties	1,08,442.42	79,378.56
	1,08,442.42	79,378.56
b. Sale of services		
i. Licence fee income	9,586.47	10,385.77
ii. Rent income	156.47	241.31
iii. Maintenance charges income	717.62	799.99
	10,460.56	11,427.07
c. Other operating revenue		
i. Sale of scrap	182.88	141.96
ii. Others	57.62	157.93
	240.50	299.89
	1,19,143.48	91,105.52

28 Other income

	(₹ in Lakhs)	
	Year ended 31 March 2020	Year ended 31 March 2019
a. Interest Income:		
i. From bank deposits	784.00	605.29
ii. From customers/others	4,559.15	551.64
b. Net gain on disposal of Property, Plant & equipment	51.81	89.43
c. Interest income from Income Tax refund	126.37	14.25
d. Excess Provisions written back	46.44	22.60
e. Recovery from Customers	64.16	81.31
f. Income upon maturity of Keyman Insurance Policy	1,723.50	-
g. Miscellaneous income	325.99	74.36
	7,681.42	1,438.88

29 Cost of materials consumed

	(₹ in Lakhs)	
	Year ended 31 March 2020	Year ended 31 March 2019
Construction material	1,237.37	1,044.49
	1,237.37	1,044.49

30 Purchase of Stock in Trade

	(₹ in Lakhs)	
	Year ended 31 March 2020	Year ended 31 March 2019
Finished Flats	1,358.32	(190.03)
	1,358.32	(190.03)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

31 Changes in inventories of finished goods and work-in-progress

	(₹ in Lakhs)	
	Year ended 31 March 2020	Year ended 31 March 2019
a. Inventories at the beginning of the year:		
i. Work-in-progress (projects)	5,22,594.20	3,62,752.85
Add: Opening adjustments in WIP due to Ind AS-115 (Refer note 60)	-	1,98,838.11
Less: Transfer/adjustment during the year	-	2,255.72
	5,22,594.20	5,59,335.24
ii. Finished flats	7,035.82	6,115.98
	5,29,630.02	5,65,451.22
b. Add: Finance costs allocated to inventory of work-in-progress (Refer note (i) to note 33)	13,197.49	36,310.01
c. Inventories at the end of the year:		
i. Work-in-progress (projects)	4,51,791.62	5,22,594.20
ii. Finished flats	8,374.27	7,035.82
	4,60,165.89	5,29,630.02
d. Net (increase) /decrease (a+b-c)	82,661.62	72,131.21

32 Employee benefits expense

	(₹ in Lakhs)	
	Year ended 31 March 2020	Year ended 31 March 2019
a. Salaries and Wages	2,164.01	2,515.23
b. Contribution to provident and other funds	49.24	59.31
c. Staff Welfare expenses	53.62	48.61
	2,266.87	2,623.15

33 Finance costs

	(₹ in Lakhs)	
	Year ended 31 March 2020	Year ended 31 March 2019
a. Interest costs:		
i. On borrowings	53,212.81	62,533.30
ii. To customers / others	4,328.69	3,859.86
iii. On delayed / deferred payment of statutory liabilities	2,965.61	2,440.22
	60,507.11	68,833.38
Less:		
i. Interest cost allocated to inventory of work-in-progress (Refer note (i) below)	13,197.49	36,310.01
	47,309.62	32,523.37
b. Other borrowing cost	792.33	1,008.23
	792.33	1,008.23
	48,101.95	33,531.60

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 (Refer note 31).

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

34 Depreciation and amortisation expense

	(₹ in Lakhs)	
	Year ended 31 March 2020	Year ended 31 March 2019
a. Depreciation of Property, plant and equipment	118.32	123.05
b. Depreciation of investment property	30.12	30.43
c. Amortisation of intangible assets	2,058.23	2,736.64
d. Amortisation of Right of Use Assets	497.97	-
	2,704.64	2,890.12

35 Other expenses

	(₹ in Lakhs)	
	Year ended 31 March 2020	Year ended 31 March 2019
a. Power and fuel	873.02	1,101.61
b. Rent including lease rentals	2,015.64	1,571.41
c. Repair and maintenance		
- Building	219.40	167.93
- Machinery	142.73	14.06
- Others	737.44	683.94
d. Insurance	52.08	41.39
e. Rates and taxes	4,066.78	1,034.16
f. Postage and telegram	37.91	41.66
g. Travelling and conveyance	114.77	122.49
h. Printing and stationery	50.50	62.99
i. Advertisement and business promotion	141.87	18.80
j. Sales commission	38.55	43.60
k. Vehicle running and maintenance	48.73	63.74
l. Rebate and discount	227.14	126.14
m. Legal and professional charges	2007.31	2,078.03
n. Payment to auditors (see note below)	82.40	76.14
o. Project consultancy fee	19.57	70.89
p. Loss of share of AOP	0.23	0.24
q. Compensation paid to customers	4,050.34	644.62
r. Miscellaneous expenses	1,476.77	402.08
	16,403.18	8,365.92
Note:		
Payment to auditors comprise:		
i. To statutory auditors		
a. Statutory audit fee	39.50	40.00
b. Tax audit fee	2.00	2.00
c. Limited reviews fee	30.00	30.00
d. Fee for other services	1.75	-
e. Reimbursement of out-of-pocket expenses	3.14	0.14
f. GST on above	2.01	-
	78.40	72.14
ii. To cost auditors	4.00	4.00
	82.40	76.14

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

36 Income tax

	(₹ in Lakhs)	
	Year ended 31 March 2020	Year ended 31 March 2019
i. Income tax expense/(benefit) recognised in Statement of Profit and Loss		
Current tax		
In respect of the current year	43.59	5.82
Tax adjustment for earlier years	17.27	1,563.74
	60.86	1,569.56
Deferred tax		
In respect of the current year	(1,250.54)	(4,995.93)
	(1,250.54)	(4,995.93)
Total income tax expense/(benefit) recognised	(1,189.68)	(3,426.37)
ii. Income tax expense/(benefit) reconciliation with effective tax rate on accounting profit:		
Profit/(loss) before tax	(37,515.04)	(40,165.91)
Income tax expense calculated at 26%/22% (2018-19: 26%)	(9,152.82)	(10,443.14)
Effect of tax rate change during the year	1,224.00	-
Effect of expenses that are not deductible in determining taxable profit	3,646.56	4,282.99
Adjustments recognised in the current year in relation to the current tax of previous years	17.27	1,563.74
Deferred tax not recognised in subsidiaries on carry forward losses due to prudence	2,725.20	470.71
Tax on unrealised profits on inter-group sales/profit	-	283.90
Others	350.11	415.43
Income tax expense/(benefit) recognised in statement of profit and loss	(1,189.68)	(3,426.37)
The tax rates used for the financial year 2019-20 in reconciliation above is the corporate tax rate of 26% and 22%, applicable to respective entities of the group. For the financial year 2018-19, corporate tax rate was 26% for all entities of the group.		
iii. Income tax recognised in other comprehensive income		
Remeasurements of defined benefit obligation	4.92	(9.44)
Total income tax recognised in other comprehensive income	4.92	(9.44)

37 Contingencies

	(₹ in Lakhs)	
	Year ended 31 March 2020	Year ended 31 March 2019
a. Claims against the Company not acknowledged as debts*:		
i. Demand for payment of stamp duty	445.50	433.00
ii. Customer complaints pending in courts	85,563.28	70,316.41
iii. Civil cases against the group	2,238.60	5,460.01
iv. Income tax demand	1,165.24	906.48
v. Value Added Tax / Trade tax demand	950.63	1,870.56
vi. Licence fee to DMRC (see note 41)	3,659.45	3,080.36
vii. Others	33.81	27.74
b. Future export obligations against EPCG licence	87.55	87.55

* It is not possible for the group 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

38 Commitments

	(₹ in Lakhs)	
	Year ended 31 March 2020	Year ended 31 March 2019
a. Estimated amount of contracts remaining to be executed on capital account and not provided for (net of advances)	13,660.07	17,021.97
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.		

39 The Group did not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.

40 There were no amounts which were required to be transferred to the Investor Education and Protection Fund, during the year.

41 The Holding 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 Holding 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 Holding Company has sought concessions from DMRC and has invoked the Arbitration clause under the concession agreement in case of this project. The Arbitral Tribunal has announced its award in favour of DMRC. The Holding Company has now filed an appeal in the Delhi High Court against this award and the proceedings are going on.

In case of another project, viz. Welcome Mall, construction activities had to be suspended as the property development area allotted to the Holding 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 Holding Company has invoked the Arbitration clause under the concession agreement and the proceedings are going on.

Pending arbitration award / necessary clarifications and documents, the Holding Company has not provided for recurring licence fees amounting to ₹ 3,659.45 lakhs (previous year ₹ 3,080.36 lakhs) and has shown the same under contingent liabilities. However, the Holding 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 Holding Company, a settlement deed was signed between DMRC and the Holding Company. However, there was a dispute on deciding the first date of escalation of recurring payment. The Holding Company has invoked the arbitration clause under the concession agreement and the matter has been decided in favour of the Holding Company during the pervious year vide arbitration order dated 20 July,2018.

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 Holding Company and DMRC, the Company invoked "Arbitration Clause" under the concession agreement for settlement of the matter and the proceedings are going on.

42 Pursuant to Investment Agreement dated 21 December, 2010 entered into between the Holding 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 Holding 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.

The project has been delayed due to non-receipt of approval for the revised building plans.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

The collaborators (land owners) are seeking cancellation of the Development Agreement and other related agreements and have taken legal steps in this regard. PBPL invoked the arbitration clause and as a consequence of the land owners not appointing their nominee Arbitrator, PBPL approached the High Court at Allahabad for appointment of Arbitrator under section 11 of the Arbitration and Conciliation Act. During the pendency of section 11 petition at Allahabad Court, the Hon'ble Supreme Court while hearing a Civil Appeal filed by PBPL and the Holding Company in another matter, stayed the appointment of arbitrator by the Allahabad High Court vide Order dated 09.04.2018 and further directed the land-owner to co-operate with PBPL for getting the building plan approved by the Ghaziabad Development Authority. Subsequently, vide Order dated 29.11.2019, the Hon'ble Supreme Court of India appointed a sole arbitrator to adjudicate the disputes between PBPL and the landowner.

The Sole Arbitrator has fixed timeline for completion of Pleadings and also fixed 30.11.2020 as the date for framing of issues.

During the financial year 2016-17, the Holding Company had entered into a Settlement Agreement with investors for which execution petition for enforcement filed by the investors before the Delhi High Court has been amicably settled pursuant to which the Investment Agreement dated 21 December, 2010 stands cancelled and the securities held by the investors have been acquired by the Holding Company during the financial year 2018-19

43 The Holding Company had entered into a Memorandum of Understanding (MOU) dated 22 December, 2010 with Parsvnath Realcon Private Limited (PRPL), a wholly owned subsidiary company [earlier, a wholly owned subsidiary of its subsidiary Parsvnath Buildwell Private Limited (PBPL)] in terms of which the Holding 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 Holding Company has also entered into 'Project Management Agreement' with PRPL and PBPL for overall management and coordination of project development. Further, the Holding 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 Holding 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 (SDMC) and the Holding Company had appealed before the Appellate Tribunal, MCD (ATMCD) for adjudication.

Meanwhile a Civil Writ Petition was filed before the Hon'ble Delhi High Court against SDMC, DDA, MoUD and DMRC seeking directions from the Hon'ble Court for getting this issue resolved. The matter has been finally resolved and PRPL is expected to re-start the construction at the earliest.

Since the delay in completion of the project has been caused mainly due to certain acts of commission/ omission by DMRC, the Company has invoked arbitration proceedings against DMRC before the duly constituted Arbitral Tribunal and the statement of claim has filed before the Arbitral Tribunal.

During the course of the financial year, the entire shareholding of PRPL has been acquired by the Holding Company from PBPL and as such PRPL has become a wholly owned subsidiary of the Holding Company.

44 The Holding 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 Holding Company and CHB. Consequently, the Holding 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 Holding Company and the CHB. Pursuant to the arbitration award, the project was discontinued and surrendered to CHB.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

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 Holding 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 Holding Company. The Holding 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 had issued notice to CHB for filing its reply and also called for the Arbitral Record from the Sole Arbitrator. The Additional District Judge, Chandigarh dismissed our application on 30 May, 2018. Aggrieved by the said order, the Holding Company preferred an appeal under section 37 of the Arbitration and Conciliation Act, 1996 before the Hon'ble Punjab & Haryana High Court at Chandigarh and the proceedings are going on. Pending decision of the Hon'ble Punjab & Haryana High Court, the amount of ₹ 14,047 lakhs (net of tax deducted at source) has been shown as recoverable and included under 'other financial assets' in Note 11.

- 45** Parsvnath Film City Limited (PFCL), a subsidiary of the Company had given an advance of ₹ 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 measuring 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 ₹ 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 Hon'ble High Court also decided that CA is entitled to cumulatively claim/recover an amount of ₹ 8,746.60 lakhs from PFCL due to failure to develop the site and adhere to the terms of the agreement. PFCL had filed a Special Leave Petition (SLP) before the Hon'ble Supreme Court of India which has since been admitted and notice has been issued to the Opposite Party. CA has also filed a Special Leave Petition before the Hon'ble Supreme Court for allowing the counter claims made by them and both the matters have been tagged together and the matters are listed before the Ld. Registrar for completion of pleadings. Once the pleadings are completed, the Company proposes to move an application for early hearing in the matter.

- 46** The Holding 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. Parsvnath Promoters and Developers Private Limited (PPDPL) was identified as a Special Purpose Vehicle (SPV) company for implementation of the project. 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 in place of PPDPL. RLDA accepted PRLPPL as the SPV vide its letter dated 3 August, 2012.

The Holding Company entered into agreements with PRLPPL and overseas investors during 2012 and 2013 for financing the project.

Due to multifarious reasons, including the lack of statutory approvals, PRLPPL was not able to achieve 'Financial Closure' as per Article 7 of the Agreement which resulted in deemed termination of the agreement. The Holding Company and PRLPPL invoked the arbitration clause in the development agreement for recovery of amount paid to RLDA together with interest thereon on deemed termination of agreement and related matters and instituted four Arbitral proceedings namely Arbitration I, II, III and IV. The Arbitral Tribunal has

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

announced its award in respect of the Arbitration II on 25 November, 2017 directing RLDA to refund the amount of ₹1,03,453.78 lakhs along with 4% interest per annum payable with effect from 15 July, 2015 till the date of recovery. RLDA filed its objections under section 34 of the Arbitration and Conciliation Act, 1996 before the Hon'ble Delhi High Court for setting aside the said Arbitral award, which was rejected by the Court vide its order dated 3 April, 2018. Thereafter, RLDA filed an appeal before the Division Bench of the Hon'ble Delhi High Court which was dismissed vide judgement dated 14 March, 2019. Subsequently, the Special Leave Petition filed by RLDA before the Hon'ble Supreme Court of India was also dismissed on 8 July, 2019.

PRLPPL has subsequently received the award amount during July, 2019

In case of Arbitration I (with respect to RLDA's liability for payment of interest to PRLPPL on installments received in excess of and prior to RLDA's entitlement), the Arbitral Tribunal by award dated 1 June, 2018 rejected the claim filed by the Holding Company and PRLPPL. The Holding Company and PRLPPL have filed an appeal before the Hon'ble Delhi High Court against the said award and the proceedings are going on.

The Holding Company and PRLPPL have further initiated two other Arbitration proceedings (Arbitration III and IV) seeking inter-alia refund of the amounts retained as alleged losses by RLDA, losses incurred on account of RLDA's breach of its representations and warranties in respect of the land sought to be leased and delay in return of Performance Bank Guarantee. The Arbitration proceedings have since commenced. Considering the facts and based on discussion with legal counsel, amount of ₹ 6,442.62 lakhs recoverable from RLDA is considered good.

47 The group Companies has availed loan of ₹ 28,200 lakhs from IL&FS Financial Services Limited (IFIN). The holding company along with other co-borrowers entered into a settlement agreement with IFIN on 12 September, 2019 for repayment of loan and interest in monthly installments over the period 29 October, 2019 to 25 August, 2020. Total outstanding, including accrued interest as on the date of settlement agreement was ₹ 21,327 lakhs. The group is under discussion with IFIN to provide valuation reports, reduction of rate of interest and to confirm release of security. Pending this, the group has not made some of the scheduled payments to IFIN. The group is quite hopeful of settlement of this matter.

48 The Group has incurred cash losses during the current and previous years. Due to continued recession in the real estate sector owing to slow down in demand, the group is facing tight liquidity situation as a result of which there have been delays/defaults in payment of principal and interest on borrowings, statutory liabilities, salaries to employees and other dues. Also, the Group 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 group is continuously exploring alternate sources of finance, including sale of non-core assets to generate adequate cash inflows for meeting these obligations and to overcome this liquidity crunch. In the opinion of the Management, no adverse impact is anticipated on future operations of the group.

49 Trade receivables

Trade receivables include ₹ 19,219.25 lakhs (Previous year ₹ 19,166.89 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.

50 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.

51 Corporate social responsibility

In terms of provisions of section 135 of the Companies Act, 2013, the group companies were 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

53 The Group companies are 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 group 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 2020	Year ended 31 March 2019
a. Salaries and wages	-	22.39
b. Contribution to provident and other funds	-	1.03
c. Legal and professional charges	13.90	24.69
d. Licence fee	84.32	2,135.05
e. Amortisation of Right of use assets	1,400.17	-
f. Miscellaneous expenses	3.78	74.43
	1,502.17	2,257.59

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 2020	Year ended 31 March 2019
a. Legal and professional charges	0.76	14.34
b. Miscellaneous expenses	2.88	5.24
	3.64	19.58

56 Details of borrowing costs capitalised during the year:

	(₹ in Lakhs)	
	Year ended 31 March 2020	Year ended 31 March 2019
a. Intangible assets/assets under development	6,969.25	7,378.83
b. Capital work-in-progress	115.64	125.66
c. Inventory	13,197.49	36,310.01
	20,282.38	43,814.50

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 group Companies are mainly 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.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

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 2020	Year ended 31 March 2019
a. Contribution to Provident Fund	40.48	44.63
b. Contribution to ESI	8.76	14.68
	49.24	59.31

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	2019-2020	2018-2019
i Components of employer's expenses:		
Current service cost	35.35	26.92
Interest cost	26.57	33.92
Actuarial (gain)/loss	-	-
Net charge/(credit)	61.92	60.84
ii Actual contribution and benefit payments for year		
Actual benefit payments	66.25	170.12
Actual contributions	-	-
	66.25	170.12

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

		(₹ in Lakhs)	
Particulars	2019-2020	2018-2019	
iii Net liabilities/ (assets) recognised in the balance sheet			
Present value of defined benefit obligation	409.40	355.46	
Fair value of plan assets	-	-	
Net liabilities/ (assets) recognised in the balance sheet	409.40	355.46	
Note: The fair value of plan assets is Nil, since defined benefit plans are unfunded.			
Short-term provisions	20.85	14.83	
Long-term provisions	388.55	340.63	
	409.40	355.46	
iv Change in defined benefit obligation during the year			
Present value of defined benefit obligation at beginning of the year	355.46	448.13	
Current service cost	35.35	26.92	
Past service Cost including curtailment Gains/Losses	-	-	
Interest cost	26.57	33.92	
Actuarial (gains)/losses on obligations	58.27	16.61	
Benefits paid	(66.25)	(170.12)	
Present value of DBO at the end of the year	409.40	355.46	
v Other comprehensive income (OCI)			
Remeasurement of defined benefit obligation	(58.27)	(16.61)	
vi Balance sheet reconciliation			
Net liability at the beginning of the year	355.46	448.13	
Expenses recognised/(reversed) during the year	61.92	60.84	
Actuarial (gains)/losses	58.27	16.61	
Benefits paid	(66.25)	(170.12)	
Amount recognised in the balance sheet	409.40	355.46	

vii Experience adjustments:

		(₹ in Lakhs)				
Particulars	31.03.2020	31.03.2019	31.03.2018	31.03.2017	31.03.2016	
i. Present value of Defined Benefit Obligation	409.40	355.46	448.13	363.02	346.03	
ii. Fair Value of plan assets	-	-	-	-	-	
iii. Funded status [Surplus/ (Deficit)]	409.40	355.46	448.13	363.02	346.03	
iv. Experience (gain)/loss adjustments on plan liabilities	58.27	16.61	46.51	30.96	(0.14)	
v. Experience gain/loss adjustments on plan assets	-	-	-	-	-	

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

viii Actuarial assumptions

	31.03.2020	31.03.2019
a. Financial assumptions		
i. Discount rate (p.a.)	6.76%	7.66%
ii. Salary escalation rate (p.a.)	5.00%	5.00%
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
From 31 to 44 years	2.00	2.00
Above 44 years	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 %	(24.99)
	Decrease	0.50 %	27.56
Salary escalation rate	Increase	0.50 %	27.91
	Decrease	0.50 %	(25.51)

C. Actuarial assumptions for long-term compensated absences

	31.03.2020	31.03.2019
a. Financial assumptions		
i. Discount rate (p.a.)	6.76%	7.66%
ii. Salary escalation rate (p.a.)	5.00%	5.00%
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
From 31 to 44 years	2.00	2.00
Above 44 years	1.00	1.00

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

59 Earnings per Equity Share

		Year ended 31-March-20	Year ended 31-March-19
Profit for the year	(₹ in Lakhs)	(34,655.61)	(36,333.07)
Weighted average number of equity shares	No.'s	4,35,181,170	4,35,181,170
Earning per share - basic	₹	(7.96)	(8.36)
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	₹	(7.96)	(8.36)
Face value per equity share	₹	5.00	5.00

60 The Ministry of Corporate Affairs (MCA) had notified the Companies (Indian Accounting Standards) Amended Rules, 2018 on 28 March, 2018. As per these rules, Ind AS 115 "Revenue from Contracts with customers" had become applicable to the Group for accounting period beginning on or after 1 April, 2018. Accordingly, the Group had applied Ind AS 115 as on the transition date of 1 April, 2018. The Group had applied modified retrospective approach to its real estate projects that were not completed as at 1 April, 2018, accordingly profit recognised on such projects upto 31 March, 2018 amounting to ₹ 85,936.42 lakhs (net of deferred tax assets ₹ 5,820.05 lakhs), as per the existing revenue recognition standards was de-recognised and debited to retained earnings as at 1 April, 2018. 'Cost of goods sold' amounting to ₹ 1,98,838.11 lakhs was added to opening inventory with corresponding adjustment of revenue recognised in earlier years to trade receivables / advances from customers.

61 Operating lease arrangements - As lessee - Ind AS 116

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. Licence fee payable to DMRC over the concession period has been recognised as 'Right of use assets' and 'lease liabilities' as at 1 April, 2019 as per Ind AS 116.

The Group has applied Ind AS 116 using the modified retrospective approach and therefore the comparative information has not been restated and continues to be reported under Ind AS 17.

i. Right-of-use assets

Movement and carrying value of right of use assets is as under:

	(₹ in Lakhs)		
	Building	Building under development	Total
Balance as at 31 March, 2019	-	-	-
Recognition on account of adoption of Ind AS 116 (Refer notes below)	8,104.09	31,490.43	39,594.52
Additions during the year	14.36	-	14.36
	8,118.45	31,490.43	39,608.88
Less: Depreciation during the year	497.97	1,400.17	1,898.14
Balance as at 31 March, 2020	7,620.48	30,090.26	37,710.74

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

Notes:

- a. The Group has adopted Ind AS 116 “Leases” effective April 1, 2019 and applied the standard to its lease contracts existing as at 1 April, 2019 using the modified retrospective approach. The Group has recorded lease liability at the present value of the lease payments that are not paid as at 1 April, 2019, discounted using the group’s incremental borrowing rate and recognised right of use assets of equal amounts.
- b. The depreciation expense of ₹ 497.97 lakhs on right-of-use assets is included under depreciation and amortisation expense in the statement of Profit and Loss and depreciation of ₹ 1,400.17 lakhs has been capitalised in ‘Intangible Assets Under Development’
- c. The following is the summary of practical expedients elected on initial application:
 - (i) Applied a single discount rate to a portfolio of leases of similar assets in similar economic environment with a similar end date
 - (ii) Applied the exemption not to recognize right-of-use assets and liabilities for leases with less than 12 months of lease term on the date of initial application or low value leases.
 - (iii) Excluded the initial direct costs from the measurement of the right-of-use asset at the date of initial application.
 - (iv) Applied the practical expedient to assessment of which transactions are leases. Accordingly, Ind AS 116 is applied only to contracts that were previously identified as leases under Ind AS 17.

ii. Lease liability

The following is the movement in lease liabilities during the year ended March 31, 2020:

	(₹ in Lakhs)	
	As at 31-March-2020	As at 31-March-2019
Balance at the Beginning of the year	-	-
Recognition on account of adoption of Ind AS 116	39,594.52	-
Additions	14.36	-
	39,608.88	-
Add: Finance cost accrued during the year	2,053.46	-
Less: Payment of lease liabilities	1,007.06	-
Balance at the end	40,655.28	-
Current	3,495.71	-
Non-current	37,159.57	-
	40,655.28	-

Note: Since the Ind AS 116 is applicable from 1 April, 2019, hence there are no previous year’s comparatives.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

iii. Maturity analysis of lease liabilities:

The table below provides details regarding the contractual cash flows of lease liabilities as at March 31, 2020 on an undiscounted basis:

	(₹ in Lakhs)	
	As at 31-March-2020	As at 31-March-2019
Due within one year	3,927.07	3,689.06
Due later than one year and not later than five years	17,940.10	17,084.82
Due later than five years	1,18,413.48	1,22,670.63
Total undiscounted lease liabilities	1,40,280.65	1,43,444.51

iv. Amounts recognised in Statement of profit and loss

	(₹ in Lakhs)	
	Year ended 31 March 20	Year ended 31 March 19
Lease charges	-	1,193.88
Interest on lease liabilities	2,053.46	-
Depreciation on right of use assets	497.97	-
Expenses relating to short-term and low value leases (see note vii)	1,573.57	290.98
	4,125.00	1,484.86

v. Amounts capitalised to Intangible assets

	(₹ in Lakhs)	
	Year ended 31 March 20	Year ended 31 March 19
Lease charges	-	2,135.05
Interest on lease liabilities	1,160.20	-
Depreciation on right of use assets	1,400.17	-

vi. Impact of change in accounting policy:

The impact of change in accounting policy on account on adoption of Ind AS 116 is as follows:

	(₹ in Lakhs)
	Year ended 31 March 20
Increase in lease liability by	40,655.28
Increase in rights of use by	37,710.74
Increase/(Decrease) in finance cost by	893.26
Increase/(Decrease) in depreciation by	497.97
Increase/(Decrease) in rent expense by	(764.71)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

vii. Disclosures for operating leases other than leases covered in Ind AS 116

(₹ in Lakhs)		
	As at 31-March-2020	As at 31-March-2019
a. As a lessee (expenses)		
Other short-term lease contracts	1,573.57	290.98
	1,573.57	290.98

62 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 20	Year ended 31 March 19
Licence fee income		
a. Recognised in statement of profit and loss	9,586.47	10,385.77
	9,586.47	10,385.77

(₹ in Lakhs)		
	As at 31-March-2020	As at 31-March-2019
The total of future minimum lease receivables are as follows:		
a. Not later than one year	2,430.39	4,809.35
b. Later than one year but not later than five years	5,053.46	10,012.26
c. Later than five years	736.09	1,390.85
	8,219.94	16,212.46

63 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 Group in jointly controlled entity is as under

(₹ in Lakhs)		
	As at 31-March-2020	As at 31-March-2019
Company's share of:		
a. Assets	474.26	472.61
b. Liabilities	0.56	0.56
c. Income	-	-
d. Expenditure	0.23	0.24
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, 2020

64 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
- 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 (Upto 06 March,2019)
- Laban Real Estates Private Limited (Upto 06 March,2019)
- Landmark Malls and Towers Private Limited (Upto 06 March,2019)
- Landmark Township Planners Private Limited (Upto 06 March,2019)
- Madhukanta Real Estate Private Limited
- Magic Promoters Private Limited
- Mahanidhi Buildcon Private Limited
- Neha Infracon (India) Private Limited
- Nilanchal Realtors Private Limited (Upto 06 March,2019)
- Noida Marketing Private Limited
- P.S. Realtors Private Limited (Upto 06 March,2019)
- 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
- Pearl Propmart Private Limited
- Pradeep Kumar Jain & Sons (HUF)
- 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 \$
- Dreamweaver Realtors Private Limited (w.e.f. 20 March 2020)
- Digant Realtors Private Limited (w.e.f. 20 March 2020)
- Madhulekha Developers Private Limited (w.e.f. 20 March 2020)
- Sureshwar Properties Private Limited (w.e.f. 20 March 2020)
- Parikrama Infrastructure Private Limited (w.e.f. 20 March 2020)
- Prasadhi Developers Private Limited (w.e.f. 20 March 2020)
- Prastut Real Estate Private Limited (w.e.f. 20 March 2020)
- Springdale Realtors Private Limited (w.e.f. 20 March 2020)
- Sedna Properties Private Limited (w.e.f. 20 March 2020)
- Trishla Realtors Private Limited (w.e.f. 20 March 2020)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

- * Associates of the Company
- # Became subsidiary during the previous year
- \$ Became subsidiary during the year

ii. Joint Ventures

- Ratan Parsvnath Developers (AOP)

iii. Entities which can exercise significant influence over subsidiaries/joint venture

- Anuradha SA Investments LLC, Mauritius (ASA) (Upto 21 June, 2018)
- Anuradha Ventures Limited, Cyprus (AVL) (Upto 21 June, 2018)
- Green Destination Holding Limited (GDHL)
- Crimsonstar Ventures Limited, Cyprus (Upto 21 November, 2019)

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

b. Transactions / balances outstanding with related parties:

(i) Transactions during the year

(₹ in lakhs)

Transaction / Outstanding Balances	Entities under significant influence	Key Management Personnel and their relatives	Entities exercise significant influence	Total
Purchase of Investments / Shares				
Parasnath And Associates Private Limited	0.50	-	-	0.50
	5.50	-	-	5.50
	0.50	-	-	0.50
	5.50	-	-	5.50
Advance Repaid				
Time Bound Contract Private Limited	0.90	-	-	0.90
	-	-	-	-
Jodhpur Infrastructure Private Limited	0.10	-	-	0.10
	-	-	-	-
	1.00	-	-	1.00
	-	-	-	-
Sale of Investment / Shares				
Parasnath And Associates Private Limited	51.50	-	-	51.50
	-	-	-	-
	51.50	-	-	51.50
	-	-	-	-
Rent paid (Expense)				
Pradeep Kumar Jain	-	5.76	-	5.76
	-	6.91	-	6.91

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

(₹ in lakhs)

Transaction / Outstanding Balances	Entities under significant influence	Key Management Personnel and their relatives	Entities exercise significant influence	Total
Nutan Jain	-	41.77	-	41.77
	-	51.13	-	51.13
Pradeep Kumar Jain & Sons (HUF)	6.48	-	-	6.48
	7.78	-	-	7.78
	6.48	47.53	-	54.01
	7.78	58.04	-	65.82
Share of profit / (loss) from associates				
Amazon India Limited	(0.16)	-	-	(0.16)
	(0.26)	-	-	(0.26)
Home Life Real Estate Private Limited	1.57	-	-	1.57
	2.09	-	-	2.09
Vardaan Buildtech Private Limited	-	-	-	-
	0.03	-	-	0.03
	1.41	-	-	1.41
	1.86	-	-	1.86
Sitting fees paid to directors				
Mr. Ashok Kumar	-	4.80	-	4.80
	-	5.40	-	5.40
Dr. Pritam Singh	-	5.60	-	5.60
	-	3.50	-	3.50
Ms. Deepa Gupta	-	5.60	-	5.60
	-	5.60	-	5.60
Mr. Mahendra Nath Verma	-	5.60	-	5.60
	-	4.50	-	4.50
	-	21.60	-	21.60
	-	19.00	-	19.00
Corporate guarantee given for				
Vardaan Buildtech Private Limited	-	-	-	-
	3,200.00	-	-	3,200.00
	-	-	-	-
	3,200.00	-	-	3,200.00
(ii) Balances at the year end				
Security deposit (assets)				
Nutan Jain	-	11.36	-	11.36
	-	11.36	-	11.36
	-	11.36	-	11.36
	-	11.36	-	11.36
Trade / Other payables				
Pradeep Kumar Jain & Sons (HUF)	-	-	-	-
	1.17	-	-	1.17
Nutan Jain	-	5.58	-	5.58

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

(₹ in lakhs)

Transaction / Outstanding Balances	Entities under significant influence	Key Management Personnel and their relatives	Entities exercise significant influence	Total
	-	-	-	-
Pradeep Kumar Jain	-	-	-	-
	-	1.56	-	1.56
	-	5.58	-	5.58
	1.17	1.56	-	2.73
Other Advances received				
Jodhpur Infrastructure Private Limited	12.07	-	-	12.07
	12.17	-	-	12.17
Timebound Contracts Private Limited	-	-	-	-
	0.90	-	-	0.90
	12.07	-	-	12.07
	13.07	-	-	13.07
Interest accrued but not due on debentures				
Crimsonstar Ventures Limited	-	-	-	-
	-	-	7.15	7.15
	-	-	-	-
	-	-	7.15	7.15
Investments held (Equity Shares)				
Amazon India Limited	250.93	-	-	250.93
	251.09	-	-	251.09
Home Life Real Estate Private Limited	112.04	-	-	112.04
	110.47	-	-	110.47
Vardaan Buildtech Private Limited	-	-	-	-
	6.17	-	-	6.17
Adela Buildcon Private Limited	0.50	-	-	0.50
	0.50	-	-	0.50
Ashirwad Realtors Private Limited	0.50	-	-	0.50
	0.50	-	-	0.50
Baasima Buildcon Private Limited	1.00	-	-	1.00
	1.00	-	-	1.00
Baidehi Infrastructure Private Limited	0.50	-	-	0.50
	0.50	-	-	0.50
Balbina Real Estates Private Limited	0.50	-	-	0.50
	0.50	-	-	0.50
Charushila Buildwell Private Limited	0.50	-	-	0.50
	0.50	-	-	0.50
Congenial Real Estates Private Limited	0.50	-	-	0.50
	0.50	-	-	0.50
Cyanea Real Estate Private Limited	0.50	-	-	0.50

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

(₹ in lakhs)

Transaction / Outstanding Balances	Entities under significant influence	Key Management Personnel and their relatives	Entities exercise significant influence	Total
	0.50	-	-	0.50
Deborah Real Estate Private Limited	0.50	-	-	0.50
	0.50	-	-	0.50
Deleena Developers Private Limited	0.50	-	-	0.50
	0.50	-	-	0.50
Enormity Buildcon Private Limited	0.50	-	-	0.50
	0.50	-	-	0.50
Gauranga Realtors Private Limited	0.50	-	-	0.50
	0.50	-	-	0.50
Gauresh Buildwell Private Limited	0.50	-	-	0.50
	0.50	-	-	0.50
Jodhpur Infrastructure Private Limited	0.50	-	-	0.50
	0.50	-	-	0.50
Parsvnath Telecom Private Limited	51.50	-	-	51.50
	51.50	-	-	51.50
Madhulekha Developers Private Limited	0.50	-	-	0.50
	0.50	-	-	0.50
Madhukanta Real Estate Private Limited	0.50	-	-	0.50
	0.50	-	-	0.50
Magic Promoters Private Limited	0.50	-	-	0.50
	0.50	-	-	0.50
Mahanidhi Buildcon Private Limited	0.50	-	-	0.50
	0.50	-	-	0.50
Dreamweaver Realtors Private Limited	0.50	-	-	0.50
	0.50	-	-	0.50
Sureshwar Properties Private Limited	0.50	-	-	0.50
	0.50	-	-	0.50
Parsvnath Biotech Private Limited	2.50	-	-	2.50
	2.50	-	-	2.50
Parsvnath Cyber City Private Limited	1.00	-	-	1.00
	1.00	-	-	1.00
Parsvnath Dehradun Info Park Private Limited	2.50	-	-	2.50
	2.50	-	-	2.50
Parsvnath Developers (GMBT) Private Limited	2.50	-	-	2.50
	2.50	-	-	2.50
Parsvnath Developers (SBBT) Private Limited	2.00	-	-	2.00
	2.00	-	-	2.00
Parsvnath Gurgaon Info Park Private Limited	2.50	-	-	2.50
	2.50	-	-	2.50
Parsvnath Indore Info Park Private Limited	2.50	-	-	2.50

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

(₹ in lakhs)

Transaction / Outstanding Balances	Entities under significant influence	Key Management Personnel and their relatives	Entities exercise significant influence	Total
	2.50	-	-	2.50
Parsvnath Knowledge Park Private Limited	1.00	-	-	1.00
	1.00	-	-	1.00
Parsvnath Retail Limited	4.00	-	-	4.00
	4.00	-	-	4.00
Pearl Propmart Private Limited	0.50	-	-	0.50
	0.50	-	-	0.50
Rangoli Buildcon Private Limited	0.50	-	-	0.50
	0.50	-	-	0.50
Sadgati Buildcon Private Limited	0.50	-	-	0.50
	0.50	-	-	0.50
Scorpio Realtors Private Limited	0.50	-	-	0.50
	0.50	-	-	0.50
Parsvnath Sharmishtha Realtors Private Limited	0.50	-	-	0.50
	0.50	-	-	0.50
Digant Realtors Private Limited	0.50	-	-	0.50
	0.50	-	-	0.50
Timebound Contracts Private Limited	5.00	-	-	5.00
	5.00	-	-	5.00
	453.47	-	-	453.47
	404.73	-	-	404.73
Corporate guarantee given for loans				
Vardaan Buildtech Private Limited	3,200.00	-	-	3,200.00
	3,200.00	-	-	3,200.00
	3,200.00	-	-	3,200.00
	3,200.00	-	-	3,200.00
Guarantee for loans				
Chairman and whole-time directors	-	1,52,837.89	-	1,52,837.89
	-	2,05,241.82	-	2,05,241.82
	-	1,52,837.89	-	1,52,837.89
	-	2,05,241.82	-	2,05,241.82
Borrowings				
Crimsonstar Ventures Limited	-	-	-	-
	-	-	18,133.39	18,133.39
	-	-	-	-
	-	-	18,133.39	18,133.39

Note:

- Figures in italics represents figures as at and for the year ended 31 March, 2019.

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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

31 March, 2020, the Group has not recorded any impairment of receivables from related parties (31 March, 2019 - 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.

65 Financial Instruments

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

	As at 31 March 20				As at 31 March 19			
	Total	Amortised Cost	At cost	FVTPL	Total	Amortised Cost	At cost	FVTPL
Financial assets								
i. Investments	34,396.46	32,894.74	453.47	1,048.25	30,308.01	28,855.03	404.73	1,048.25
ii. Trade receivables	27,925.92	27,925.92	-	-	29,126.49	29,126.49	-	-
iii. Cash and cash equivalents	979.92	979.92	-	-	3,445.71	3,445.71	-	-
iv. Bank balances other than (iii) above	5,334.66	5,334.66	-	-	5,623.58	5,623.58	-	-
v. Loans	2,536.29	2,536.29	-	-	1,923.06	1,923.06	-	-
vi. Other financial assets	30,682.09	30,682.09	-	-	1,58,756.21	1,58,756.21	-	-
Total financial assets	1,01,855.34	1,00,353.62	453.47	1,048.25	2,29,183.06	2,27,730.08	404.73	1,048.25
Financial liabilities								
i. Borrowings	2,37,079.20	2,37,079.20	-	-	3,57,314.66	3,57,314.66	-	-
ii. Trade Payables	85,264.58	85,264.58	-	-	79,448.65	79,448.65	-	-
iii. Other financial liabilities	1,73,554.57	1,73,554.57	-	-	1,09,398.88	1,09,398.88	-	-
Total financial liabilities	4,95,898.35	4,95,898.35	-	-	5,46,162.19	5,46,162.19	-	-

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 data

	As at 31 March 20		As at 31 March 19	
	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

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

66 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 and other financial assets.

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:

	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, 2020					
Borrowings	3,14,253.21	1,09,018.28	57,149.80	80,831.99	67,253.14
Trade payables	85,264.58	79,142.42	6,122.16	-	-
Other financial liabilities	96,380.56	65,709.12	7,192.89	13,465.42	10,013.13
	4,95,898.35	2,53,869.82	70,464.85	94,297.41	77,266.27
As at 31 March, 2019					
Borrowings	4,21,530.01	1,08,532.90	1,17,660.43	32,993.84	1,62,342.84
Trade payables	79,448.65	73,555.48	5,673.17	220.00	-
Other financial liabilities	45,183.53	37,932.95	2,574.81	3,420.68	1,255.09
	5,46,162.19	2,20,021.33	1,25,908.41	36,634.52	1,63,597.93

Note: Current maturities of long term debt have been excluded from Other financial liabilities and included under Borrowings.

Financing facilities

Secured bank overdraft facility :

	(₹ in lakhs)	
	As at 31 March 2020	As at 31 March 2019
Amount used	5,959.72	7,027.72
Amount unused	-	-

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

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:

	As at 31 March 2020	As at 31 March 2019
	(₹ in lakhs)	
Variable rate borrowings		
Long term	1,03,986.14	1,47,092.97
Short term	39,690.71	38,356.61
Total variable rate borrowing	1,43,676.85	1,85,449.58
Fixed rate borrowings		
Long term	1,70,576.36	2,26,785.43
Short term	-	9,295.00
Total fixed rate borrowings	1,70,576.36	2,36,080.43
Total borrowings	3,14,253.21	4,21,530.01

Sensitivity

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

	Year ended 31-March-2020	Year ended 31-March-2019
	(₹ in lakhs)	
Actual interest cost	53,212.81	62,533.30
if ROI is increased by 1% on outstanding loans	1,583.67	2,076.20
Total interest cost	54,796.48	64,609.50
if ROI is decreased by 1% on outstanding loans	1,583.67	2,076.20
Total interest cost	51,629.14	60,457.10

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's credit risk with respect to customers is diversified due to large number of real estate projects with different customers spread over different geographies.

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

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)	
	Year ended 31-March-2020	Year ended 31-March-2019
Outstanding for more than 6 months	19,219.25	19,166.89
Outstanding for 6 months or less	1,448.84	1,941.03
Not due for payment	7,257.83	8,018.57
	27,925.92	29,126.49

67 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 2020	As at 31 March 2019
Borrowings:		
Long term	1,97,388.49	3,09,663.05
Short term	39,690.71	47,651.61
Current maturities of long term borrowings	77,174.01	64,215.35
Total borrowings (A)	3,14,253.21	4,21,530.01
Equity		
Share capital	21,759.06	21,759.06
Other equity	38,978.49	72,486.20
Total Equity (B)	60,737.55	94,245.26
Debt to equity ratio (A/B)	5.17	4.47

68. Additional information as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiaries/ Joint Venture / Associates

Name of the entity	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (₹ in Lakhs)	As % of consolidated profit or (loss)	Amount (₹ in Lakhs)
Parent				
Parsvnath Developers Limited	242.56	147,326.62	(26.99)	(9,370.04)
Subsidiaries				
Indian				
Parsvnath Landmark Developers Private Limited	(20.14)	(12,232.57)	(9.48)	(3,290.23)
Parsvnath Infra Limited	9.65	5,861.15	(0.18)	(62.61)
Parsvnath MIDC Pharma SEZ Private Limited	0.34	207.58	0.00	1.71
Parsvnath Hotels Limited	0.97	592.10	(0.03)	(11.60)
Parsvnath Hessa Developers Private Limited	8.18	4,966.37	(2.82)	(979.10)
Parsvnath Estate Developers Private Limited	(63.61)	(38,636.87)	(32.50)	(11,282.45)
Parsvnath Promoters and Developers Private Limited	1.96	1,190.67	(4.65)	(1,614.84)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

Name of the entity	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (₹ in Lakhs)	As % of consolidated profit or (loss)	Amount (₹ in Lakhs)
Parsvnath Buildwell Private Limited	27.47	16,683.47	(2.17)	(753.70)
Parsvnath Realcon Private Limited	(0.81)	(490.90)	(0.39)	(134.39)
Parsvnath HB Projects Private Limited	(1.62)	(981.15)	(0.04)	(14.95)
Parsvnath Film City Limited	(0.04)	(25.03)	0.01	1.99
PDL Assets Limited	(0.82)	(498.27)	(1.42)	(491.30)
Parsvnath Realty Ventures Limited	(2.56)	(1,556.91)	(4.44)	(1,542.09)
Vasavi PDL Ventures Private Limited	0.00	0.71	(0.00)	(1.11)
Farhad Realtors Private Limited	(0.00)	(0.40)	(0.00)	(0.26)
Sukshma Buildtech Private Limited	0.01	5.65	(0.00)	(0.93)
Jarul Promoters and Developers Private Limited	(0.81)	(491.64)	(1.42)	(491.96)
Parsvnath Rail Land Project Private Limited	(8.23)	(5,001.07)	(15.89)	(5,515.62)
Snigdha Buildwell Private Limited	0.01	3.27	(0.00)	(0.12)
Generous Buildwell Private Limited	0.32	196.65	(0.01)	(3.27)
Evergreen Realtors Private Limited	(0.00)	(0.84)	(0.01)	(2.32)
Foreign				
Parsvnath Developers Pte. Ltd.	1.00	606.50	(0.13)	(45.84)
Subsidiaries by virtue of Accounting Standard (Ind AS - 110) on Consolidated financial statements				
Indian				
Vardaan Buildtech Private Limited	0.01	4.36	(0.00)	(0.44)
Aahna Realtors Private Limited	0.00	2.34	(0.00)	(0.10)
Afra Infrastructure Private Limited	0.01	4.60	(0.00)	(0.13)
Anubhav Buildwell Private Limited	0.01	8.28	(0.00)	(0.09)
Arctic Buildwell Private Limited	0.00	2.94	(0.00)	(0.09)
Arunachal Infrastructure Private Limited	0.00	0.84	(0.00)	(0.09)
Bae Buildwell Pvt Ltd	0.00	0.89	(0.00)	(0.10)
Bakul Infrastructure Private Limited	0.00	1.89	(0.00)	(0.09)
Banita Buildcon Private Limited	0.00	2.97	(0.00)	(0.10)
Bliss Infrastructure Private Limited	0.00	2.00	(0.00)	(0.10)
Brinly Properties Private Limited	0.00	1.19	(0.00)	(0.11)
Coral Buildwell Private Limited	0.00	0.78	(0.00)	(0.09)
Dae Realtors Private Limited	0.00	0.95	(0.00)	(0.10)
Dai Real Estates Private Limited	(0.02)	(12.11)	(0.05)	(18.30)
Dhiren Real Estates Private Limited	0.00	1.40	(0.00)	(0.09)
Elixir Infrastructure Private Limited	0.01	3.12	0.00	0.14
Emerald Buildwell Private Limited	0.02	11.82	(0.00)	(0.09)
Evergreen Realtors Private Limited	(0.00)	(0.84)	(0.01)	(2.32)
Gem Buildwell Private Limited	0.00	1.49	(0.00)	(0.10)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

Name of the entity	Net Assets, i.e. total assets minus total liabilities		Share in profit or loss	
	As % of consolidated net assets	Amount (₹ in Lakhs)	As % of consolidated profit or (loss)	Amount (₹ in Lakhs)
Himsagar Infrastructure Private Limited	0.00	0.92	(0.00)	(0.09)
Izna Realcon Private Limited	0.00	0.70	(0.00)	(0.11)
Jaguar Buildwell Private Limited	0.00	1.14	(0.00)	(0.10)
Label Real Estates Private Limited	0.00	1.84	(0.00)	(0.08)
Lakshya Realtors Private Limited	0.01	7.02	(0.00)	(0.21)
LSD Realcon Private Limited	0.00	1.21	(0.00)	(0.11)
Mirage Buildwell Private Limited	0.00	2.80	(0.00)	(0.10)
Navneet Realtors Private Limited	0.01	5.16	(0.00)	(0.10)
Neelgagan Realtors Private Limited	0.01	7.26	(0.00)	(0.01)
New Hind Enterprises Private Limited	0.72	435.15	0.02	6.31
Oni Projects Private Limited	0.00	0.63	(0.00)	(0.10)
Paavan Buildcon Private Limited	0.00	0.87	(0.00)	(0.11)
Perpetual Infrastructure Private Limited	0.01	5.36	(0.00)	(0.11)
Prosperity Infrastructures Private Limited	0.01	3.43	(0.00)	(0.03)
Rangoli Infrastructure Private Limited	0.00	2.74	(0.00)	(0.10)
Samiksha Realtors Private Limited	0.00	0.88	(0.00)	(0.09)
Sapphire Buildtech Private Limited	0.33	200.34	(0.00)	(0.12)
Silverstreet Infrastructure Private Limited	0.01	4.95	(0.00)	(0.02)
Spearhead Realtors Private Limited	0.01	3.10	(0.00)	(0.23)
Springdale Realtors Private Limited	0.01	4.27	(0.00)	(0.09)
Stupendous Buildtech Private Limited	0.00	0.03	(0.00)	(0.12)
Sumeru Developers Private Limited	0.01	3.39	(0.00)	(0.12)
Trishla Realtors Private Limited	0.01	3.14	(0.00)	(0.10)
Vital Buildwell Private Limited	0.00	2.17	(0.00)	(0.09)
Yamuna Buildwell Private Limited	0.01	7.78	(0.00)	(0.12)
Non-controlling interest in all subsidiaries	0.58	349.76	(4.81)	(1,668.34)
Joint Venture (as per proportionate consolidation)				
Indian				
Ratan Parsvnath Developers (AOP)	0.78	473.70	(0.00)	(0.23)
Adjustments arising out of consolidation	(96.41)	(58,556.17)	7.42	2,576.75
Sub-total (a)	100.00	60,737.55		(34,715.40)
Associates (Investments as per equity method)				
Indian				
Amazon India Limited		250.93	(0.00)	(0.16)
Homelife Real Estate Private Limited		112.04	0.00	1.57
Sub-total (b)		362.97		1.41
Total (a+b)			(100.00)	(34,713.99)

NOTES TO CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 31 MARCH, 2020

69 The outbreak of Coronavirus (COVID-19) pandemic has caused significant disturbance and slowdown of economic activity. COVID-19 has adversely impacted the business operation of the group, by way of interruption of construction activities, supply chain disruption, unavailability of labour, etc. The group has assessed the economic impact of Covid-19 on its business by evaluating various scenarios on certain assumptions and current indicators of future economic conditions and on the basis of internal and external sources of information. Based on this, the group has assessed recoverability and carrying value of its assets comprising inventory, receivables, investments, investment properties, intangible assets, right of use assets, advances, deferred tax assets and other financial and non-financial assets and believes that it will recover the carrying value of all its assets. The management will continue to closely monitor any material changes arising out of future economic conditions and impact on its business.

70 Events after the reporting period

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

71 Approval of the financial statements

The financial statements were approved for issue by Board of Directors on 17 July, 2020.

For and on behalf of the Board of Directors

Sd/-
Pradeep Kumar Jain
Chairman
(DIN 00333486)

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

Place: Delhi
Date: 17 July, 2020

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

Sd/-
V. Mohan
Company Secretary

PARSVNATH DEVELOPERS LIMITED
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, 2020

PART - "A" - Subsidiaries

Sl. No.	Name of the Subsidiary Company	Date since when subsidiary was acquired	Reporting Period of the subsidiary	Reporting currency and exchange rate as on 31 March, 2020	Share Capital	Reserves & Surplus (adjusted for debit balance in Profit & Loss Account, wherever applicable)	Total Assets (Fixed Assets + Investments + Current assets)	Total Investments Liabilities (other than investment in subsidiaries)	Turnover (including Other Income)	Profit / (Loss) before taxation	Provision for taxation after taxation	Profit / (Loss) after taxation	Proposed Dividend	% of shareholding
1	Parsvnath Infra Limited	19.09.2006	31.03.2020	INR	2,745.77	3,115.38	5,987.12	125.97	4.33	(29.61)	33.00	(62.61)	-	94.87%
2	Parsvnath Film City Limited	28.02.2007	31.03.2020	INR	175.00	(200.03)	4,826.17	4,851.20	3.33	2.69	0.70	1.99	-	100.00%
3	Parsvnath Landmark Developers Private Limited	08.03.2007	31.03.2020	INR	328.21	(12,560.78)	74,528.90	86,761.47	112.59	(2,639.93)	650.30	(3,290.23)	-	100.00%
4	Parsvnath Hotels Limited	02.11.2007	31.03.2020	INR	540.00	52.10	2,666.09	2,073.99	1.10	(11.60)	-	(11.60)	-	100.00%
5	Parsvnath Developers Pre. Limited	01.11.2007	31.03.2020	1 SGD= INR 52.48	356.77	249.73	1,578.53	972.03	-	(45.84)	-	(45.84)	-	53.32%
6	PDL Assets Limited	03.12.2007	31.03.2020	INR	6.00	(504.27)	3,500.22	3,998.49	-	(491.30)	-	(491.30)	-	100.00%
7	Parsvnath Estate Developers Private Limited	27.08.2010	31.03.2020	INR	500.00	(39,136.87)	102,278.19	140,915.06	7,698.79	(10,775.32)	507.13	(11,282.45)	-	100.00%
8	Parsvnath Promoters & Developers Private Limited (Refer note 1)	19.11.2010	31.03.2020	INR	33.20	1,157.47	1,191.40	0.73	7.15	(1,614.84)	-	(1,614.84)	-	4.86%
9	Parsvnath MIDC Pharma SEZ Private Limited (Refer note 2)	29.03.2011	31.03.2020	INR	499.00	(291.42)	208.32	0.74	2.50	2.31	0.60	1.71	-	-
10	Parsvnath Rail Land Projects Private Limited	07.05.2018	31.03.2020	INR	42.40	(5,043.47)	7052.54	12,053.61	2215.01	(5,515.62)	-	(5,515.62)	-	85.10%
11	Parsvnath HB Projects Private Limited	19.10.2012	31.03.2020	INR	4.90	(986.15)	14,762.12	15,743.36	-	(14.95)	-	(14.95)	-	51.00%
12	Parsvnath Hessa Developers Private Limited	02.07.2013	31.03.2020	INR	496.00	4,470.37	14,614.12	9,647.75	1.59	(978.25)	0.85	(979.10)	-	100.00%
13	Parsvnath Buildwell Private Limited	12.09.2013	31.03.2020	INR	9,953.69	6,729.78	31,410.14	14,726.67	214.33	(737.29)	16.41	(753.70)	-	99.83%
14	Parsvnath Realcon Private Limited	12.09.2013	31.03.2020	INR	1.00	(491.90)	9,902.09	10,392.99	-	(134.39)	-	(134.39)	-	100.00%
15	Parsvnath Realty Ventures Limited	16.07.2016	31.03.2020	INR	5.00	(1,561.91)	11,002.51	12,559.42	-	(1,542.09)	-	(1,542.09)	-	100.00%
16	Vasavi PDL Ventures Private Limited	31.10.2016	31.03.2020	INR	5.00	(4.29)	6.15	5.44	-	(1.11)	-	(1.11)	-	51.00%

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 31 March, 2020	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 after taxation	Profit / (Loss) after taxation	Proposed Dividend	% of shareholding
17	Farhad Realtors Private Limited	29.07.2017	31.03.2020	INR	1.00	(1.40)	0.22	0.62	-	-	(0.26)	-	(0.26)	-	100.00%
18	Jarul Promoters & Developers Private Limited	16.03.2019	31.03.2020	INR	10.00	(501.64)	3,506.14	3,997.78	-	-	(491.16)	-	(491.16)	-	100.00%
19	Suksma Buildtech Private Limited	16.03.2019	31.03.2020	INR	1.00	4.65	6.15	0.50	-	-	(0.93)	-	(0.93)	-	100.00%
20	Snigdha Buildwell Private Limited	14.12.2019	31.03.2020	INR	1.00	2.27	206.91	203.64	-	-	(0.12)	-	(0.12)	-	100.00%
21	Generous Buildwell Private Limited (Refer note 3)	14.12.2019	31.03.2020	INR	200.00	(3.35)	1,939.12	1,742.47	-	-	(3.27)	-	(3.27)	-	-
22	Evergreen Realtors Private Limited (Refer note 3)	06.02.2020	31.03.2020	INR	1.00	(1.84)	66.42	67.26	-	-	(2.32)	-	(2.32)	-	-

Note:

- Subsidiary in terms of Section 2(87)(ii) of the Companies Act, 2013, since 51% of the equity capital is held by Parsvnath Developers Limited together with Parsvnath Rail Land Project Private Limited, a subsidiary of Parsvnath Developers Limited, which is holding 46.14% shares w.e.f. March 3, 2020
- Subsidiary in terms of Section 2(87)(iii) of the Companies Act, 2013, since 100% of the equity capital is held by Parsvnath Infra Limited, a subsidiary of Parsvnath Developers Limited.
- Subsidiary in terms of Section 2(87)(iii) of the Companies Act, 2013, since 100% of the equity capital is held by Snigdha Buildwell Private Limited, a subsidiary of Parsvnath Developers Limited.

4. Names of subsidiaries which are yet to commence operations

- Parsvnath Film City Limited
- Parsvnath Developers Pte. Limited
- PDL Assets Limited
- Parsvnath Promoters And Developers Private Limited
- Parsvnath MIDC Pharma SEZ Private Limited
- Parsvnath Realty Ventures P Ltd
- Vasavi PDL Ventures Private Limited
- Farhad Realtors Private Limited
- Jarul Promoters & Developers Private Limited
- Suksma Buildtech Private Limited
- Parsvnath Rail Land Project Private Limited
- Snigdha Buildwell Private Limited

5. Names of subsidiaries which have been liquidated or sold during the year

- Primetrime Realtors Private Limited
- Parsvnath Telecom Private Limited

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)

Place: Delhi
 Date: 17 July, 2020

Sd/-
V. Mohan
 Company Secretary

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, 2020
PART - "B" - Associates and Joint Ventures

Sr. No.	Name of Associates / Joint Ventures	Latest unaudited 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 associate / shareholding as on 31.03.2020	Profit/ Loss for the period	
				Number	Amount of investment	Extent of holding %				Considered in consolidation	Not considered in consolidation
1	Amazon India Limited	31.03.2020	02.04.2004	25,000	212.50	48.30%	Holding more than 20% of voting power	NA	42.87	(0.16)	-
2	Vardaan Buildtech Pvt Ltd	31.03.2020	19.03.2007	16,000	1.60	33.33%	Holding more than 20% of voting power	NA	4.31	(0.15)	-
3	Homelife Real Estates Pvt Ltd	31.03.2020	12.01.2005	775,000	77.50	50.00%	Holding more than 20% of voting power	NA	112.02	1.56	-
4	Ratan Parsvnath Developers (AOP)	31.03.2020	18.09.2006	-	817.92	50.00%	Joint venture agreement	NA	473.70	(0.23)	-

Note:

- Names of associates/ joint ventures which are yet to commence operations**
NIL
- Names of associates/ joint ventures which have been liquidated or sold 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)
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Place: Delhi Date: 17 July, 2020	Sd/- M. C. Jain Group Chief Financial Officer
	Sd/- V. Mohan Company Secretary

