



Building confidence. Delivering trust.  
Living value.

***A legacy called Parsvnath.***

ANNUAL REPORT 2009-10



#### Forward-Looking Statement

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

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



Parsvnath City, Lucknow\*  
\*Actual Site Photograph



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# Building Confidence. Delivering Trust. Living Values.

*A legacy called Parsvnath.*

Parsvnath City, Saharanpur\*\*





Confidence & trust form the core of our diversified business, the nucleus of our far-sighted strategy.

They constitute the way we conduct ourselves at every step of our constantly evolving growth trajectory.

Confidence is the single biggest driver of our robust execution capabilities and myriad abilities.

It is the way we execute our projects, systematically, committedly & dedicatedly. Confidence is what steers our evolution, and confidence is what we strive to build...

Trust is the basis of our operational philosophy, the focus of our belief systems. It is the way we

design our plans & policies to meet the divergent & stringent needs of our customers. Trust is what we work for, and trust is what we deliver...

In these twin pillars of our foundation lies the Parsvnath legacy.

A legacy which enables us to deliver continuous and enhanced values.

To each of our valued employees, customers, partners and stakeholders.

So that they can live these values to make better lives for themselves and every member of the community to which they belong.

At all times and in all ways.



\*\*Perspective View

# Our legacy of confidence

With state-of-the-art construction in 45 cities and 16 states across key verticals of real estate industry, Parsvnath Developers Limited (henceforth referred to as 'PDL') is a leading real estate developer with a diversified portfolio and an experience of more than 20 years.

PDL is also the first real estate company to have been awarded with ISO 9001, 14001 & OHSAS 18001 Certification.

In over 2 decades of its existence, it has completed 39 projects comprising an area of 11.82 million sq. ft. Its current project portfolio encompasses 54 projects with a total area of 81.83 million sq. ft. under development/construction. Out of this, 39.93 million sq. ft. has already pre-sold. The company's extensive land reserve of 194.74 million sq. ft. is spread across 45 major cities in 16 states across the country.

## Our diversified business model

The company's business portfolio includes residential, commercial (office and retail), DMRC Projects, Hotels, SEZs, IT Parks, third party construction. Its continued and consistent emphasis on quality and timely completion of projects has rewarded the company, whose employee strength stands at 800 as on 31st March, 2010, in a big way and resulted in the blossoming of new projects. The portfolio spans a holistic revenue model that is a mix of Space Sell, Space Lease and Owned properties.

## Projects in hand - At a glance



### Particulars

- Stand alone dwelling units, High-rise apartments and row houses.
- Mixed use developments on large areas of land comprising plotted developments, houses and Villas, Group Housing, Commercial, Hotels and common amenities like medical care, schools, etc.

### Revenue Model

Space Sell for all residential components & combination of sale/lease for commercial.

### No. of projects

**47**

Parsvnath Exotica, Ghaziabad\*\*





**SEGMENT:** Commercial  
IT Projects, Office

#### Particulars

Shopping Malls, Multiplexes  
and Office premises.

Integrated Commercial  
Complexes for IT/ITES and  
BPO Industry.

#### Revenue Model

Space sell & space lease.

**No. of projects**  
**22**

Parsvnath Technica, Gurgaon\*\*



**SEGMENT:** DMRC (BOT)  
Projects

#### Particulars

Malls with Delhi Metro Rail  
Corporation on BOT (Build-  
Operate-Transfer) basis.

#### Revenue Model

Space lease.

**No. of projects**  
**6**

Metro Station, Azadpur, Delhi\*



**SEGMENT:** Hotels

#### Particulars

5,4,3 star and service  
apartments.

#### Revenue Model

Owned properties but  
managed and operated by  
established Hotel Chains.

**No. of projects**  
**13**

Parsvnath Hotel, Panjim, Goa\*\*



**SEGMENT:** SEZs

#### Particulars

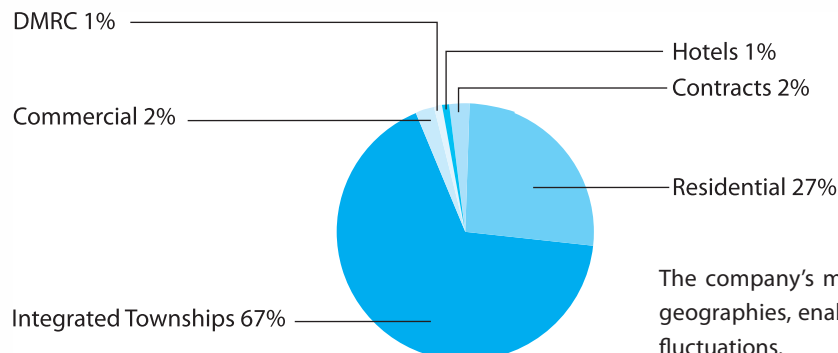
IT/ITES, Single Product &  
Multi Product.

#### Revenue Model

Space sell & space lease.

**No. of projects**  
**7**

Parsvnath SEZ\*\*

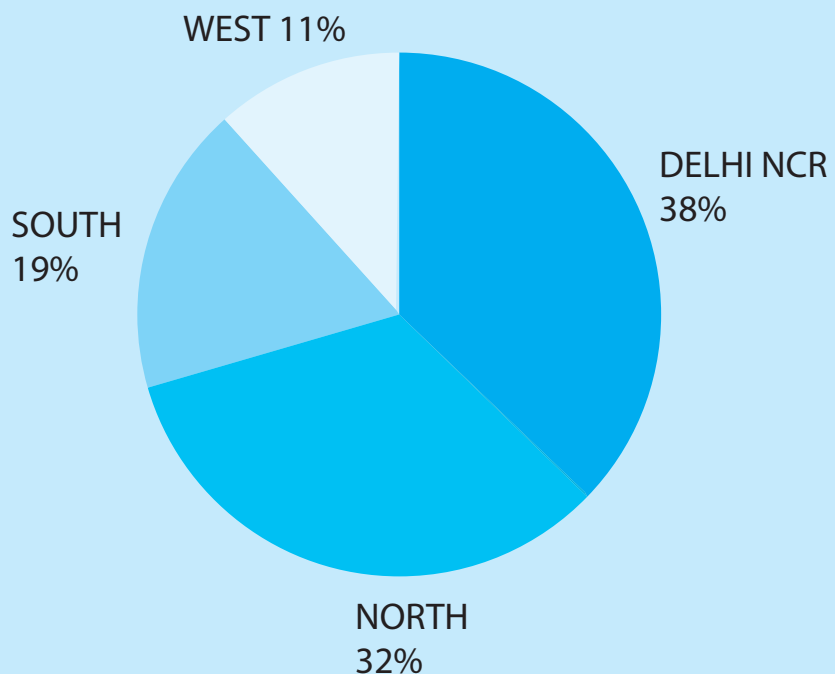


The company's model is as diversified across verticals as it is across geographies, enabling it to de-risk itself against regional and product fluctuations.

\*Actual Site Photograph \*\*Perspective View

## Our pan-India presence

One of the company's key strengths lies in its pan-India presence that has helped it maintain a strategic balance between the NCR/Metro/Tier II & Tier III cities. This balance gives the company a tactical advantage in de-risking itself from geographic market fluctuations.





## JAMMU & KASHMIR

- Jammu

## PUNJAB

- Derabassi • Mohali
- Rajpura • Amritsar
- Chandigarh

## HARYANA

- Dharuhera (Rewari) • Faridabad
- Gurgaon • Rohtak • Kurukshetra
- Sonapat • Panchkula • Karnal
- Panipat

## RAJASTHAN

- Bhiwadi • Jodhpur
- Jaipur

## GUJARAT

- Jamnagar

## MAHARASHTRA

- Pune • Shirdi
- Nanded

## GOA

- Salgonda
- Panjim

## KARNATAKA

- Mysore

## KERALA

- Kochi • Palakkad

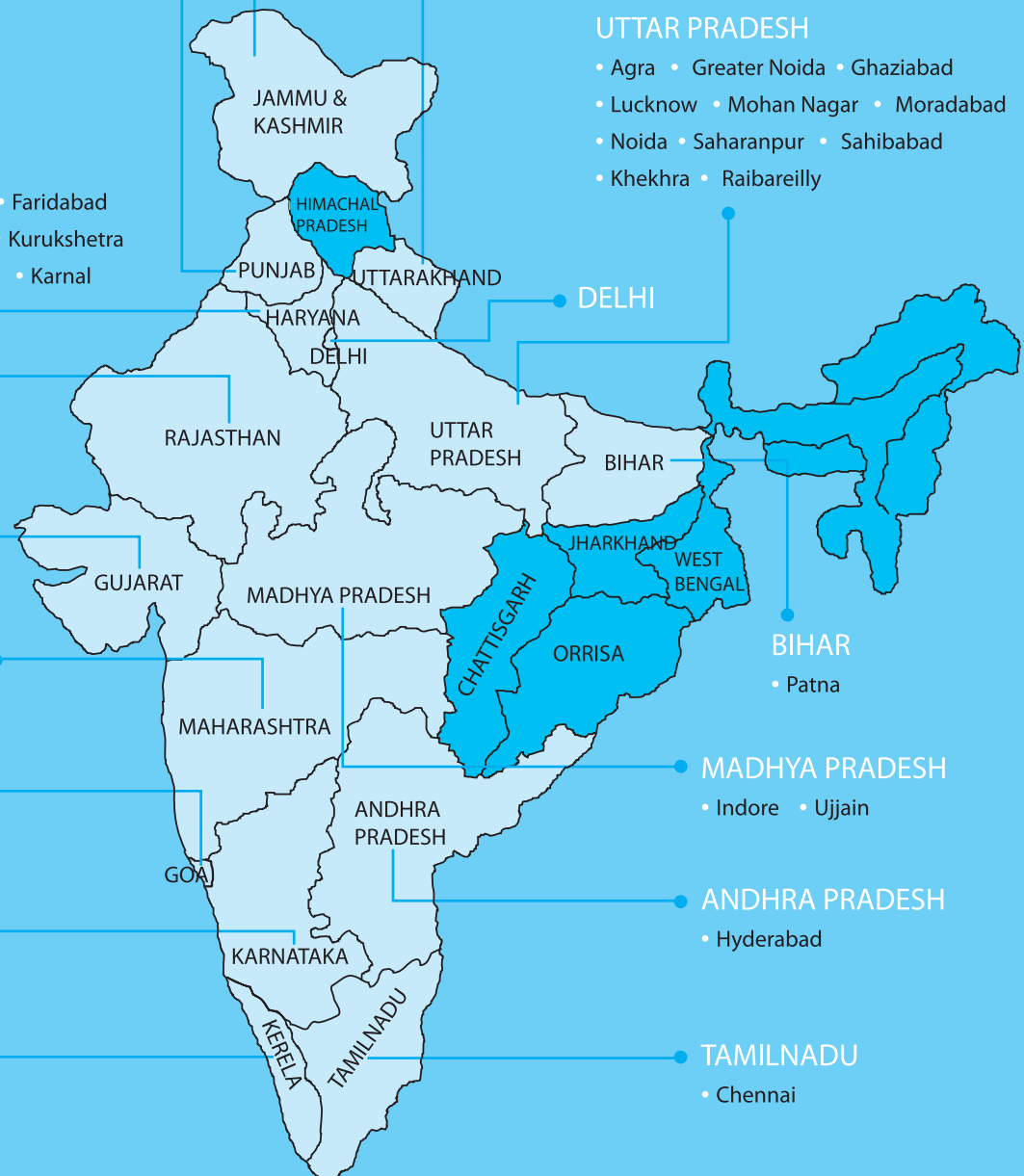
## UTTARAKHAND

- Dehradun

## UTTAR PRADESH

- Agra • Greater Noida • Ghaziabad
- Lucknow • Mohan Nagar • Moradabad
- Noida • Saharanpur • Sahibabad
- Khekhra • Raibareilly

## DELHI



## MADHYA PRADESH

- Indore • Ujjain

## ANDHRA PRADESH

- Hyderabad

## TAMILNADU

- Chennai

# The Parsvnath Proposition for building confidence & delivering trust

The company's core strengths are founded in its vision:

*"To envision, design and construct the most magnificent landmarks and edifices; to contribute tangibly in regional and national development by way of key infrastructure projects; and to protect and preserve the environment we live in. To build a better world to live in and transform and uplift quality of living and lifestyles of each and every individual who becomes a part of the company."*

Parsvnath Paliwal City, Panipat\*



### To realize this vision, we have set ourselves a strategic mission:

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

### The fulfillment of this mission lies in our agenda that encompasses a wide spectrum of critical development-linked activities, namely:

- To build Civil Engineering Structures par excellence, which stand apart in the concrete jungle of the cities.
- To build environmental green buildings, which is the need of the hour to save the earth for our children.
- To contribute nationally by building affordable houses for the masses.
- To ensure timely completion of projects without compromising on quality.

To fulfill our mission, we fall back on our trusted resource – our Manpower. Our highly competent and qualified team of 300+ engineers and 40+ architects enables us to undertake construction of all major projects in-house. Our tie-ups with leading architects like Hafeez Contractor, C P Kukreja, Mohit Gujral, etc, for project concept design ensure global levels of design excellence at par with the best in the industry.

Strong project execution capability, experienced in-house construction and procurement teams, robust systems, long-term relationships with vendors augment the strength of our diversified business model to make us a leading player in the real estate market across India.

## CORE STRENGTHS

- Pan India Presence
- Land Reserve of 194.74 million sq.ft spread across 45 major cities in 16 states
- Strong financial performance
- Long term growth strategies
- Ability to raise funds at competitive rates
- Expertise to identify and accumulate land at pan India level
- In-house construction and purchase
- Strong Project execution capability
- Diverse portfolio of 95 projects
- Diversified Business model
- Over 2 decades of experience in real estate



Parsvnath Preston, Sonapat\*\*



Parsvnath State-of-the-art Office Building, K.G. Marg, Connaught Place, New Delhi\*\*

# Delivering value to our Customers

## Operational highlights for 2009-10

### JVs & Agreements

Inked an agreement with Anuradha SA Investments LLC and Anuradha Ventures Limited, Funds managed by SUN-Apollo, an international real estate private equity fund, for an investment in its premium luxury residential project Parsvnath Exotica Part-II, Gurgaon. They have invested Rs. 750 million for a 50% stake in the project SPV, which is developing Parsvnath Exotica Part - II, Gurgaon.

Inked an agreement with Sterling Pathway and Banrod Investments Ltd. ("investors") to sell 4% additional stake in its premium luxury residential project at Civil Lines, Delhi. With this additional stake, the total investment of the "investors" capital in Parsvnath La Tropicana has increased to Rs. 1,150 million from Rs. 900 million. PDL and PLDPL entered into supplementary agreements with the "investors", which have invested Rs. 250 million for purchase of additional 4% equity interest in PLDPL by way of purchase from PDL. The "investors", earlier in June 2009, purchased 18% stake for a consideration of Rs. 900 million, and with this purchase, their stake in PLDPL has increased to 22%.



Parsvnath Elite Floors Dharuhera\*\*



Parsvnath Elite Villas, Dharuhera\*\*

### Residential Segment

Performed Bhoomi Puja and announced the launch of Parsvnath City, Saharanpur. The Parsvnath City, spread over 107 acres, offers plotted development, independent floors and expandable villas at affordable rates. This first-of-its-kind project in Saharanpur will offer independent floors in affordable price range. The realization from the project will be approx. Rs. 350 crore spread over a period of two years.

Launch of Parsvnath Elite Floors, Dharuhera, Haryana.

Launch of La-Tropicana Group Housing, Khyber Pass, Delhi.

Launch of Royale Floors, Panipat, Haryana.

Received Letter of Intent (LoI) for grant of licence from Director, Town and Country Planning, Haryana, Chandigarh for developing approximately 118 acres of Integrated Township in Sector 33 A, Rohtak, Haryana. The project, with a realization value of approximately Rs. 700 crore, will have a saleable area of approximately 4 million sq. ft.

Received licence for approximately 3.4 acre land in extension of the existing Integrated Township, Parsvnath City in Dharuhera, which is a residential use land.

Received licence for an additional land of approximately 51.55 acres in the existing Integrated Township, Parsvnath City in Sonapat.

Received licence for 50.56 acre land in Integrated Township, Parsvnath City in Karnal.



## Commercial Segment

Received licence for 5.34 acre land, a commercial project at Gurgaon.

Bhoomi Pujan of Parsvnath Technica (Cyber Park), Gurgaon, Haryana.

## DMRC Projects

Successfully completed construction of Akshardham metro station on BOT basis, which was inaugurated by Union Minister for Urban Development, Sh. Jaipal Reddy, in the august presence of Chief Minister of Delhi, Smt. Sheila Dikshit. The integrated shopping mall cum metro station was completed within a time frame of just 24 months.

## Hotel Projects

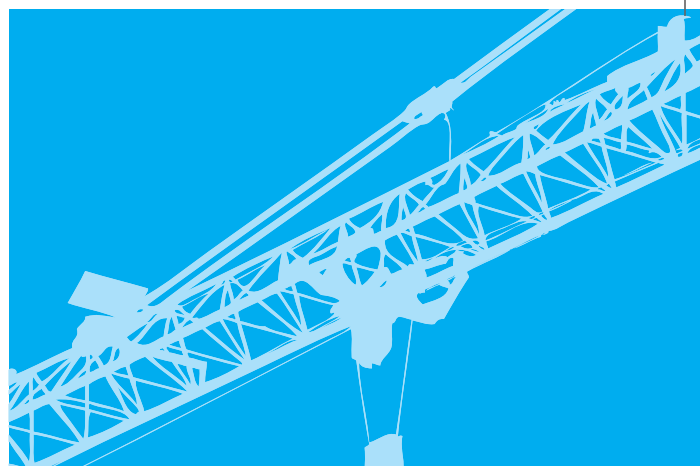
Parsvnath Hotels Limited ("PHL"), a subsidiary of the company, plans to execute various hotel projects across India in cities like Hyderabad, Goa, Jodhpur, Lucknow, Cochin, Shirdi, etc.

Hotels are under construction at Shirdi, Lucknow and Hyderabad. Shirdi hotel's civil work is nearing completion and the PHL plans to get the same operational within this financial year. Hyderabad & Lucknow projects are also under construction and would take about 24 months for completion.

The plans for the hotel at Goa are fully sanctioned now and would soon get into construction stage. Plans for hotels at Jodhpur are under discussion and would be finalised soon. PHL has already been granted star ratings for its projects at Shirdi, Hyderabad and Goa from Ministry of Tourism under project stage. PHL has management & operations tie-ups with ITC Fortune Park Hotels Pvt. Ltd. & Royal Orchid Hotels Limited. PHL also plans to launch a budget hotel concept across India and is working on plans to implement the same in near future.

Since the hotel properties are held by the company in its name, it is proposed to get the same transferred in the PHL's name by transfer of ownership or development rights as the case may be, and the same shall be completed soon.

PHL is also considering various options to raise funds for acquiring / developing various hotel properties across the country.



Parsvnath Mall and Hotel, Lucknow\*\*



Parsvnath Mall and Hotel, Mohali\*\*



Parsvnath Metro Mall, Welcome, Delhi\*\*



\*\*Perspective View



## Chairman's letter

*Dear Shareholders,*

Things are finally looking up after several months of bleak economic and industrial environment. As I write to you, I do it with a sense of renewed confidence in your company's ability to emerge stronger and bigger after a brief period of negative performance.

That the good times are indeed back is evident from the fact that industrial growth is up and markets are moving north, as per government estimates. The Indian economy, as per the estimates of the International Monetary Fund (IMF), is projected to grow at an impressive 9.5% in 2010-11, which is higher than the estimates of the Indian Government.

The rise in the Index of Industrial Production also augurs well for the real estate sector, with the residential segment particularly buoyed since increased supply, optimism related to real estate prices, and conservatively low rates of interest on home loans as compared to earlier years are encouraging consumers to go in for home purchase.

### Financial Performance

The real estate industry revival has had its trigger effect on the performance of your company, which reported consolidated revenues of Rs. 988.18 crores for the year ended March 31, 2010, up by 36% from Rs. 729.21 crores for FY09. EBIDTA stood at Rs. 297.93 crores, up by 25% as compared to Rs. 238.47 crores in the corresponding period of the last year. Profit after tax (PAT) was at Rs. 140.61 crores, a growth of 25% from last year's PAT of Rs. 112.82 crores. The EPS for FY10 stood at Rs. 7.05 as compared to Rs. 6.11 for FY09.

### Boosting confidence through project execution

Timely execution and delivery of projects are key factors contributing to the confidence reposed by customers in your company. With this in view, the company has primed its performance towards execution of its ongoing projects and handing over possessions.



Parsvnath Green Ville, Gurgaon\*

The completion schedule of various projects in residential categories has also been accelerated in line with market requirement and customer commitments. In fact, it is with pleasure that I inform you that the company's residential business showed significant growth over the previous year on account of strong end user demand realizing into sales.

Another key thrust area for your company is to get all the necessary sanctions related to its other land banks so as to launch and execute the projects at an appropriate time. This strategy, I firmly believe, shall go a long way in further building your company's trust bank, going forward.

### **Delivering value through affordable housing**

The improved outlook in the real estate business is clearly manifest in our results for FY10. There is remarkable improvement in market confidence and your company, on the back of our first-mover advantage in this area, expects a healthy rise in demand for our affordable residential properties as well as other offerings.

Affordable housing, in particular, continued to be a major focus area for your company, which has also modeled its integrated housing projects on affordable housing lines to make the most of the growing market opportunity in this space. This also provides flexibility of selling plots, thereby improving the cash flows from the project.

### **Building trust through strategic initiatives**

It has always been your company's firm belief that it can successfully tackle challenges and boost growth through strategic initiatives that are aligned to the evolving market conditions. In line with this belief, your company took some special strategic measures during the year.

Your company adopted a strategy which allowed it to be liquid, whilst it tested the right market conditions where it could attract significantly larger number of end customers. The thrust on affordable housing was also a vital component of your company's strategic focus during the year.

Value proposition being a key element of our strategy, your company has demonstrated its capabilities in timely execution of projects. Our diversified business model also helped us to contain the economic slowdown impact to a significant extent. In line with its strategy to reduce debt, your company also initiated a strategic and comprehensive portfolio review of its real estate assets, with a view to exit the non-strategic assets. One such exercise was monetization of some of its assets which were not in line with long-term strategic growth of your company. As part of this strategy, your company exited from projects like Mahim & Kurla in Mumbai, Vejalpur and Vastrapur in Ahmedabad & Pimpri-Chinchwad in Pune.

\*Actual Site Photograph



Not only this, PDL has managed to stay afloat with funds raised from qualified institutional placements and through raising of funds at project to project level through PE investments which supported PDL in strong execution of projects. Post second quarter of the last fiscal, your company has successfully raised Rs. 168 crore through QIP in the month of October 2009, and later raised Rs. 190 crore at SPV level {Rs. 75 crore in Parsvnath Exotica, Gurgaon Project (being developed over 27 acres) and Rs. 115 crore in Parsvnath La Tropicana, Delhi project (spread over 16.8 acres)} by selling minority equity stake in these premium residential projects in Delhi, NCR.

Your company has thus been successful in reducing debt from the above sources, along with strong internal accruals.

These initiatives helped your company tackle some of the major challenges of the recessionary period and recover itself quickly to address the reviving demand in the Indian real estate sector.

### Reinforcing investor confidence

It gives me immense pleasure to reiterate that the products offered by your company not only witnessed demand from end users but also reinforced investors' confidence in us. There cannot be stronger evidence of this investor confidence than the fact that leading investors bought 22% stake in Parsvnath La Tropicana and 50% stake in Parsvnath Exotica during the year.

### Enabling better value ahead

Going forward, we believe that the year 2010 would be a year of global recovery and the real estate sector would witness strong demand from end users as well as investors. The Centre for Monitoring Indian Economy (CMIE) also expects that, propelled by a strong performance by the industrial sector and a robust recovery in the agricultural sector, our economy's GDP growth is expected to accelerate to 9.2% in 2010-11 from 6.9% in 2009-10.

Moving forward, we shall leverage our DMRC experience by acquiring more space as Delhi Metro expands in the National Capital and other regions. Similarly, the experience is intended to be leveraged in other cities like Hyderabad, Bangalore and Chennai.

Further strengthening our presence in this segment, we shall participate in re-development of land near Railway Stations. We are already qualified to Rail Land Development Authority for 6 prime properties in major cities.

### On a concluding note

As our economy grows, it will bring along with it overall growth opportunities. This in turn will bring about stability in the job market, which will ensure higher disposable incomes of households that will lead to higher demand for real estate products on offer. Clearly a scenario that augurs very positively for your company, especially in view of the intense cost control measures undertaken by us during the last few years and certain other fresh initiatives currently underway for faster delivery of on-going projects.

With these measures, we believe that the company will be able to improve its margins substantially, and at the same time bring better returns to the shareholders. We believe that with improved liquidity and financial market stability, new project launches will start originating and we are geared up within all our businesses to capitalize these unfolding opportunities.

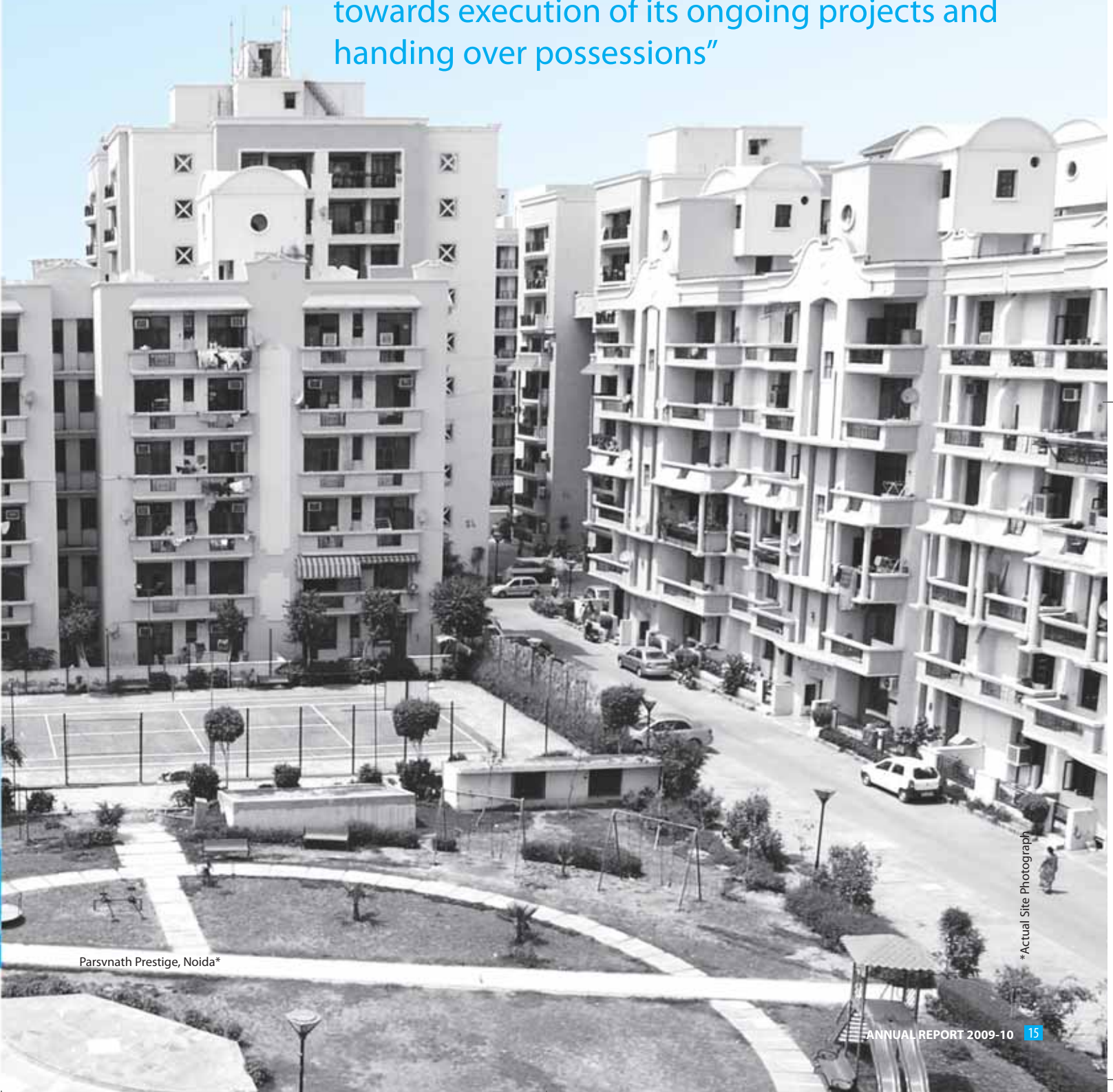
Your continued support and cooperation, along with that of our employees, customers, bankers and other institutions, partners, advisors, vendors and consultants, shall stand us in good stead as we strive to build further on our foundation of trust and confidence. Together, I am confident, we shall strengthen the legacy of PDL to enable even better living values for all of us.

Thank you  
Yours sincerely

Pradeep Jain  
Chairman



“Execution and delivery of projects are key factors contributing to the confidence reposed by customers in your company. With this in view, the company has primed its performance towards execution of its ongoing projects and handing over possessions”



Parsvnath Prestige, Noida\*

\*Actual Site Photograph



# Delivering trust across our Residential portfolio

Trust is the core of family life, the centre around which revolve the aspirations of every human being. It is the conviction that gives wings to the dreams of hundreds of thousands of people around the country to own their own homes. It is the assurance that enables the translation of that dream into reality.

That is why, at Parsvnath, we have always striven to nurture and nourish trust, building on the core of confidence that we have painstakingly developed over the years. Driven by the mission to deliver trust to each and every one of our valued customers, we have constantly endeavoured to lend strength to their aspirations to help them live those values on which is founded the nucleus of their desires.

2009-10 was for us a year of realizing the dreams and desires of our customers through concerted focus on the execution of our ongoing residential projects and handing over possessions. It was a year of empowering our customers by bringing their dream homes within their reach through continued focus on affordable housing – a key area of growth into which we had forayed even before the real estate sector was hit by downturn.

Armed with a strategic first-mover advantage, the company has established a niche for itself in the affordable housing segment and enjoys a significant competitive edge over other major developers.



**Parsvnath Regalia,**  
Ghaziabad\*\*



**Parsvnath Royale Floors,**  
Lucknow\*\*



**Parsvnath Sterling,**  
Ghaziabad\*\*



**Parsvnath Pratibha,**  
Moradabad\*\*



**Parsvnath Elite Floors,**  
Dharuhera\*\*



**Parsvnath Elite Floors,**  
Saharanpur\*\*



**Parsvnath Royale Floors,**  
Panipat\*\*





Parsvnath Narayan City, Jaipur\*

The last 2-3 years have seen us build a strong portfolio of mid income and affordable housing with the launch of some key projects in this segment, including:

- Parsvnath Regalia, Ghaziabad
- Parsvnath Royale Floors, Lucknow
- Parsvnath Sterling, Ghaziabad
- Parsvnath Pratibha, Moradabad
- Parsvnath Elite Floors, Dharuhera
- Parsvnath Elite Floors, Saharanpur
- Parsvnath Royale Floors, Panipat

With an average apartment sale price of Rs. 1.4 to 3.0 million, these projects offer a highly attractive value proposition for our consumers, as is evident in the fact that most of these projects have already been sold.

Timely execution of projects further augments the high value proposition that we offer to our customers, which has also been buoyed by the sanctions received by the company related to launch and execution of new projects at an appropriate time.

In fact, the company's residential business showed significant growth during FY10 over the previous year on account of strong end user demand realizing into sales.

The completion schedule of various projects in residential categories has also been accelerated in line with market requirement and customer commitments, enabling us to take our trust and confidence of our customers to the next level.

The year under review saw the company sell 2,371 units, comprising a total area of 5.33 mn. sq. ft., with possession being handed, either completely or in phased manner, for 899 units, comprising an area of 1.83 mn. sq. ft.

Armed with a strategic first-mover advantage, the company has established a niche for itself in the affordable housing segment and enjoys a significant competitive edge over other major developers.

\*Actual Site Photograph \*\*Perspective View

The projects for which possession was handed over in a phased manner during the year include:

- Parsvnath Prestige-II, Noida (Group Housing)
- Parsvnath Panchavati, Agra (Group Housing)
- Parsvnath Platinum Towers, Greater Noida (Group Housing)
- Parsvnath Paradise, Ghaziabad (Group Housing)
- Parsvnath Green Ville, Gurgaon (Group Housing)
- Parsvnath Estate, Greater Noida (Group Housing)
- Parsvnath City, Jodhpur, Rajasthan (Plots)
- Parsvnath City, Dharuhera, Haryana (Plots)
- Parsvnath King City, Rajpura, Punjab (Plots)
- Parsvnath City, Sonapat, Haryana (Plots)
- Parsvnath Narayan City, Jaipur, Rajasthan (Plots)
- Parsvnath Royale Floors, Jodhpur, Rajasthan

Within the residential segment, our focus has in particular been on the development of integrated townships, on the back of the growing demand for such housing projects. Our strong execution skills and construction prowess have helped us develop our integrated township projects on the fast track, ensuring timely delivery through a structured execution roadmap.

Boosted by the increasing demand for affordable housing, we are also modeling our integrated townships on this concept. Further, integrated townships also provide flexibility of selling plots, thereby improving the cash flows from the project.

Boosting of cash flows has been a major thrust area for the company, which, during 2009-10, adopted a strategy which allowed it to be liquid, even as it tested the right market conditions where it could attract significantly larger number of end customers.

## Select Projects Under Execution

### Integrated Townships

	<p><b>Project Name</b> Parsvnath Paliwal City*</p> <p><b>Location</b> Panipat</p> <p><b>Saleable Area (mn sq. ft.)</b> <b>6.78</b></p>		<p><b>Project Name</b> Parsvnath City*</p> <p><b>Location</b> Dharuhera</p> <p><b>Saleable Area (mn sq. ft.)</b> <b>2.92</b></p>
<p><b>Project Name</b> Parsvnath City*</p> <p><b>Location</b> Sonapat</p> <p><b>Saleable Area (mn sq. ft.)</b> <b>17.96</b></p>			
	<p><b>Project Name</b> Parsvnath City*</p> <p><b>Location</b> Indore</p> <p><b>Saleable Area (mn sq. ft.)</b> <b>5.40</b></p>		

## Residential Group Housing Projects



### Project Name

Parsvnath La Tropicana\*\*

### Location

Delhi

### Saleable Area (mn sq. ft.)

**2.27**



### Project Name

Parsvnath Exotica\*

### Location

Gurgaon

### Saleable Area (mn sq. ft.)

**2.68**

### Project Name

Parsvnath Privilege\*\*

### Location

Greater Noida

### Saleable Area (mn sq. ft.)

**3.26**



### Project Name

Parsvnath Exotica\*\*

### Location

Ghaziabad

### Saleable Area (mn sq. ft.)

**3.14**



## 32 projects with saleable area of 76.84 million sq. ft.

Going ahead, we shall continue our focus on timely execution and completion of projects in accordance with a planned schedule, making affordable housing an even bigger take-away of our value proposition in line with the growing opportunity matrix in this segment.

Our aim is to continuously strive to help millions around the country realize their dream of having their own space, in which they can live their values as happy members of the global community.

Aligning ourselves with this objective, we have lined up several new projects for launch, including Parsvnath City, Karnal; Parsvnath City, Rohtak; Parsvnath Group Housing, Kundli (Sonepat).

We also expect to hand over possession for some major projects in the coming months, which include Parsvnath Exotica, Gurgaon (Group Housing), Parsvnath City, Ujjain (Plots), Parsvnath Green Ville, Gurgaon (Group Housing), Parsvnath Panorama, Greater Noida (Group Housing), Parsvnath Regalia (Group housing), Parsvnath Sterling (Group Housing), Ghaziabad.

Licences and sanctions are also in place for several other important residential projects, which we are planning to launch in the near future, in line with our promise to deliver exceptional trust and value to more and more customers across the country.

The completion schedule of various projects in residential categories has been accelerated in line with market requirement and customer commitments, enabling us to take our trust and confidence of our customers to the next level.

\*Actual Site Photograph \*\*Perspective View



# Delivering trust across our Commercial portfolio

The art of living the perfect values is not limited to idyllic homes but, in fact, extends to the working and recreational environment within which every human being functions. This aspect of living has been elevated to new levels of perfection over the last few years by the company, whose edifice of customer trust and confidence has enabled timely completion of quality commercial properties – from offices to malls and IT Parks – in several key cities across the country.

Standing tall as icons of excellence, PDL's commercial projects are well on track, having emerged through the economic downturn on the strength of the company's robust construction and execution skills and strategic roadmap for completion.

The thrust, at present, is on execution of the existing commercial projects and ensuring their timely completion and delivery to sustain the confidence and trust reposed by customers in the company's ethos of giving ultimate value to each of them.

Buoyed by the revival of the real estate market, the company has not only consolidated its position in this segment but has in fact moved towards expansion of its portfolio with more and more ready-to-move offerings.

During 2009-2010, the company did the Bhoomi Pujan of its Parsvnath Technica (Cyber Park), Gurgaon, Haryana, and handed over possession, either completely or in phased manner, of the following commercial projects:








- Parsvnath Mall Manhattan, Faridabad
- Parsvnath City Mall, Faridabad
- Parsvnath Mall, Kaushambi, Ghaziabad
- Parsvnath Majestic Arcade, Indirapuram, Ghaziabad
- Parsvnath Plaza, Sector 27, Noida
- Parsvnath Arcadia, Gurgaon, Haryana

Concurrently, the company is moving its ongoing projects into the fast track of construction to negate the impact of the recent downturn by ensuring their early completion and handing over of possession.

Standing tall as icons of excellence, PDL's commercial projects are well on track, having emerged through the economic downturn on the strength of the company's robust construction and execution skills and strategic roadmap for completion.



High End Office Building, Bhai Veer Sing Marg, New Delhi\*\*

	<p><b>Project Name</b> Parsvnath City Centre**</p> <p><b>Location</b> Sonapat</p> <p><b>Saleable Area (mn sq. ft.)</b> <b>0.34</b></p>		<p><b>Project Name</b> Parsvnath City Centre**</p> <p><b>Location</b> Hyderabad</p> <p><b>Saleable Area (mn sq. ft.)</b> <b>0.29</b></p>
<p><b>Project Name</b> Parsvnath Mall**</p> <p><b>Location</b> Rohini, Delhi</p> <p><b>Saleable Area (mn sq. ft.)</b> <b>0.26</b></p>		<p><b>Project Name</b> Parsvnath City Centre**</p> <p><b>Location</b> Bhiwadi</p> <p><b>Saleable Area (mn sq. ft.)</b> <b>0.21</b></p>	
	<p><b>Project Name</b> Parsvnath Square**</p> <p><b>Location</b> Moradabad</p> <p><b>Saleable Area (mn sq. ft.)</b> <b>0.16</b></p>		<p><b>Project Name</b> Parsvnath Mall Matrix**</p> <p><b>Location</b> Mohali</p> <p><b>Saleable Area (mn sq. ft.)</b> <b>0.16</b></p>
<p><b>Project Name</b> Parsvnath Eleganza**</p> <p><b>Location</b> Dehradun</p> <p><b>Saleable Area (mn sq. ft.)</b> <b>0.10</b></p>		<p>With corporates responding to the revival in the Indian economy with a growing demand for prime commercial space in major cities, the opportunity matrix is really exciting for the company, which is looking at some big-ticket projects to expand its commercial portfolio.</p>	

## 10 projects with saleable area of 1.81 mn. sq. ft.

Moving forward, the emphasis on quick response to the market demand in order to keep ourselves aligned to supply-demand scenario in this segment shall continue.

Our expansion plans in this segment are also well on track, with two major projects – Parsvnath Technica, IT Park, Gurgaon, which is under construction & Parsvnath Eleganza, Dehradun, which is nearing completion.

With corporates responding to the revival in the Indian economy with a growing demand for prime commercial space in major cities, the opportunity matrix is really exciting for the company, which is looking at some big-ticket projects to expand its commercial portfolio.

The trust of major corporates and institutions – both domestic and foreign – in the company's capabilities and competencies shall continue to be a guiding force for us as we surge forward towards creating a niche for ourselves in this growing segment that shall play a critical role in the future growth of the Indian economy.

\*\*Perspective View

# Delivering trust across other segments

Having established a formidable position for itself in its prime vertical offerings across the residential and the commercial space, PDL has, in recent years, expanded its portfolio to encompass other vital real estate product lines.

The company has strategically leveraged its diverse and multiple strengths to extend its business operations into several other premium and niche segments with big-ticket Delhi Metro Rail Corporation (DMRC), Hotels and SEZ projects. The company is also undertaking Third Party Construction as a major step towards deploying its in-house construction skills for additional revenue generation.



## DMRC

Having firmly entrenched itself in the transport landscape of the national capital, the Delhi Metro Rail Corporation (DMRC) is well on its way to becoming a key infrastructural growth facet of the NCR.

DMRC development has been high on the government's infrastructure agenda, particularly in the run-up to the Commonwealth Games.

PDL was one of the early movers in this vital segment of growth and, riding on its core of confidence and trust, continues to deliver excellent value proposition to the DMRC through a brilliant track record in the execution of DMRC projects.

The year under review saw the company's trust and value proposition in the DMRC space cross a notable milestone with the inauguration of the Akshardham metro station.



Inderlok Metro Mall, Delhi\*



## Completed DMRC projects



### Project Name

Parsvnath Metro Tower

### Location

Shahdara, Delhi

### Saleable Area (mn sq. ft.)

**0.11**



### Project Name

Parsvnath Metro Mall

### Location

Inderlok, Delhi

### Saleable Area (mn sq. ft.)

**0.09**

### Project Name

Parsvnath Metro Mall

### Location

Inderlok Annexe, Delhi

### Saleable Area (mn sq. ft.)

**0.05**



### Project Name

Parsvnath Metro Mall

### Location

Kashmere Gate

### Saleable Area (mn sq. ft.)

**0.06**



### Project Name

Parsvnath Metro Mall

### Location

Tis Hazari, Delhi

### Saleable Area (mn sq. ft.)

**0.02**



### Project Name

Parsvnath Metro Mall

### Location

Pratap Nagar, Delhi

### Saleable Area (mn sq. ft.)

**0.02**

### Project Name

Parsvnath Metro Mall

### Location

Seelampur

### Saleable Area (mn sq. ft.)

**0.03**



### Project Name

Parsvnath Metro Station

### Location

Azadpur (Part-A)

### Saleable Area (mn sq. ft.)

**0.20**



### Project Name

Parsvnath Metro Station

### Location

Akshardham (Part-A), Delhi

### Saleable Area (mn sq. ft.)

**0.17**

9 projects with saleable area of 0.75 mn. sq. ft.

\*Actual Site Photograph

## DMRC projects under execution

### Project Name

Parsvnath Metro Mall\*\*

### Location

Welcome, Delhi

### Saleable Area (mn sq. ft.)

**0.40**



### Project Name

Parsvnath Metro Mall\*\*

### Location

Seelampur, Delhi

### Saleable Area (mn sq. ft.)

**0.55**

\*\*Perspective view of ground floor only



**2 projects with saleable area of 0.95mn. sq. ft.**

The year under review saw the company's trust and value proposition in the DMRC space cross a notable milestone with the inauguration of the Akshardham metro station constructed by Parsvnath Developers Limited (PDL). The station was inaugurated by Delhi Chief Minister, Smt. Sheila Dikshit.

DMRC had awarded the construction of prestigious Akshardham metro station to the company to be completed within a stringent time frame of just 24 months – a feat which the company successfully achieved.

The construction of the integrated Akshardham station cum metro mall, which is a Public Private Partnership Project (PPP), was awarded to PDL on BOT basis by DMRC. The scope of work involved designing and construction of viaduct including MRTS station with architectural finishes.

Faced with the daunting task of giving the station the look and feel of the Akshardham temple, the company innovated excellence and aesthetics to blend the station to the iconic structure after which it has been named. Dholpur stone was used on the exterior just like it has been done in the temple.

Provision has also been made at the upper ground and concourse levels of the station for commuters to enjoy the magnificent view of the temple.

The Akshardham station is the tallest metro station built so far, having six levels and standing 16.5 metres above the ground and 21 metres from the basement. The six levels of the station are connected by seven escalators and four lifts. The shopping mall and station are developed in an approx. area of 3, 65, 000 sq.ft.

The company has been extremely selective in offering mall space to brands for ensuring proper tenant mix in line with the demand of residents.

The company is also constructing the important Dhaura Kuan Metro Station, which will be an important Metro Express Link from Connaught Place to the International Airport. The company has already successfully completed the construction of Azadpur metro station within stipulated time.

The company is confident of sustaining the pace and momentum of delivery and value to the DMRC through timely completion of quality ventures.

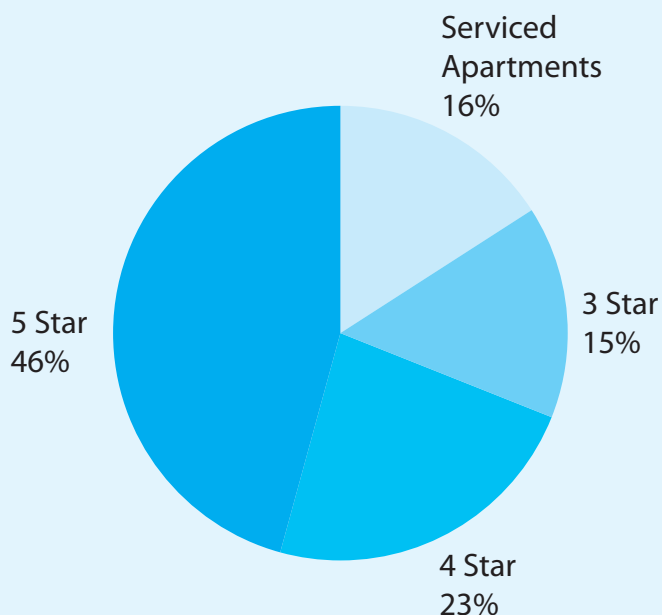
## Hotels

With a strong and diversified portfolio of 13 hotel properties across India, PDL is addressing a critical demand of the growing Indian economy. Geared to meet the vast opportunities underlining the unprecedented growth in the Indian hospitality sector over the last few years, barring the recessionary period, PDL's hotel portfolio is designed to meet the discerning needs of both the Indian and the foreign travellers in the tourist and business segments.

The company's hotel properties bear its hallmark stamp of trusted quality and confident excellence, which is manifest across every type of hospitality requirement – from 5 to 4 and 3-star hotels and serviced apartments.

Strategically located in some of the fastest-growing cities across India, with huge business and tourism potential, PDL's hotel portfolio offers immense opportunities to the company for growth and earning in the coming years.

## Type of hotel properties



**Project Name**  
Hotel\*\*

**Location**  
Hyderabad

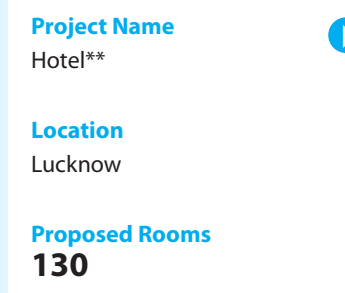
**Proposed Rooms**  
**186**



**Project Name**  
Hotel\*\*

**Location**  
Mohali

**Proposed Rooms**  
**105**



**Project Name**  
Hotel\*\*

**Location**  
Lucknow

**Proposed Rooms**  
**130**



**Project Name**  
Hotel\*\*

**Location**  
Shirdi

**Proposed Rooms**  
**58**



**Project Name**  
Serviced Apartment\*\*

**Location**  
Bhiwadi

**Total Apartments**  
**84**

5 projects with an area of  
0.44mn. sq. ft.

\*\*Perspective View



All PDL hotels are being developed in a 100% subsidiary, Parsvnath Hotels Limited ("PHL"). To be owned by PHL and managed by leading national and international hotel chains, the hotels are being constructed through funding raised in the form of debt and equity in PHL.

As a major step towards expansion of its hotel development business, the company has signed a MoU with Fortune Park Hotels of ITC Welcomgroup to develop 20 '5-Star', 20 '4-Star' and 10 'Budget' Hotels. Fortune Park Hotels will only operate and market these hotels under agreement with the company.

The company has also signed a JV with Royal Orchid Hotel Private Ltd. to develop a new Hotel company called "Parsvnath Royal Orchid Hotels Ltd." for developing a new range of Hotels and Serviced Apartments across India. Under this JV company, 10 hotels would be developed across segments and cities.

Moving forward, the company expects to enhance its presence in this important segment even further as it continues to deliver maximum value to its customers and JV partners.

## PDL SEZs

Encouraged by the government incentives and buoyed by the confidence of its valued customers, PDL is undertaking SEZ development through its 94.82% subsidiary, Parsvnath Infra Ltd.

The company's focus in this vital component of the Indian economy is on development of notified SEZs. As of FY10, the company has four notified SEZs at Indore, Gurgaon, Dehradun and Nanded.

The Master Plan and Building Plans for these have already been submitted and building construction is slated to commence post requisite approvals.

In addition, the company has received formal approval for 2 SEZs at Kochi & Hyderabad and In-Principle Approval for 6 SEZs at Kancheepuram, Kundli, Moradabad, Agra, Pune and Jaipur. It is further awaiting approval for one SEZ at Mysore.

The company's portfolio in this burgeoning opportunity space is as follows:

Serial No.	Location	Sector	Land Area (Acres)	Land Status	Dev. Area (mn sq. ft.)
<b>Notified</b>					
1	<b>Indore</b>	IT/ITES	83.01	Acquired	12.35
2	<b>Gurgaon</b>	IT/ITES	105.53	Acquired	11.60
3	<b>Dehradun</b>	IT/ITES	34.59	Acquired	3.80
4	<b>Nanded, Maharashtra</b>	Pharma	370.00	Acquired	19.68
<b>Total (A)</b>			<b>593.13</b>		<b>47.43</b>
<b>Formal approval</b>					
5	<b>Kochi</b>	IT/ITES	76.01	Acquired	12.17
6	<b>Hyderabad</b>	Biotechnology	25.00	Acquired	3.99
<b>Total (B)</b>			<b>101.01</b>		<b>16.16</b>
<b>Awaiting Govt. approvals</b>					
7	<b>Mysore</b>	IT/ITES	118.61	Acquired	13.05
<b>Total (C)</b>			<b>118.61</b>		<b>13.05</b>
<b>Total (A+B+C)</b>			<b>812.75</b>		<b>76.64</b>



Parsvnath SEZ\*\*

## Third Party constructions

The company's nucleus of customer confidence and trust has enabled it to extend its services to external construction projects. The company forayed into third party construction in an effort to leverage its well-established in-house construction and purchase division.

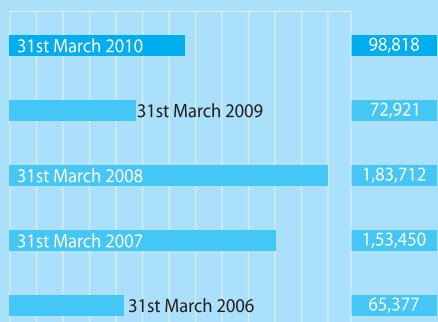
PDL's portfolio in this segment includes:



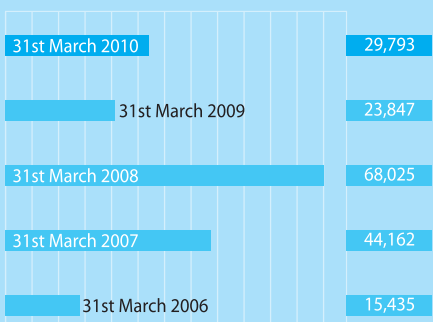
The company forayed into third party construction in an effort to leverage its well-established in-house construction and purchase division.

Serial No.	Details	Location	Total Built-up area (sq. ft)	Value of the contract (Rs. Million)	
1	Construction of SAI ASHRAM at Shri Saibaba Sansthan	Shirdi (Maharashtra)	9,00,000	900.9	
2	Construction of Footwear Design & Development Institute	Fursatganj, Rae Bareli (U.P)	2,80,000	470.7	
3	Construction of Buildings, Multilevel Car Parkings, Services and External Development at Buddha Smriti Udhyaan	Patna (Bihar)	2,90,000	1,255.3	
4	Construction of Staff Quarters at DMRC, Mundka Depot for Phase - II	New Delhi	1,29,728	198.7	
5	Construction of Station Complex at Dhaula Kuan (DMRC) Delhi Metro Rail Corporation Station	New Delhi	1,94,650	294.2	
<b>Total</b>			<b>1.79 mn. sq. ft.</b>	<b>3119.8</b>	**Perspective View

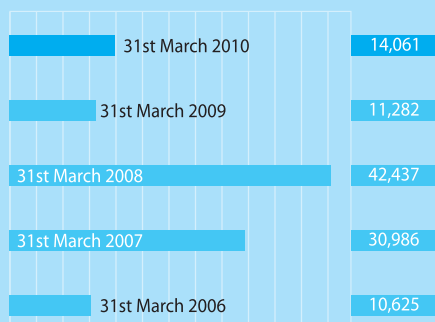
# 5 years financial summary



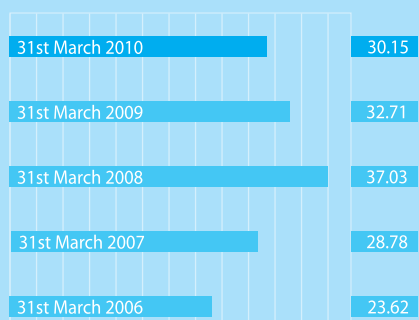
TOTAL INCOME (Rs. in Lac)



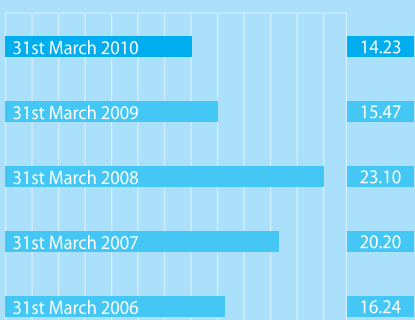
PBDITA (Rs. in Lac)



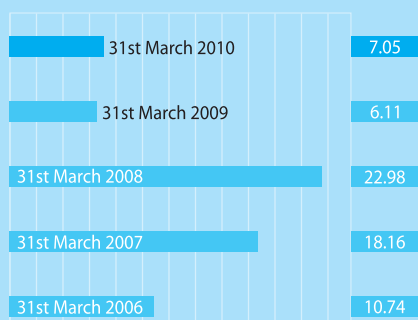
PAT (Rs. in Lac)



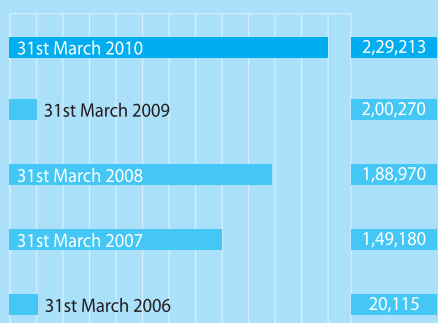
PBDITA MARGIN (%)



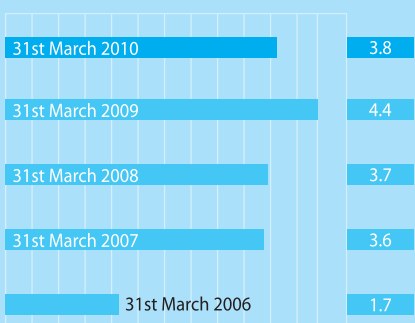
PAT MARGIN (%)



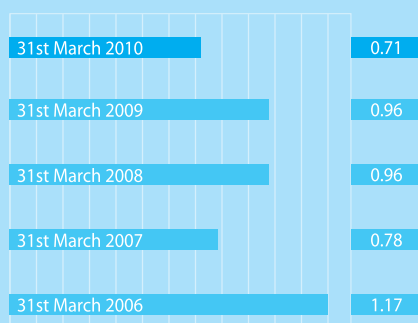
EPS (Rs.)



NET WORTH (Rs. in Lac)



CURRENT RATIO (Times)



DEBT EQUITY RATIO (Times)

\* The above figures are on consolidated basis



## **Annual Report 2009-10**

# CORPORATE INFORMATION

## BOARD OF DIRECTORS

Shri Pradeep Kumar Jain  
Shri Sanjeev Kumar Jain  
Dr. Rajeev Jain  
Shri Gobind Ram Gogia  
Shri Ashok Kumar  
Shri Sunil Kumar Jain  
Shri Ram Niwas Lakhotia  
Shri Ramdas Janardhana Kamath  
Dr. Pritam Singh

Chairman  
Managing Director  
Director (Marketing)  
Director (Business Development)  
Director (Independent)  
Director (Independent)  
Director (Independent)  
Director (Independent)  
Director (Independent)

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

Shri V. Mohan

## AUDITORS

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

## REGISTRAR & SHARE TRANSFER AGENT

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

## SHARES LISTED AT

National Stock Exchange of India Ltd. (NSE)  
Bombay Stock Exchange Ltd. (BSE)  
Delhi Stock Exchange Ltd. (DSE)

## REGISTERED OFFICE

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

## CORPORATE OFFICE

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

## BANKS & FINANCIAL INSTITUTIONS

ABN AMRO Bank  
Axis Bank Ltd.  
Bank of America  
Bank of India  
Bank of Maharashtra  
Barclays Bank PLC  
Central Bank of India  
Corporation Bank  
Housing & Urban Development Corporation Ltd.  
ICICI Bank Ltd.  
IDBI Bank Ltd.  
IFCI Ltd.  
Indian Bank  
Indian Overseas Bank  
IndusInd Bank Ltd.  
Karnataka Bank Ltd.  
Karur Vysya Bank Ltd.  
Life Insurance Corporation of India  
LIC Housing Finance Ltd.  
LIC Mutual Fund Asset Management Co. Ltd.  
Oriental Bank of Commerce  
Punjab & Sind Bank  
Punjab National Bank  
SICOM Ltd.  
Small Industries Development Bank of India  
State Bank of Bikaner & Jaipur  
State Bank of Hyderabad  
State Bank of India  
State Bank of Indore  
State Bank of Mysore  
State Bank of Patiala  
State Bank of Travancore  
Syndicate Bank  
The Bank of Rajasthan Ltd.  
The Jammu & Kashmir Bank Ltd.  
UCO Bank  
United Bank of India  
Vijaya Bank  
Yes Bank Ltd.

# DIRECTORS' REPORT

## Dear Shareholders,

Your Directors have pleasure in presenting the 19<sup>th</sup> Annual Report, together with the audited accounts of the Company for the financial year ended March 31, 2010.

## Financial Results

[Rs. In lacs]

Item	STAND-ALONE	
	FY 2009-10	FY 2008-09
<b>Total Revenue</b>	<b>81,717.56</b>	<b>76,261.84</b>
<b>Profit before Interest, Depreciation and Tax (PBITD)</b>	<b>26,903.72</b>	<b>23,983.62</b>
Less: Interest & Finance Charges	7,892.76	7,337.39
<b>Profit before Depreciation and Tax (PBDT)</b>	<b>19,010.96</b>	<b>16,646.23</b>
Less: Depreciation	2,132.93	2,793.48
<b>Profit Before Tax</b>	<b>16,878.03</b>	<b>13,852.75</b>
Less: Provision for Taxation	3,492.94	2,548.39
<b>Profit After Tax</b>	<b>13,385.09</b>	<b>11,304.36</b>
<b>ADD:</b>		
Balance brought forward	59,511.72	33,207.36
Transferred from Debenture Redemption Reserve	250.00	15,000.00
<b>LESS: APPROPRIATIONS</b>	<b>-</b>	<b>-</b>
<b>Balance Carried to the Balance Sheet</b>	<b>73,146.81</b>	<b>59,511.72</b>

## Dividend

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

## Review of Operations

The economic recovery that started transforming global markets during 2009-2010 enabled most industrialized countries around the world to post positive GDP growth. The global real estate market, which was severely impacted by the global economic crisis, also reacted positively to the signs of recovery, showing significant revival of demand across realty segments, particularly the residential market. Having overcome the critical negatives triggered by the global economic deceleration, the outlook for the global real estate space remains intact going forward.

During the year under review, your Company's total revenue increased by 7.15% from Rs. 76,261.84 lacs in Fiscal 2009 to Rs. 81,717.56 lacs in Fiscal 2010. The Profit before tax increased by 21.84% from Rs. 13,852.75 lacs in Fiscal 2009 to Rs. 16,878.03 lacs in Fiscal 2010. Profit after tax increased by 18.41% from Rs. 11,304.36 lacs in Fiscal 2009 to Rs. 13,385.09 lacs in Fiscal 2010. Earnings per Share (EPS) of the Company stood at Rs.6.99 per share in Fiscal 2010 as against Rs. 6.12 per share in the Fiscal 2009. These results were achieved through continuing focus on management of costs, productivity improvements, continuous value addition to products & services and quality up-gradation.

The key highlights pertaining to the business of your Company, including its subsidiaries, for the year 2009-10 and period subsequent thereto, are given hereunder:

### a) New launch

During the period under review, the Company launched Township at Saharanpur consisting of plotted development, expandable villas, independent floors and commercial development.



#### **b) Completed projects**

- Metro Station (Akshardham) - Delhi Metro Rail Corporation Limited (DMRC) operational area was handed over to DMRC in November, 2009
- Metro Station (Dhaulakuan) - DMRC operational area was handed over to DMRC for laying tracks between December, 2009 to February, 2010.

#### **c) Possession handing over**

- Completion certificate for 5 Towers in Parsvnath Exotica, Gurgaon was received on April 21, 2010 and the process for handing over of flats has commenced.
- Commenced handing over of Parsvnath Green Ville, Gurgaon, Phase- II.

#### **d) Possession likely to be offered in near future**

- Parsvnath Panorama (Flats), Greater Noida
- Royal Floors, Jodhpur, Phase -II
- Plots – C&D Blocks, Ujjain
- Eleganza Mall, Dehradun
- Parsvnath Exotica (A1, A2 & B4 - Flats & Club), Gurgaon
- Plots- 3<sup>rd</sup> Phase, Rajpura

#### **e) Projects likely to be completed during 2010-11**

- Parsvnath Panorama, Greater Noida
- Parsvnath Exotica, Phase- II, Gurgaon
- Parsvnath Sterling, Ghaziabad
- Parsvnath Commercial Complex, Seelampur (Part I)

#### **f) Foreign Direct Investment**

Your Directors inform that during the year under review:

- the Company, pursuant to an Agreement entered into with its subsidiary Parsvnath Landmark Developers Pvt. Ltd. (PLDPL), Sterling Pathway and Banrod Investments Ltd., offloaded 1,60,101 equity shares (equivalent to 4% of equity shares of PLDPL) to Sterling Pathway. PLDPL had earlier during the year allotted 18% of the equity share capital to the Sterling Pathway and Banrod Investments Ltd. and they now hold 22% of the total share capital of PLDPL. The company is executing a premium luxury residential project 'La Tropicana' in Civil Lines, Delhi spread over an area of 16.84 acres (68,149 sq. mtr.). The project is scheduled for completion during 2013.
- the Company has inked an agreement with Anuradha SA Investments LLC and Anuradha Ventures Ltd., funds managed by SUN-Apollo, an international real estate private equity fund, for an investment in its premium luxury residential project 'Parsvnath Exotica' Part-II, Gurgaon. SUN-Apollo has agreed to invest Rs 7,500 lacs for a 50% stake in the project SPV viz. Hessa Realtors Pvt. Ltd. which will develop Parsvnath Exotica Part - II, Gurgaon, out of which part of the investments has already been made.

#### **g) Status of Dormant Projects:**

- *Prideasia Project at Chandigarh*

The Company entered into a Development Agreement with Chandigarh Housing Board (CHB) for development of residential, commercial and other related infrastructure facilities as an integrated Project on land admeasuring 123.79 acres situated at Rajiv Gandhi Technology Park, Chandigarh. Owing to various factors such as delay in handing over unencumbered land and consequential determination of start of development period, delay in approval of drawing etc. and various other issues, disputes have arisen between the Company and CHB and arbitration proceedings have since been commenced and are progressing as at the Balance Sheet date.

- *Film City Project at Chandigarh*

The Company had earlier advanced a sum of Rs. 4,844 lacs to one of its subsidiaries, Parsvnath Film City Ltd. (PFCL) for execution of Film City project at Chandigarh. Out of the aforesaid advance, PFCL had deposited 4,775 lacs being 25% of the consideration amount with Chandigarh Administration (CA) for acquiring development rights in respect of a plot of land admeasuring 30 acres from CA under Development Agreement dated March 02, 2007 for development of a Multimedia-cum-Film City complex. CA has not been able to give possession of the said land. PFCL accordingly invoked the arbitration clause seeking refund of allotment money paid. Considering the facts and the discussions with Legal Counsel, the Management considers the above advance as good and fully recoverable, disclosure of which has been made in the 'Notes to Accounts' section of this Report.

- h) In order to ease out the liquidity crunch situation and in line with its debt reduction policy, the Company has initiated a strategic and comprehensive portfolio review of its real estate assets, with a view to exit the non-strategic assets. One such exercise was monetisation of some of its assets which were not in line with long term strategic growth of the Company and the consequent exit from projects like Mahim and Kurla in Mumbai, Vejalpur and Vastrapur in Ahmedabad & Pimpri-Chinchwad in Pune.

Your Board of Directors, with a view to further improve the cash flow position of the Company, is having discussions with various prospective parties for transferring its rights under similar non-core projects/assets.

The construction and development of projects at various other locations is currently in progress. Your Company proposes to consolidate its position by focusing on executing the ongoing projects instead of venturing into new projects for the time being.

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

### Management Discussion and Analysis

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

### Subsidiaries, Joint Venture Entities and Associate Companies

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

During the year under review, one of the subsidiary companies viz. M/s Hessa Realtors Private Limited ceased to be a subsidiary company w.e.f. December 16, 2009.

The financials of the subsidiaries, joint venture entities and associates of the Company have been considered in the Consolidated Financial Statements of the Company and form part of this Annual Report as required by the applicable Accounting Standards issued by the Institute of Chartered Accountants of India. However, the Company has applied to the Central Government under Section 212(8) of the Companies Act, 1956 (the "Act"), seeking an exemption from attaching a copy of the Balance Sheets, Profit & Loss Accounts, Directors' Reports and Auditors' Reports of the subsidiary companies and other documents required to be attached under Section 212(1) of the Act to the Balance Sheet of the Company and the said approval is expected shortly. Accordingly, the said documents are not being attached with the Balance Sheet of the Company. A gist of the financial performance of the subsidiaries is contained in the Annual Report. However, the Annual Accounts of the subsidiary companies and related detailed information will be made available to the members of the Company and its subsidiary companies seeking such information at any point of time. The Annual Accounts of the subsidiary companies will also be available on the website of the Company i.e. [www.parsvnath.com](http://www.parsvnath.com) and will also be kept open for inspection by any investor at the Registered Office of the Company and that of the respective subsidiary companies between 11.00 a.m. and 1.00 p.m. on all working days.

### Finance

During the year under review, the Company has not accepted any Deposits from the public, within the meaning of the Companies Act, 1956 read with the Rules made thereunder. Out of MIBOR linked Secured Non-Convertible Debentures issued by the Company on private placement basis, aggregating to Rs. 5,000 lacs outstanding at the beginning of the year, Rs. 250 lacs were redeemed during the year under review and an equivalent amount was transferred from Debenture Redemption Reserve to Profit and Loss Account.

The Company had issued equity shares on Qualified Institutions Placement (QIP) basis as prescribed under Chapter VIII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, on October 07, 2009 and raised Rs. 16,800.73 lacs by way of fresh issue of 1,38,56,272 equity shares of Rs.10/- each at a premium of Rs.111.25/- per share, which sum had fully been utilised for repayment of loans, development of ongoing projects and general corporate purposes, as envisaged in the QIP document.

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

Pursuant to the approval granted by the members of the Company at the Extra – ordinary General Meeting of the Company held on June 20, 2009 to raise funds upto Rs. 2,500 Crores in such form including through a QIP and/or through Depository Receipts etc., the Company has already raised Rs. 16,800.73 lacs by way of first tranche of QIP issue during the year under review.

The Company further proposes to raise funds by issuance of Securities such as Equity Shares, Preference Shares, Convertible Debentures, Non-Convertible Debentures etc., in one or more tranches, in such form (including through a QIP as prescribed under Chapter VIII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, on such terms, in such manner, at such price or prices and at such time as may be considered appropriate by the Board, to the various categories of domestic and/or international investors, for the purpose of meeting its funding requirement for execution of projects, repayment of high cost loans and general corporate purposes and to augment its financial position. The Company is seeking the approval of Members of the Company by way of postal ballot so as to be in a position to revalidate the earlier approval taken from members of the Company which is valid upto June 19, 2010.

### **Change in Share Capital - Increase in Paid-up Share Capital**

Consequent upon issue of 1,38,56,272 equity shares of Rs. 10/- each at a premium of Rs. 111.25/- per share on Qualified Institutions Placement (QIP) basis as prescribed under Chapter VIII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009, on October 07, 2009, the Paid-up Share Capital has increased from 18,469.62 lacs comprising 18,46,96,200 (Eighteen Crores Forty Six Lacs Ninety Six Thousand Two Hundred) Equity Shares of Rs. 10/- (Rupees Ten) each to 19,855.25 lacs comprising 19,85,52,472 (Nineteen Crores Eighty Five Lacs Fifty Two Thousand Four Hundred Seventy Two) Equity Shares of Rs. 10/- (Rupees Ten) each. Consequently, the public shareholding in the Company was increased to 25.27% of the total Paid-up Capital of the Company.

### **Directors**

During the year under review, Shri Malay Chatterjee ceased to be a Director of the Company, consequent to withdrawal of his nomination by Housing & Urban Development Corporation Ltd. (HUDCO), with effect from October 14, 2009. The Board places on record its appreciation for the guidance, support and valuable contribution made by Shri Malay Chatterjee during his association with the Company.

In accordance with the applicable provisions of the Companies Act, 1956 read with the Articles of Association of the Company, Dr. Rajeev Jain and Shri R.N. Lakhotia, Directors of the Company will retire by rotation at the ensuing Annual General Meeting and being eligible, offer themselves for re-appointment.

The tenure of Shri G.R. Gogia, Whole-time Director designated as 'Director (Business Development)' would expire on May 18, 2010. Keeping in view his vast experience, the Board has proposed to re-appoint him for a further period of five years w.e.f. May 19, 2010 on the existing remuneration and perquisites, subject to the approval of Members of the Company proposed to be taken by way of postal ballot.

### **Directors' Responsibility Statement**

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

- (a) in preparation of the annual accounts for the financial year ended March 31, 2010, the applicable accounting standards have been followed and that there are no material departures;
- (b) the accounting policies selected and applied are consistent and the judgments and estimates made are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit of the Company for that period;
- (c) proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- (d) the annual accounts have been prepared on a going concern basis.

### **Auditors**

M/s. Deloitte Haskins & Sells, Chartered Accountants, Statutory Auditors of the Company, shall retire at the conclusion of the ensuing Annual General Meeting and are eligible for re-appointment. It is proposed to re-appoint them as Statutory Auditors of the Company to hold office until conclusion of the next Annual General Meeting. The Auditors have confirmed that the re- appointment, if made, will be within the limits as prescribed under Section 224 (1B) of the Companies Act, 1956.



The operations of the Company do not require audit of cost accounts, in terms of the provisions of the Companies Act, 1956 read with the Rules made thereunder.

### Auditors' Report

There is no qualification in the Auditors' Report on the Annual Accounts of the Company for the financial year ended March 31, 2010. They have, however, made certain observations in their Report and the Board would like to draw your attention to the following:

1. Clause (x)a of the Annexure referred to in Paragraph 3 of the Auditors' Report:  
The Company continued to face liquidity crunch situation as a result of inadequate cash inflows and had to appropriate the available cash flows for the various immediate needs of the Company resulting in delays in the payment of certain statutory dues during the financial year. However, there were no undisputed statutory dues which were outstanding for more than six months since they became due except the installments of advance Income Tax.
2. Clause (xi) of the Annexure referred to in Paragraph 3 of the Auditors' Report:  
Due to inadequate cash inflows, your Company had faced difficulties in making timely payments of its dues to Banks/Financial Institutions. However, the Company is hopeful of generating adequate cash flows to meet its obligations for timely payments to Banks/Financial Institutions.

### Corporate Governance

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

### Listing with Stock Exchanges

During the year under review, the equity shares of the Company got listed on Delhi Stock Exchange Limited (DSE) and continues to remain listed with the National Stock Exchange of India Limited (NSE) and the Bombay Stock Exchange Limited (BSE). The listing fee for the financial year 2010-11 to all these exchanges has been paid by the Company. The Equity Shares of the Company continue to be included in the list of S&P CNX 500 index of NSE.

### Disclosures

1. The statement showing particulars of the employees of the Company, to be furnished under Section 217(2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975, as amended, is annexed hereto and forms part of this report.
2. The nature of operations of the Company does not require disclosure of information, as prescribed under Section 217(1)(e) of the Companies Act, 1956, read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988, other than the amount of foreign exchange earned and used by the Company during the year under review, details of which are provided in the 'Notes to Accounts' section of this Report.

### Acknowledgement

Your Directors wish to place on record their sincere gratitude to the customers, bankers, financial institutions, investors, vendors and all the other business associates for the continuous support provided by them to the Company and for their confidence in the management of the Company. Your Directors wish to appreciate the confidence reposed by the foreign investors in the Company by inducting funds for implementation of various ongoing projects of the Company through investment in our SPV Companies. Your Directors also place on record their deep appreciation of the contribution made by the employees at all levels.

**On behalf of the Board of Directors**

Place : New Delhi  
Date : April 29, 2010

Sd/-  
**PRADEEP KUMAR JAIN**  
Chairman

## ANNEXURE TO DIRECTORS' REPORT

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

#### A. Employed throughout the year and was in receipt of remuneration aggregating Rs. 24,00,000 or more per annum.

S. No.	Name	Designation/Nature of Duties	Qualifications	Remuneration (Rs./Lacs)	Experience (Years)	Date of Appointment	AGE (Years)	Last Employment Held	
								Employer	Designation
1	Shri Pradeep Kumar Jain	Chairman	Graduate	360.79	24	1-Jan-02	45	Parasnath and Associates Pvt. Ltd.	Director
2	Shri Sanjeev Kumar Jain	Managing Director	B.E. (Civil)	132.40	18	1-Feb-02	39	Parasnath and Associates Pvt. Ltd.	Director
3	Dr. Rajeev Jain	Director (Marketing)	M.B.B.S.	96.40	12	1-Jan-02	37	Indraprastha Apollo Hospital	Resident Doctor
4	Shri G.R. Gogia	Director (Business Development)	B.A. (Hons), LLB	96.40	48	1-Apr-04	75	Ansal Properties & Industries Ltd.	Director
5	Shri P.K. Jain	President	B.E.(Civil)	72.40	40	27-Sep-04	60	IDEB Constructions Pvt. Ltd.	Executive Director
6	Shri Pawan Kumar Gupta	President	B.Com, CA	72.40	20	11-May-06	45	Own Business	
7	Shri S.P. Oberoi	Chief Operating Officer (South)	B.Arch, B.E. (Civil), MBA	50.80	45	1-Jan-05	67	Ansal Buildwell Ltd.	Executive Director
8	Dr. B.P. Dhaka	Chief Operating Officer (UP, MP & Uttaranchal)	B.E, LLB, Ph.D	50.80	35	2-Jan-06	59	PHDCCI	Secretary General
9	Shri Sunit Sachar	Sr. Vice President (Marketing & Commercial)	B.Com, PGDASM, MCBA	48.40	32	17-Apr-09	57	TDI Infrastructure Limited	Director (Marketing)
10	Shri Pawan Kumar	Sr. Vice President (Purchase)	CA, CAIIB	42.40	31	7-Oct-02	55	N.B.C.C.	General Manager (Finance)
11	Shri V. Mohan	Sr. Vice President (Legal) & Company Secretary	LLB, F.C.S, M.B.A	42.40	31	3-May-03	53	Mahalaxmi Sugar Mills Co. Ltd.	Vice President (Legal) & Company Secretary
12	Shri Mukesh Chand Jain	Sr. Vice President (Corporate)	B.Com, LLB, CA	42.40	27	1-Dec-03	51	Lok Housing Constructions Ltd.	President
13	Shri Sunil Malhotra	Chief Financial Officer	B.Com., FCA	24.68	29	28-Mar-08	54	BPTP Ltd.	Sr. Vice President
14	Shri Umesh Kumar Shandilya	Vice President (Legal)	LLB, Diploma in Labour Law, Company Law & Personnel Management	36.40	31	1-Oct-08	61	Self Practice	
15	Col (Retd.) V.K. Oberoi	Vice President (Projects)	B.Arch, B.E.(Civil), MBA	30.40	45	1-Mar-97	67	Tarapore & Co.	Project Manager
16	Wg.Cdr. (Retd.) R.K. Maheshwari	Vice President (Marketing)	B.E (Electrical), Chartered Engineer	27.40	41	15-Feb-02	66	Toshbro Ltd.	Branch Manager
17	Ms. Jayanti AR	Vice President (Business Development)	B.A , M.A.	27.40	24	10-Jul-06	52	Infinite Bio Solutions (P) Ltd.	Director
18	Shri V. Gopalakrishnan	Vice President (Technical)	B.E. (Civil)	25.60	42	7-Oct-02	65	Ansal Group	Sr. Consultant
19	Shri Satish Chander	Addl. Vice President (Projects)	B.Sc (Civil), M.Tech (Structure)	25.60	26	23-Dec-04	49	Punj Llyod Ltd	Resident Construction Manager
20	Shri Sanjay Mathur	Addl. Vice President (Projects)	B.E.(Civil)	25.60	28	26-Jun-06	49	DLF Universal Ltd	Chief Manager (Projects)
21	Shri Sandeep Kumar Jain	Consultant (Project Execution)	B.Sc, Diploma in Civil Engineering	25.60	25	5-Dec-06	47	Rishabh Nath Developers & Builders (P) Ltd.	Managing Director

#### B. Employed for part of the year and was in receipt of remuneration aggregating Rs. 2,00,000 or more per month

S. No.	Name	Designation/Nature of Duties	Qualifications	Remuneration (Rs./Lacs)	Experience (Years)	Date of Appointment	AGE (Years)	Last Employment Held	
								Employer	Designation
1	Ashim Gandhi	Chief Operating Officer & Head (Strategic Planning & HRD)	MBA , M.Sc	33.86	23	22-Nov-07	48	Emmar MGF Ltd.	Chief Operating Officer
2	J.B. Karamchandani	Sr. Vice President (Architecture)	B.Arch	31.86	39	13-Oct-03	62	Omaxe Ltd.	Sr. Vice President (Architecture)
3	Vivek Garg	Addl. Vice President (Projects)	B.E. (Civil), MBA, LLB	3.66	26	27-Dec-04	48	Mahindra Gesco Developers Limited	Senior Project Manager
4	R.N. Maloo	Sr. Vice President (Finance)	B.Com., FCA	19.52	24	10-Aug-09	47	RSWM Ltd.	Chief Financial Officer

#### NOTES :

- None of the employees is a relative of any Director except Shri. Pradeep Kumar Jain, Shri. Sanjeev Kumar Jain, and Dr. Rajeev Jain, who are related to each other as brothers.
- None of the employees except Shri. Pradeep Kumar Jain draws remuneration in excess of that drawn by Shri. Sanjeev Kumar Jain, Managing Director, Dr. Rajeev Jain, Director (Marketing), and Shri. G.R. Gogia, Director (Business Development) and also holds more than 2% equity shares of the Company.
- Remuneration includes salary, allowances and monetary value of all perquisites as valued under the Income Tax Rules, 1962.
- The nature of employment in all cases is on contractual basis except in case of Directors, whose terms have been approved by the Shareholders.
- All the employees have adequate experience to discharge the responsibilities assigned to them and their designations are indicative of their nature of duties.

# MANAGEMENT DISCUSSION AND ANALYSIS

## I. Global economy and industry overview

The economic recovery that started transforming global markets during 2009-10 enabled most industrialised countries around the world to post positive GDP growth. Boosted by their inherent economic strengths, emerging growth markets such as China and India showed remarkable turnaround, bouncing back from the global economic crisis at a faster pace than the western industrialised economies.

The global real estate market, which was severely impacted by the global economic crisis, also reacted positively to the signs of recovery, showing significant revival of demand across realty segments, particularly the residential market. This revival notwithstanding, global rents continued to witness a downtrend, coming down by an average of 5.5% in calendar year 2009 across all regions - which is unprecedented - as demand for space moderated sharply. While supply rose on the back of occupiers offloading surplus space, development of new space was limited and dominated by builders to suit activity in core areas.

Realty markets in Asia-Pacific, however, have shown more resilience to the economic slowdown and continue to offer opportunities to fuel further growth. China is now the largest and most dynamic real estate investment market in the world, outpacing UK and US at the second and third position. Investors worldwide are inclined towards investing in China and India on the back of strong economic fundamentals and higher return expectations.

Having overcome the critical negatives triggered by the global economic deceleration, going forward the outlook for the global real estate space remains intact.

## II. Indian economy and industry overview

The acute phase of the financial crisis has passed and the global signs of recovery have a significant impact over the Indian Economy. The Indian economy has emerged from the crisis relatively unscathed and quickly regained growth momentum, thanks to its own stimulus actions, past reforms, banks' limited exposure to troubled parts of the global financial system, as well as India's robust domestic consumption. India's economic indicators recovered significantly with the GDP growth restored to 7.4% in fiscal year 2009-10 after having decelerated to 6.7% levels in 2008-09 led by a revival in the industrial as well as services sectors which are likely to grow at 8.2% and 8.7% levels, respectively. The monetary aggregates moved broadly in line with their projections and on the fiscal front, the Government's stimulus packages contributed significantly to the nation's economic recovery, paving the path for the future.

The slowdown phase impacted various sectors of the economy and real estate was no exception. The real estate boom in India is linked to the country's economic stability, which had driven India on the verge of becoming one of the fast-growing

economies. This was urged by many factors including multinational entrepreneurialism, buoyant capital markets and the overall emergence of India on the global stage. To tap the thriving demand for housing in India, large-scale real estate projects were launched which transformed the real estate business into one of the most lucrative sectors in the country. However, in 2008, the global meltdown in real estate produced a corresponding downturn in the Indian real estate sector. Being a capital-intensive industry, the real estate sector started to face a liquidity crunch emanating largely from banks' cautious real estate lending policy. Further, real estate developers also had to cope with other sources of funding, such as dried up private equity & capital markets, receivables from residential projects under construction getting blocked, falling demand and buyers deferring payments until they took possession of properties.

However, by mid-2009, the situation turned around and the real estate space emerged as a significant driver of economic growth. In terms of GDP contribution, the sector has grown from 4.5% in 2007 to 5% in 2009 and it's likely to scale up to 6% in the next five years. According to estimates provided by ASSOCHAM, a leading industry body, the size of the Indian realty market is estimated at USD 16 billion, growing at the rate of 30 % p.a. The Indian real estate industry is expected to touch USD 50 billion by 2010.

Further, the credit for the sector's recovery can be attributed to the expansion in sources of capital which has been a critical catalyst in the sector's progression towards a more organised play with closer linkages to the macro economic conditions of the country. The sector received further boost during the year due to the surge in demand from IT/ITes sector for office space, growing presence of foreign businesses in India, the global strides of Indian companies and a rapidly increasing consumer class.

Over the past few years the real estate sector has undergone a few changes. The most prevalent trend in the realty space is the shift towards affordable housing, which is one of the most robust long-term asset classes in Indian real estate. As the demand in the affordable housing segment is encouraging, real estate developers are now concentrating on posting profits through high-volume, low-margin deals instead of high-margin and high-quality transactions.

The ongoing momentum in the real estate sector has been faster than expected in the fiscal year on the back of strong demand driven primarily from the tier I cities, such as Mumbai, Delhi & NCR and Bengaluru, while recovery is gaining momentum in tier II and tier III cities. The residential vertical is in a strong growth phase followed by buoyant growth witnessed in the retail and commercial. India's growing young population, rapid urbanisation, increasing consumer confidence, growth in industry and services and rapid development of tourism are factors that augurs positively for the sector and will propel real estate demand in the long term.



## Growth drivers

The factors fuelling growth for the sector are as follows:

### Change in demographics and disposable income

1. Higher urbanisation and consumerism are the key driving forces.
2. Increasing disposable income providing thrust to the luxury segment across all the real estate verticals.
3. By 2030, 590 million Indians are expected to live in cities compared to 340 million in 2008.
4. Number of rich households growing at CAGR of 21%.
5. Increasing working age population (almost 64% in 16-64 age groups).

### FDI and FII inflows

1. FDI inflows in realty space galloped from USD 467 million in FY07 to USD 2801 million in FY09.
2. The FDI inflows for the cumulative period from April 2009 to February 2010 amounted to USD 2704 million.
3. FDI in the real estate sector expected to witness a USD 21 billion increase in the next 10 years.
4. According to IBEF, in calendar year 2009 alone, India received approximately USD 5.5 billion from FIIs out of a total of USD 23 billion that flowed into emerging markets.
5. India also received close to 25% of the portfolio funds coming into markets in Asia, Africa and Latin America.

### Government reform measures

1. 100% FDI allowed in realty projects through the automatic route, subject to prescribed guidelines.
2. More emphasis laid on affordable housing in the Union Budget 2010-11 by extending the deadline by another year on the interest rate subvention of 1% on home loans up to Rs 10 lakhs, making a provision of Rs. 700 Crores this fiscal.
3. Continued benefits under 80 IB(10) for ongoing affordable housing projects which were earlier required to be completed in 4 years from the date of sanction but are now allowed to be completed in 5 years.
4. Thrust on infrastructure development in Union Budget 2010-11 by providing significantly higher allocations amounting to Rs.1.74 trillion accounting for over 46% of the total plan allocation.
5. The Government's most important direct intervention in India's real estate sector is expected to come in the form of the Real Estate Regulatory Bill, expected to be introduced during the upcoming Parliament winter session.

### Financial availability

1. Fiscal incentives to developers.
2. Banks reconsidering lending to the realty sector in terms of providing easy financing options.
3. Easy access to project financing options at affordable interest rates.

## Segment wise growth scenario

The ambit of the Indian real estate sector includes residential housing, commercial offices, industrial facilities, hotels, retail spaces and SEZs. The growth witnessed by the Indian real estate sector is mainly influenced by the GDP growth, increased urbanisation, an expanding middle class as well as growth across various sectors such as IT/ITes, retail, consumer durables, automobiles, telecom, banking, insurance, tourism, hospitality and logistics. These trends have reinforced substantial growth in the Indian economy, which has stimulated the demand in the real estate space across various verticals.

### a) Residential development

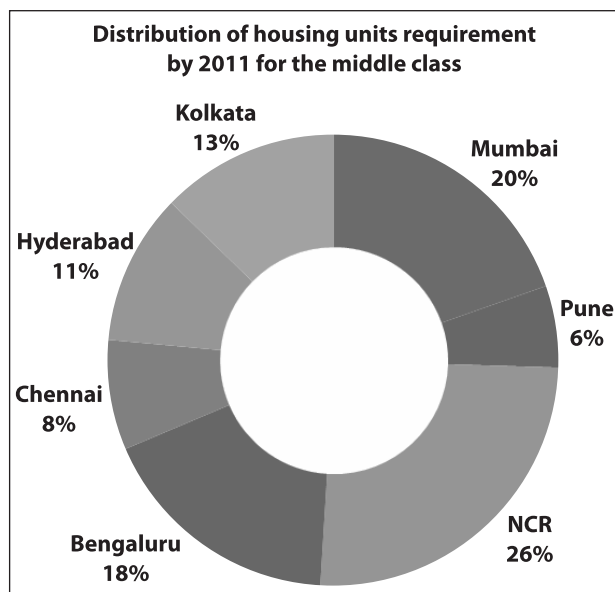
Almost 80% of real estate developed in India is dominated by residential spaces, the rest includes offices, shopping malls, hotels and hospitals. According to the Tenth Five Year Plan, there is a shortage of 22.4 million dwelling units. This residential segment in India has witnessed a bouquet of offerings over the past few years which encompass apartments, villas, row houses, builder floors, plotted developments and premium townships across the country. But due to the economic slowdown and the ensuing credit crunch, many of high-end luxury projects were replaced by

mid-scale developments targeting the middle income group. However, with the residential markets across the country showing signs of recovery, the housing segment has generated an increased interest amongst end users for budget to mid-end products. As estimated by Cushman and Wakefield the pan India residential demand would be over 7.5 million units by 2013 across all formats. Bengaluru, Chennai, Hyderabad, Kolkata, Mumbai, NCR and Pune are considered as the top seven cities fuelling demand. 43% demand is likely to be generated in tier I cities, i.e. Bengaluru, Mumbai and NCR.

City	Housing Requirement (units)	Area Requirement (mn.sq.ft.)	Market Size (Rs. Bn)
Mumbai	4,04,673	324	647
Pune	1,34,264	107	215
NCR	5,47,434	438	876
Bengaluru	3,27,694	262	524
Chennai	1,57,471	126	252
Hyderabad	2,25,555	180	361
Kolkata	2,65,242	212	424
<b>Total</b>	<b>20,62,333</b>	<b>1,650</b>	<b>3,300</b>

Source: Knight Frank Research

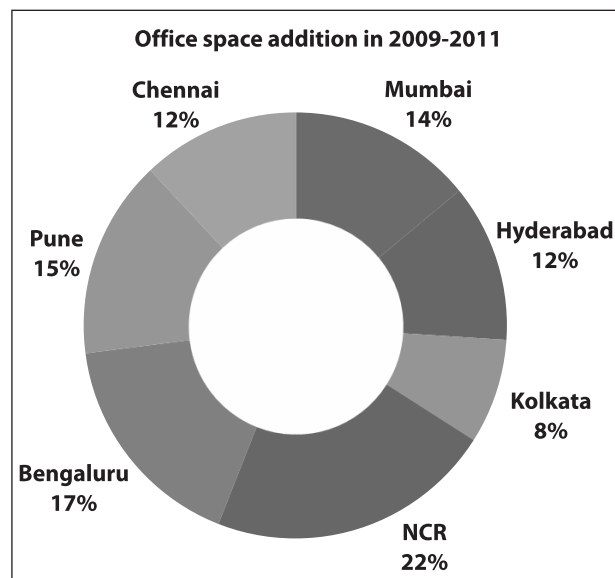
The affordable and mid segment category, would be key focus under this market as it is estimated to constitute 85% of the total residential demand. Developers are now more cognisant of affordability and are reducing unit sizes and the scale of amenities in order to reach out to the sizeable middle income consumer segment.



(Source: Knight Frank Research)

#### b) Commercial spaces

The Indian commercial spaces did not remain entirely



Source: IT/ITES Industry opinion, CRISIL research

insulated from global upheavals in calendar year 2009 and consequently real estate activities in the segment witnessed a significant slowdown as compared to previous years. However, commercial office spaces have started showing slow but steady signs of recovery. By year end 2009, commercial office space supply across major cities was recorded at 51 million sq. ft., 15% lower than 2008. At approximately 26 million sq. ft., absorption of commercial office space was largely driven by the IT/ITES and BFSI sectors. Research estimates by Cushman and Wakefield suggest that the demand for commercial office space across the country is pegged at 196 million sq. ft. by 2013, with the mentioned seven major cities accounting for approximately 80% of the total demand. Additionally highlighting the growing prominence of tier II cities Hyderabad, Pune and Kolkata are expected to witness the highest CAGR of approximately 28% during 2009- 2013.

#### c) Retail

On account of the exponential growth in the organised retail sector, the retail real estate segment attracted investors' attention, but on account of the economic slowdown, the retail sector witnessed constrained leasing activities and high vacancy rates. The country's organised retail market is expected to be back on its growth trajectory by mid-2010, following which demand for quality retail space would also begin to improve, as retailers would begin to restructure their portfolio with reviving consumer sentiments. As per research estimates by Cushman & Wakefield, the cumulative retail demand across India is estimated to be 43 million sq. ft. by 2013 of which, demand in the top seven cities (mentioned earlier) is estimated to be nearly 34.6 million sq. ft. The number of malls in India is expected to increase from 105 in 2006 to 600 in 2010. According to the Investment Commission of India the anticipated increase in the share of organised retail is expected to grow from 5% to 15.5% by 2016, thereby highlighting the potential for retailers to expand pan India. Bengaluru, Mumbai and NCR are all expected to see the highest demand, cumulatively comprising approximately 20 million sq. ft.

#### d) Hospitality

The Indian hospitality sector witnessed unprecedented growth over the last few years barring the recessionary slump witnessed in 2008-09. Going forward over the next 3 to 5 years new hotel developments are expected in various categories across different cities in the country. The increasing contribution of foreign tourists' arrival to the Indian GDP has provided the necessary impetus for growth of the hospitality industry. The hospitality sector across the country is expected to augur demand for over 690,000 room nights by 2013 with tier I cities likely to receive the highest demand- NCR 15% and Mumbai 14% of the total demand by 2013. The upcoming

Commonwealth Games in 2010 is one of the main demand drivers of room nights in the NCR. Tier II and III cities are also likely to generate demand for 242,000 room nights by 2013 owing to various initiatives taken by the Indian government to promote commercial and tourism activity in these locations.

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

Special Economic Zones (SEZs) are areas where economic development is encouraged by the Government as they can lend impetus to the country's growth plans. SEZ's are being developed as engines of economic growth and are supported by quality infrastructure development and attractive fiscal packages. SEZ's are aimed at :

- Generation of additional economic activity
- Promotion of exports of goods and services
- Promotion of investment from domestic and foreign sources
- Creation of employment opportunities
- Development of infrastructure facilities.

Under the new SEZ Policy, formal approvals have been granted to 578 SEZ proposals. Policy allows usage of as high as 50% of the area as non processing zone, offering immense potential for residential and supporting infrastructure.

#### **Sector outlook**

With signs of economic stabilisation and moderate growth in global economic performances property markets in India are exhibiting signs of revival. With the return of liquidity on the back of Foreign Direct Investment, QIPs, non-core asset sales and banks reconsidering lending to the realty sector, the real estate sector in recent months has lead to improved cash flows for realty players resulting in renewed construction of certain stalled projects and new launch announcements.

Further, growth in the real estate sector is likely to be driven by Government support, improved access to debt and capital markets and the recovery of real estate demand. Enhanced affordability, lower mortgage rates and better job security have helped revive demand for homes. Conversely, demand in the commercial segment remains weak, primarily impacted by over-supply and the scale-back of expansion plans by corporate India.

Overall, credit metrics are expected to recover in 2010, as developers should be able to improve their capital structure, operating margins and liquidity. A substantial amount of equity funds raised has been utilised in the repayment of debt and interest costs, which has helped in developers deleverage. However, risks remain as significant repayments would be due in FY11 and FY12 including from restructured loans. The ability of leveraged players to service their interest costs and fulfil their immediate term debt/land obligations continues to be a concern.

However, in a gradually recovering economic scenario, backed by revival in investment and private consumption demand, India's real estate sector is anticipated to witness an increase in business activities. While leasing activities in commercial and retail markets may take more time to recover, the housing segment has already begun to move towards a turnaround.

### **III. Company overview**

Parsvnath Developers Limited (PDL) is one of India's leading real estate and infrastructure companies with nearly two decades of experience. The Company has to its distinction, completion of 39 projects comprising of 11.82 million sq. ft. The Company reported consolidated revenues of Rs. 988.18 Crores for the year ended March 31, 2010, up by 36% from Rs. 729.21 Crores for the year ended March 31, 2009. EBIDTA stood at Rs. 297.93 Crores, up by 25% as compared to Rs. 238.47 Crores in the corresponding period of last year. Profit after tax (PAT) was at Rs. 140.61 Crores for the year ended March 31, 2010, a growth of 24.63% from last year's PAT of Rs. 112.82 Crores. The EPS for the year ended March 31, 2010 stood at Rs. 7.05 as compared to Rs. 6.11 for the year ended March 31, 2009.

<b>Particulars</b>	<b>FY10</b> (Rs. Crores)	<b>FY09</b> (Rs. Crores)	<b>Growth</b> (%)
Total Income	988.18	729.21	36%
EBIDTA	297.93	238.47	25%
PAT	140.61	112.82	24.63%
EPS (Rs.)	7.05	6.11	15.38%

#### **Business highlights**

- Raised Rs. 168 Crores through QIP issue.
- Received approval from Municipal Corporation of Delhi for building plans of 'La Tropicana' – a premium luxury project located in the heart of Delhi.
- Inked agreements with leading international real estate private equity funds:
  - o Anuradha SA Investments LLC and Anuradha Ventures Ltd., funds managed by SUN-Apollo, for an investment in its premium luxury residential project 'Parsvnath Exotica' Part-II, Gurgaon. SUN-Apollo has undertaken to invest Rs. 75 Crores for a 50% stake in the project SPV viz. Hessa Realtors Private Limited which is developing 'Parsvnath Exotica', Gurgaon, out of which part of the investment has already been made.
  - o Sterling Pathway and Banrod Investments Ltd. by selling an additional 4% stake in the SPV viz. Parsvnath Landmark Developers Private Limited, implementing its premium luxury residential project 'La – Tropicana' at Civil Lines, Delhi. With this additional stake the total investment of Sterling



- Pathway and Banrod Investments Ltd. in the said SPV has increased to Rs. 115 Crores from Rs. 90 Crores.
- Successfully completed construction of Akshardham metro station on BOT basis within the time frame.
- Bhoomi puja of Parsvnath City, Saharanpur, spread over 107 acres offering plotted development, independent floors and expandable villas at affordable rates. First of its kind project in Saharanpur which offers independent floors at an affordable price range.
- Received Letter of Intent (LoI) for grant of licence from Director, Town and Country Planning, Haryana, Chandigarh for developing approximately 118 acres of Integrated Township in Sector 33 A, Rohtak, Haryana.
- Received licence for:
  - o Approximately 3.4 acres land in extension of the existing Integrated Township, Parsvnath City in Dharuhera which is a residential use land.
  - o Additional land of approximately 51.55 acres in the existing Integrated Township, Parsvnath City in Sonapat.
  - o 50.56 acres land in Integrated Township, Parsvnath City in Karnal.
  - o 5.34 acres land, a commercial project at Gurgaon.
- Developed modern Residential Complex in 'D' Block on 7.642 hect. of land in Ujjain City. The application for issuing completion certificate has already been submitted and same is expected to be received shortly.

### SWOT analysis

<p><b>Strengths</b></p> <ol style="list-style-type: none"> <li>1. A multi-faceted real estate entity.</li> <li>2. Diverse product offerings encompassing Integrated Townships, Group Housing, Commercial Complexes, Hotels, I.T. Parks, B.O.T. Projects, SEZs and 3rd party contracts.</li> <li>3. Pan India presence.</li> <li>4. Robust land bank under development across all realty verticals.</li> <li>5. Well equipped with state-of-the art infrastructural facilities, technology and adequate human resources.</li> <li>6. Continued endeavor for perfection, innovation, customer satisfaction and developing value for money projects in both the high end luxury as well as mid scale segments.</li> <li>7. Focus on timely execution of projects.</li> <li>8. Ability to identify and capitalise on the emerging opportunities in affordable housing segment and integrated township projects.</li> <li>9. High debt reduction plans to unleverage its balance sheet.</li> <li>10. Implemented business restructuring initiatives by exiting the non strategic assets.</li> <li>11. Robust stream of projects under execution and in the pipeline.</li> </ol>	<p><b>Opportunities</b></p> <ol style="list-style-type: none"> <li>1. Government's thrust on real estate and infrastructure projects.</li> <li>2. Land is the key requisite for all real estate activities. This component usually lags in the recovery cycle and hence a revival in this segment is an indication of gradual revival of the market.</li> <li>3. Integrated Townships and urban infrastructure have emerged as new focus areas in the realty space.</li> <li>4. The introduction of concept of PPP (Public-Private-Partnerships) has opened up new channels of investment for the private players.</li> <li>5. The Company's increasing focus on Metro station projects on concessionary model of PPP via BOT model opens up new growth avenues.</li> <li>6. The growth expected in hospitality segment augurs well for the company's hotel projects.</li> <li>7. The interminable demand arising from the IT/ ITes sector will continue providing tremendous room for growth in commercial office space.</li> </ol>
<p><b>Weakness</b></p> <ol style="list-style-type: none"> <li>1. Being in a capital intensive industry, PDL has huge capital outlay requirements and is exposed to wide fluctuations in the interest rate cycle.</li> <li>2. Long gestation period of projects.</li> </ol>	<p><b>Threats</b></p> <ol style="list-style-type: none"> <li>1. Driven by positive market sentiments and recovery in housing segment many real estate companies are looking to raise capital through public offerings thereby fuelling further competition.</li> <li>2. Rising interest costs could marginally impact the margins.</li> <li>3. Fluctuating input prices could impact the overall cost of production.</li> <li>4. Any adverse move by the banking sector towards the lending policy on the real estate loans may increase the cost of borrowing.</li> <li>5. Highly fragmented industry with many small builders and contractors accounting for a majority of the housing units constructed.</li> </ol>

## Future outlook

Going forward, the real estate sector is expected to witness strong demand from end users as well as investors. Real estate prices have showcased an upward trend post October 2009 on account of renewed confidence by the buyers. With intense cost control measures undertaken by the Company over a period of time coupled with other fresh initiatives currently underway for faster delivery of on-going projects, the Company expects to report an improvement in its margins substantially and bring better returns to the shareholders. To supplement this, the Company has adopted various strategies which are as follows:

- 1. Focus on affordable housing projects:** The Company's residential business showed significant growth over the previous year on account of strong end user demand realising into sales. Going ahead, PDL has adopted the strategy to continue focus on affordable housing and in particular on development of integrated townships which are modeled on affordable housing concept. And, as the economy is likely to maintain a growth of around 8% in the coming decade, it will witness a sustained growth in the real estate sector with affordable housing continuing to be in focus.
- 2. Execution of ongoing projects:** The Company's prime focus is on the execution of its ongoing projects and handing over possessions. PDL also aims to get all the sanctions related to land bank as it would facilitate in the launch and execution of the projects. As on 31<sup>st</sup> March, 2010 the Company has 54 projects with total area of 81.83 million sq. ft. under development/construction, which are likely to be completed over the next 5 years.
- 3. Debt reduction strategy:** In line with its debt reduction strategy the Company has initiated a strategic and comprehensive portfolio review of its real estate assets, with a view to exit the non-strategic assets. One such exercise was monetisation of some of its assets which were not in line with long term strategic growth of the Company and the consequent exit from projects like Mahim and Kurla in Mumbai, Vejalpur and Vastrapur in Ahmedabad & Pimpri-Chinchwad in Pune. The Company intends to constantly reduce its debts.
- 4. Fund raising:** For seamless execution of its projects the Company has successfully raised funds through QIP as well as private equity in SPV's. Further PDL is in talks with various leading international funds for investing in its projects. This strategy not only enables the Company to ensure that its projects are well on track but also reduces its debt liability.
- 5. Expansion plans:** The Company has plans to invest Rs. 7,000 Crores over the next 5 years in its ongoing projects. In line with this aim, the Company plans to raise Rs. 300 Crores through the private equity route on project SPV level.

## 6. Subsidiary and Associate Companies

### 1. Parsvnath Infra Ltd (PIL):

With effect from 31<sup>st</sup> March 2010, the name of Parsvnath SEZ Limited changed to Parsvnath Infra Limited. The change of name was pursuant to the decision by the Board and the members to expand the area of operations of the Company to take up infrastructure projects, in addition to the ongoing SEZ projects. The Company continues its focus on development of 7 SEZs of which 4 SEZs are already notified. Three notified SEZs, in information technology/information technology enabled services (IT/ITes) sector are at Gurgaon, Indore and Dehradun, and the fourth SEZ, in pharmaceuticals sector is at Nanded, Maharashtra. In addition, PIL has formal approval for two SEZs – one in IT/ITes sector at Kochi, Kerala and the other in biotechnology sector in Hyderabad, Andhra Pradesh. Another IT/ITes SEZ is proposed at Mysore. Land/ development rights have been acquired for all the SEZs. Progress has however been affected mainly by the slowdown in the world economy leading to reduced demand for SEZs and uncertainty in central and state government policies including those relating to the incentives and concessions.

Infrastructure sector presents a huge potential with the government's thrust on development and its increasing promotion of public private partnership for projects. The Company aims to participate in meeting the country's growing infrastructure needs.

During the year, PIL undertook a profitable construction contract as a result of which the company ended the year with a profit before tax of Rs.1.95 Crores against a loss of Rs. 1.61 Crores during the previous year.

### 2. Parsvnath Landmark Developers Private Limited (PLDPL):

The Company is executing a premium luxury residential project 'La Tropicana', in Civil Lines, Delhi spread over an area of 16.84 acres (68,149 sq. mtr.) The project is scheduled for completion during 2013. The Company earned a profit before tax of Rs.55.02 Crores against Rs.1.34 Crores in the previous year. PDL holds 78% of the Share capital of the Company, and 22% of the share capital is held by Sterling Pathway and Banrod Investments Ltd.

### 3. Parsvnath Hotels Limited (PHL):

The Company plans to execute various hotel projects across India in cities like Hyderabad, Goa, Jodhpur, Lucknow, Cochin, Shirdi, Ujjain, Indore etc. Hotels are

under construction at Shirdi, Lucknow and Hyderabad. Shirdi hotel's civil work is nearing completion and the Company plans to get the same operational within this financial year. Hyderabad & Lucknow projects are also under construction and would take about 24 months for completion. The plans for Hotel at Goa are fully sanctioned now and would soon get into construction stage. Plans for hotels at Jodhpur is under discussion and would be finalised soon. The Company has already been granted the star ratings for projects at Shirdi, Hyderabad and Goa from Ministry of Tourism under project stage. PHL has management & operations tie up with ITC Fortune Park Hotels Pvt. Ltd. & Royal Orchid Hotels Limited. The Company also plans to launch a budget hotel concept across India and is working out plans to implement the same in near future.

The hotel properties are presently held by PDL in its name and it is proposed to get the same transferred in the Company's name by transfer of ownership or development rights as the case may be, and the same shall be completed soon.

Additionally PHL is considering various options to raise funds for acquiring/developing various hotel properties across the country.

#### 4. Primetime Realtors Private Limited

Pursuant to acquisition of a plot at Kasturba Gandhi Marg, Connaught Place, New Delhi, the Company is proposing to develop a novel Office Building on the same. The Company is in the process of seeking various approvals including approval of building plans and on receipt of the same, construction will commence.

#### 5. Hessa Realtors Private Limited

PDL, the hitherto holding company, had inked an agreement with Anuradha SA Investments LLC and Anuradha Ventures Ltd., funds managed by SUN-Apollo, an international real estate private equity fund, for an investment in its premium luxury residential project viz. "Parsvnath Exotica", Part-II, Gurgaon, at an agreed investment of Rs. 75 Crores for a 50% stake in the project SPV for developing Parsvnath Exotica, Part-II, Gurgaon.

Consequently, the Company had executed various agreements with Anuradha SA Investments LLC (Investor 1), Anuradha Ventures Limited (Investor 2) and PDL, on December 09, 2009, whereby Company had acquired development rights from PDL in the aforesaid project.

Pursuant to the said Agreements, the Company was granted the development rights to implement "Parsvnath Exotica", Part – II, Gurgaon. In terms of the Sub-project

Management Agreement executed between the Company and PDL, the project management is being done by PDL.

#### 6. Nanocity Haryana Infrastructure Limited:

Nanocity Haryana Infrastructure Limited was set up as a joint venture Company between Nano Works Developers Private Limited (Nano Works) and Haryana State Industrial & Infrastructure Development Corporation Limited (HSIIDC) for developing "Nanocity" project in the district of Panchkula, Haryana.

Pursuant to acquisition of a stake in Nanocity Haryana Infrastructure Limited by Parsvnath Developers Limited (PDL), PDL has associated itself in the development of the said project.

The Company proposes to acquire the land required for the project in a phased manner with the support of HSIIDC to develop the project in the near future.

#### Risk Management

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

- 1. Industry demand fluctuations:** To mitigate the risk of demand fluctuation owing to the nature of the industry, the Company has created a diverse and comprehensive business portfolio which includes Integrated Townships, Group Housing, Commercial Complexes, Hotels, and IT Parks, BOT Projects, SEZs and 3rd Party contracting spanning across various locations. This strategy of leading a multi-segment business across the country, backed by a long experience in managing robust land banks, enables the Company to counter any downtrend.
- 2. Adherence to regulations:** The Company has consciously built a compliance system to ensure legal and regulatory compliance across all business units and at each level, to avoid any risks associated with not meeting statutory regulations.
- 3. Rising input costs:** As a prudent business policy, the Company undertakes most construction processes in-house. Gauging PDL's scale of operations coupled with its long term relationship with its vendors, the Company is in a position to obtain quality raw materials at reasonable rates. The just-in-time inventory principle followed by the Company enables it to reduce its storage costs.
- 4. Timely project execution:** To counter the risk arising out of non-completion of existing projects, as a strategy the Company has moved to a project-based organisation structure



where it works dedicatedly for enhancing project flexibility and control, improving the quality of real estate construction and thereby reducing the time taken for commercialisation.

5. **Human resources:** Business growth for any Company is dependent on the capabilities of its human resources. This growth could be affected due to the lack of qualified professionals. To mitigate this risk, the Company has a human resource policy in place which results in attracting and retaining the best talent.
6. **Financial availability:** Since PDL operates in a capital intensive industry the availability of finance is imperative for the seamless execution of its projects. To ensure the availability of finance the Company has adopted the strategy of raising capital through various Private Equity Funds. This helps in mitigating any concerns about the Company's future ability to mobilise funds for its projects. Additionally PDL has a strong capital base and most of its projects which are under construction are expected to generate attractive returns over the coming years thereby ensuring the accessibility to funds.

#### Human resources

Manpower forms the vital resource for Company's operations. The growth attained by the Company is largely a function of the competence and quality of its human resources. As one of the leading real estate companies in India, PDL ensures that employees are provided the best work environment. The work environment is very challenging and performance oriented, recognising employee potentials along with providing them with opportunities. PDL is also at the forefront in attracting and retaining the best talent. Human resource continues to be a core strength and the Company always endeavours to work towards having sound, proactive & progressive HR strategies and practices in place so as to align Company's objectives and employee aspirations. The function continues to strive towards ensuring that the HR philosophy is translated into action. As on 31st March, 2010 the Company's total employee strength stood at 800.

#### Internal control and systems

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

#### Cautionary statement

*Statements made in the Management Discussion and Analysis Report describing the Company's objective, projections, estimates, expectations may be a 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: FINANCIAL YEAR 2009-10

## 1. Company's Philosophy on Corporate Governance

The welfare of the stakeholders of the Company forms the crux of the Company's Corporate Governance Policy. The Company's philosophy strives to ensure that its business strategies and plans prioritise the welfare of all stakeholders, while at the same time, maximising shareholders' value on a sustained basis. The Board of Directors, Management and Employees of the Company consistently envisage attainment of the highest level of transparency, integrity and equity in all facets of the operations of the Company and also in its interactions with the stakeholders. The Company is committed to benchmark itself with the best standards of Corporate Governance, not only in form but also in spirit.

## 2. Board of Directors

### A. Composition & Category

The composition of the Board of Directors of the Company has undergone a change due to the cessation of one Director viz. Shri Malay Chatterjee, Nominee Director of HUDCO. The detailed composition of the Board is represented in Table 1 below. Presently, there are nine Directors on the Board including 5 (five) 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 5 (five) Non-Executive Directors of the Company are independent and thereby, the composition of the Board of Directors is in compliance with the parameters prescribed in Clause 49 of the Listing Agreement.

The Independent Directors of the Company:

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

None of the Directors of the Company is a member of more than ten committees or acts as a Chairman of more than five committees across all public limited companies in which he holds the directorship. The Company is notified by the Directors, from time to time, the status of committee positions he occupies in other companies.

**Table 1: Composition of the Board of Directors as on March 31, 2010**

Sr. No.	Name & Category of the Director	Designation	Number of other Directorship(s), Membership(s)/ Chairmanship(s) held in Committees of other Public Limited Companies		
			Directorship(s)	Membership(s)	Chairmanship(s)
Executive Directors					
1	Shri Pradeep Kumar Jain	Chairman	6	-	-
2	Shri Sanjeev Kumar Jain	Managing Director	8	1	-
3	Dr. Rajeev Jain	Director (Marketing)	-	-	-
4	Shri Gobind Ram Gogia	Director (Business Development)	1	-	-
Non-Executive Independent Directors					
5	Shri Ashok Kumar	Director	3	-	1
6	Shri Sunil Kumar Jain	Director	3	1	-
7	Shri R. N. Lakhotia	Director	-	-	-
8	Shri R. J. Kamath	Director	6	-	4
9	Dr. Pritam Singh	Director	4	3	1

**Notes:**

- During the financial year ended March 31, 2010, Shri Malay Chatterjee, Nominee Director of HUDCO ceased to be Director of the Company pursuant to withdrawal of his nomination by HUDCO.
- For the purpose of reckoning the limit of the committees on which a Director can serve, the Chairmanship/Membership of the Audit Committee and the Shareholders'/Investors' Grievance Committee of all listed and/or unlisted public limited companies only have been considered.

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

The Board met six times during the financial year ended March 31, 2010. The dates on which Board Meetings were held, attendance of each Director at the Board Meetings and at the last Annual General Meeting (AGM) of the Company are set out in Table 2 below.

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

Sr. No.	Name of the Director	Date of Board Meetings						AGM
		23.05.09	20.06.09	30.07.09	22.09.09	14.10.09	30.01.10	
1	Shri Pradeep Kumar Jain	Y	Y	Y	Y	Y	Y	Y
2	Shri Sanjeev Kumar Jain	Y	Y	Y	Y	Y	Y	Y
3	Dr. Rajeev Jain	Y	Y	Y	Y	Y	Y	Y
4	Shri Gobind Ram Gogia	Y	Y	Y	Y	Y	Y	Y
5	Shri Ashok Kumar	Y	Y	Y	N	Y	Y	N
6	Shri Sunil Kumar Jain	Y	N	N	N	N	N	N
7	Shri R. N. Lakhotia	N	Y	Y	Y	Y	Y	Y
8	Shri R. J. Kamath	Y	Y	Y	N	Y	Y	N
9	Dr. Pritam Singh	N	N	N	Y	Y	Y	Y
10	Shri Malay Chatterjee*	Y	Y	Y	N	N	N.A.	N

N.A. denotes Not Applicable

\* ceased to be Director of the Company pursuant to withdrawal of his nomination by HUDCO during the financial year ended March 31, 2010



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

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

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

### D. Non-Executive Directors' compensation

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

### E. Code of Conduct

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

## 3. Committees of Board of Directors

### A. Audit Committee

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

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

The Audit Committee comprises Shri R. J. Kamath (Chairman), Shri Sanjeev Kumar Jain, Shri R. N. Lakhota, Shri Sunil Kumar Jain, Shri Ashok Kumar and Dr. Pritam Singh. All members except Shri Sanjeev Kumar Jain are Non-Executive Independent Directors of the Company.

All the members of the Audit Committee possess sound knowledge of accounts, audit, taxation etc. Shri V. Mohan, Sr. Vice President (Legal) & Company Secretary acts as the Secretary to the Audit Committee. The Committee invites the Sr. Vice President (Finance), Chief Financial Officer, the head of the Internal Audit Department and the representative(s) of External Internal Auditors and the Statutory Auditors, to attend the meetings of the Audit Committee on a regular basis. The dates on which meetings were held and attendance of each member there, at are set out in Table 3 below.

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

Sr. No.	Name of the Member	Date of Audit Committee Meetings					
		23.05.09	20.06.09	30.07.09	14.10.09	30.01.10	04.03.10
1	Shri R. J. Kamath	Y	Y	Y	Y	Y	Y
2	Shri Sanjeev Kumar Jain	Y	Y	Y	Y	Y	Y
3	Shri R. N. Lakhotia	N	Y	Y	Y	Y	Y
4	Shri Ashok Kumar	Y	Y	Y	Y	Y	Y
5	Shri Sunil Kumar Jain	Y	N	N	N	N	N
6	Dr. Pritam Singh	N	N	N	Y	Y	Y

**B. Remuneration Committee**

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

During the year ended March 31, 2010, no meeting of the Remuneration Committee was held.

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

All pecuniary relationships and elements of remuneration package of individual Directors are disclosed in Table 4 below:

**Table 4: Remuneration paid/payable to the Directors of the Company during Financial Year 2009-10**

Sr. No.	Name of the Director	No. of Shares held	Salary & Perquisites (Rs./Lacs)	Sitting Fees (Rs./Lacs)	Total Amount (Rs./Lacs)
1	Shri Pradeep Kumar Jain	4,57,34,328	360.79	-	360.79
2	Shri Sanjeev Kumar Jain	10,800	132.40	-	132.40
3	Dr. Rajeev Jain	8,000	96.40	-	96.40
4	Shri G. R. Gogia	-	96.40	-	96.40
5	Shri Ashok Kumar	1,000	-	3.00	3.00
6	Shri Sunil Kumar Jain	891	-	-	-
7	Shri R. N. Lakhotia	-	-	2.80	2.80
8	Shri R. J. Kamath	-	-	2.20	2.20
9	Dr. Pritam Singh	-	-	1.20	1.20
10	Shri Malay Chatterjee*	-	-	0.60	0.60

\*Since ceased to be a Director during financial year ended March 31, 2010.

**Notes:**

- Shareholding figures are as on March 31, 2010. The Company has not issued any instruments that can be converted into equity shares. No Stock option has been granted to any of the Directors of the Company.
- The term of office of the Executive Directors shall remain valid for a period of five years from the respective dates of their appointment, which may be terminated by giving prior notice of six months in writing by either side. No severance fee is payable.
- The remuneration, by way of salary & perquisites, does not include gratuity and other retirement benefits.
- Shri Pradeep Kumar Jain, Shri Sanjeev Kumar Jain and Dr. Rajeev Jain are brothers. This apart, none of the other Directors is *inter-se* related to each other.
- The Company pays rentals to Shri Pradeep Kumar Jain and Smt. Nutan Jain, wife of Shri Pradeep Kumar Jain for the Car Parking Spaces/ office flats taken on rent.
- Shri Sunil Kumar Jain does not accept sitting fees.
- Shri D.N. Davar, attended the Audit Committee Meeting held on March 04, 2010 as Special Invitee and has been paid a sitting fees of Rs. 20,000/-.

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

The Shareholders'/Investors' Grievance Committee comprises four Members, including one Executive Director viz. Shri G. R. Gogia and three Non-Executive Directors viz. Shri Ashok Kumar, Shri Sunil Kumar Jain and Shri R.N. Lakhotia. Shri Ashok Kumar is the Chairman of the Committee and Shri V. Mohan, Sr. Vice President (Legal) & Company Secretary acts as the Secretary to the Committee and is the Compliance Officer.

During the financial year ended March 31, 2010, the Shareholders'/Investors' Grievance Committee met 4 times and was attended by the Members as per Table 5 below:

**Table 5: Attendance of the Members at the Shareholders'/Investors' Grievance Committee Meetings**

Sr.No.	Name of the Member	Number of Meetings Held	Number of Meetings Attended
1	Shri Ashok Kumar	4	4
2	Shri Sunil Kumar Jain	4	0
3	Shri G.R. Gogia	4	4
4	Shri R.N. Lakhotia	4	4

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

During the year under review, 58 complaints were received from the shareholders, out of which 55 have been properly resolved and/or replied by the Company/Registrar and Share Transfer Agent (RTA) viz. M/s. Link Intime India Private Limited (Formerly known as Intime Spectrum Registry Limited), leaving a balance of 3 complaints which are Consumer Dispute Redressal Forum cases and judgements are awaited in these cases.

## 4. General Body Meetings

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

The date, time and location of the last three AGMs of the Company and the Special Resolutions passed by the Shareholders in these AGMs are set out in Table 6 and Table 7 respectively:

**Table 6: Particulars of last three AGMs of the Company**

Year	Location	Date	Time
2009	Air Force Auditorium, Subroto Park, New Delhi 110010	22.09.2009	11.00 A.M
2008	Air Force Auditorium, Subroto Park, New Delhi 110010	24.09.2008	03.30 P.M.
2007	Air Force Auditorium, Subroto Park, New Delhi 110010	10.08.2007	11.00 A.M.

**Table 7: Special Resolutions passed in the last three AGMs of the Company**

Date of Meeting	Nature of Resolutions
22.09.2009	<ul style="list-style-type: none"> <li>Revision in terms of appointment of Dr. Rajeev Jain (Whole-time Director) by making his office liable to retirement by rotation as per the relevant applicable provisions of the Companies Act, 1956 with all other terms and conditions of his appointment remaining unchanged.</li> </ul>
10.08.2007	<ul style="list-style-type: none"> <li>Place of keeping registers &amp; index of members, register &amp; index of debenture-holders and copies of the annual returns at a place other than the registered office of the Company</li> <li>Revision in terms of appointment of Shri Pradeep Kumar Jain (Whole-time Director)</li> <li>Revision in terms of appointment of Shri Sanjeev Kumar Jain (Managing Director)</li> <li>Revision in terms of appointment of Dr. Rajeev Jain (Whole-time Director)</li> <li>Revision in terms of appointment of Shri G. R. Gogia (Whole-time Director)</li> </ul>

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

The Special Resolutions passed in EGMs during the last three years are set out in Table 8 below:

**Table 8: Special Resolutions passed in EGMs during the last three years**

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

## C Postal Ballot Exercise

During the year under review, no special resolution was passed by the shareholders of the Company through the postal ballot exercise.

However, during the current financial year 2010-11, the Company proposes to pass following special resolutions as set out in Table 9 below, through the postal ballot exercise:

**Table 9: Special Resolutions proposed to be passed through Postal Ballot during current financial year 2010-11**

Date of Postal Ballot Notice	Nature of Resolutions
29.04.2010	<ul style="list-style-type: none"><li>• Raising of additional long-term funds through further issuance of Securities</li><li>• Re-appointment of Shri G.R. Gogia as Whole-time Director of the Company</li></ul>

The Company has appointed Shri Sanjay Grover, Practising Company Secretary, as scrutinizer to conduct the postal ballot exercise. The postal ballot exercise would be carried out in the manner prescribed under Section 192A of the Companies Act, 1956, read with Companies (Passing of Resolution by Postal Ballot) Rules, 2001. The postal ballot notice and postal ballot form would be distributed amongst the Shareholders of the Company, whose names shall appear in the Register of Members/Depositories on a particular date fixed for the purpose. Shareholders would be required to complete the postal ballot forms following relevant instructions and send them back at the address printed on postage-paid envelopes, provided by the Company alongwith the postal ballot forms so as to reach on or before the specified date. The scrutinizer shall examine the postal ballots received from shareholders to ascertain the votes cast in favour of/against the resolutions set out in the postal ballot notice and results of such voting would be announced by the Chairman of the Company or in his absence by any other person, so authorised by the Chairman.

## 5. Disclosures

- A. Subsidiary Companies:** The Company had 14 subsidiary companies as on March 31, 2010, including one overseas subsidiary viz. Parsvnath Developers Pte. Limited, incorporated in Singapore and one "material non-listed Indian subsidiary" viz. Parsvnath Landmark Developers Private Limited (PLDPL) as defined in Clause 49 of the Listing Agreement. The Company is complying with the requirement of having atleast one common independent director on the Board of material non-listed Indian subsidiary as the Board of Directors had earlier nominated Shri R.J. Kamath, Independent Director on the Board of PLDPL.

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

- B. Related Party Transactions:** The transactions entered into by the Company with its 'Related Parties' during the financial year 2009-10 are set out in Notes to Accounts, Schedule S, published elsewhere in this Annual Report. These transactions were generally with the subsidiary and associate companies, based on considerations like synergy in operations, future growth strategy, optimization of resources etc. All Related Party Transactions were on an arm's length basis and do not conflict with the interest of the Company at large.
- C. Accounting Treatment:** The financial statements are prepared under the historical cost convention, on the accrual basis of accounting and in accordance with Generally Accepted Accounting Principles (GAAP) in India and comply with Accounting



Standards prescribed by the Companies (Accounting Standards) Rules, 2006, to the extent applicable and in accordance with the provisions of the Companies Act, 1956.

- D. Risk Management:** Risk evaluation and management is an ongoing process within the organization. As part of this process, the Company has engaged independent experts from outside the organization to carry out a detailed exercise on the subject, covering the entire gamut of the Company's operations.

Further, the Board of Directors, at its Meeting held on October 14, 2009 had adopted a 'Risk Management Policy' and constituted Risk Management Committee for monitoring the compliance with the risk management policy laid down by the Company.

The said Committee reviewed the draft of Standard Operating Procedures (SOP's) at length at its meeting held on March 22, 2010.

- E. Insider Trading Regulations – Code of Conduct:** In compliance with SEBI (Prohibition of Insider Trading) Regulations, 1992, the Company has in place a 'Code of Conduct' applicable to its Directors and Designated Employees as modified in view of various amendments in SEBI (Prohibition of Insider Trading of Shares) Regulations, 1992. Further, the Board of Directors has appointed Shri V. Mohan, Sr. Vice President (Legal) & Company Secretary as Compliance Officer who is responsible for setting forth policies and procedures, monitoring adherence to the rules for the prevention of price sensitive information, pre-clearance of trade and implementation of the Code of Conduct for trading in Company's securities under the overall supervision of the Board of Directors.

- F. Proceeds from QIP:** The Company had issued and allotted equity shares on Qualified Institutions Placement (QIP) basis as prescribed under Chapter VIII of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009 to various Qualified Institutional Buyers (QIBs), on October 07, 2009 and raised Rs. 1680.07 million by way of fresh issue of 1,38,56,272 equity shares of Rs.10/- each at a premium of Rs.111.25/- per share, which has been fully utilised for repayment of loans, development of ongoing projects and general corporate purposes, as envisaged in the QIP document.

As per Clause 49 of the Listing Agreement, the Company had reported to its Audit Committee in its Meeting held on January 30, 2010, regarding the uses/applications of said funds and the relevant disclosure had been made in the Unaudited Financial Results of the Company for the Quarter ended December 31, 2009.

- G. Non-compliance/strictures/penalties:** There were no instances of non-compliance by the Company on any matter related to capital markets and therefore, no penalties and/or strictures have been imposed on the Company by any Stock Exchange or SEBI or any statutory authority during the last three years.
- H. Compliance with mandatory & non-mandatory requirements:** The Company complies with all the mandatory requirements and the following non-mandatory requirements as prescribed under Clause 49 of the Listing Agreement:
- The Company has constituted a Remuneration Committee of Directors, details of which have been given under Para 3B of this Report.
  - The statutory financial statements of the Company are unqualified.

## 6. Means of Communication

The quarterly and annual financial results of the Company are normally published in The Times of India/Economic Times/The Financial Express (English/daily), Navbharat Times/Jansatta (Hindi/Daily) and also posted on the website of the Company ([www.parsvnath.com](http://www.parsvnath.com)). Besides, information and latest updates and announcements regarding the Company, including its shareholding pattern, management profile and presentation made to institutional investors/analysts are also available on the website of the Company.

## 7. General Shareholder Information

### A. Annual General Meeting

**Day, Date & Time:** Friday, September 24, 2010 at 3.30 P.M.

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

### B. Financial Calendar

The tentative financial calendar for the ongoing financial year i.e. April 01, 2010 to March 31, 2011 is set out in Table 10 below.

**Table 10: Tentative schedule for the Financial Year (FY) 2010-11**

Activity	Schedule
Publication of Audited Financial Results FY 2009-10	Last week of April, 2010
Publication of Unaudited Financial Results – Quarter 1 (April – June, 2010)	Second week of August, 2010
Publication of Unaudited Financial Results – Quarter 2 (July – September, 2010)	Before November 14, 2010
Publication of Unaudited Financial Results – Quarter 3 (October – December, 2010)	Before February 14, 2011
Publication of Audited Financial Results FY 2010-11	Last week of April/May, 2011

**C. Date of Book Closure**

The period of book closure is from Monday, September 13, 2010 to Tuesday, September 14, 2010 (both days inclusive).

**D. Dividend Payment Date**

For the year 2009-10, with a view to conserve the resources for the operations of the Company, no dividend was recommended by the Board of Directors.

**E. Listing on Stock Exchanges**

The equity shares of the Company are listed on the National Stock Exchange of India Limited (NSE) and Bombay Stock Exchange Limited (BSE). The Company has paid the annual listing fee for the financial year 2010-11 to both NSE and BSE.

During the year under review, the equity shares of the Company got listed on Delhi Stock Exchange Limited (DSE) and the annual listing fee for the financial year 2010-11 has been paid to DSE.

The annual custodial fee for the financial year 2010-11 to both the depositories, viz. National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), has also been paid by the Company.

**F. Stock Code**

The codes assigned to the equity shares of the Company by NSDL/CDSL, NSE, BSE and DSE 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	DSE Stock Code
INE561H01018	PARSVNATH – EQ	532780	470013

**G. Market Price Data**

The monthly high and low prices of the Company's equity shares traded at BSE and NSE, as also the high and low of BSE Sensex and NSE Nifty for the financial year 2009-10 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 Sensex**

Month/Year	HIGH		LOW	
	Price (Rs.)	Sensex	Price (Rs.)	Sensex
April, 2009	56.05	11403.25	36.30	9901.99
May, 2009	98.80	14625.25	46.00	11682.99
June, 2009	111.20	15466.81	77.70	14265.53
July, 2009	123.40	15670.31	70.00	13400.32
August, 2009	130.30	15924.23	105.10	14784.92
September, 2009	149.80	17126.84	115.00	15398.33
October, 2009	151.35	17326.01	102.65	15896.28
November, 2009	120.00	17198.95	92.70	15404.94
December, 2009	129.95	17464.81	105.00	16601.20
January, 2010	136.90	17701.13	112.00	16289.82
February, 2010	133.60	16496.05	112.00	15790.93
March, 2010	126.95	17711.35	108.70	16772.56

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

Month/Year	HIGH		LOW	
	Price (Rs.)	Nifty	Price (Rs.)	Nifty
April, 2009	56.05	3517.25	36.10	2965.70
May, 2009	98.50	4509.40	46.00	3478.70
June, 2009	111.20	4693.20	77.50	4143.25
July, 2009	123.45	4669.75	70.35	3918.75
August, 2009	130.00	4743.75	106.25	4353.45
September, 2009	148.00	5087.60	115.00	4576.60
October, 2009	151.50	5181.95	100.00	4687.50
November, 2009	120.00	5138.00	92.55	4538.50
December, 2009	129.70	5221.85	106.00	4943.95
January, 2010	136.60	5310.85	115.00	4766.00
February, 2010	133.65	4992.00	112.60	4675.40
March, 2010	129.70	5329.55	110.00	4935.35

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

M/s. Link Intime India Private Limited (Formerly known as Intime Spectrum Registry Limited)

(Unit: Parsvnath Developers Limited)

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

Phone: 011 4141 0592/93/94, Fax: 011 4141 0591, E-Mail: delhi@linkintime.co.in

#### I. Share Transfer System

For registration of transfer of shares held in physical mode, the share certificate(s) in original alongwith the share transfer deed(s) and other relevant documents should be submitted at the registered office of the Company or with its RTA. In case the documents are in order, the requests for registration of transfer of shares are placed either before the delegated authority or before the Shareholders'/Investors' Grievance Committee, as the case may be, for approval. The process of transfer takes 2-4 weeks from the date of receipt of complete documentation.

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

#### 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, 2010**

Category of Shareholders	Mode of Holding Shares		Total Shareholding	
	Physical	Demat	Number	%
Promoters	-	14,83,70,400	14,83,70,400	74.726
Bodies Corporate	-	1,76,46,912	1,76,46,912	8.888
Financial Institutions/Banks	-	2,33,191	2,33,191	0.117
Mutual Funds	-	-	-	-
Foreign Institutional Investors	-	95,80,665	95,80,665	4.825
NRIs	-	7,88,195	7,88,195	0.397
Individuals	10,085	2,03,18,723	2,03,28,808	10.239
Others	-	16,04,301	16,04,301	0.808
<b>Total</b>	<b>10,085</b>	<b>19,85,42,387</b>	<b>19,85,52,472</b>	<b>100.000</b>

**Table 15: Distribution of Shareholding as on March 31, 2010**

Range of Shareholding	Shareholders		Shareholding	
	Number	%	Number	%
Upto 250	2,40,134	94.366	1,14,79,700	5.782
From 251 to 500	8,535	3.354	32,01,910	1.613
From 501 to 1,000	3,384	1.330	26,10,384	1.315
From 1,001 to 2,000	1,298	0.510	19,12,568	0.963
From 2,001 to 3,000	398	0.156	9,89,229	0.498
From 3,001 to 4,000	178	0.070	6,30,378	0.317
From 4,001 to 5,000	131	0.051	6,10,237	0.307
From 5,001 to 10,000	209	0.082	15,20,796	0.766
10,001 and above	205	0.081	17,55,97,270	88.439
<b>Total</b>	<b>2,54,472</b>	<b>100.000</b>	<b>19,85,52,472</b>	<b>100.000</b>

**K. Dematerialization of shares**

Table 16 lists the numbers 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, 2010.

**Table 16: Shares in Dematerialised mode as on March 31, 2010**

NSDL		CDSL		Total	
No. of Shares	% of Capital	No. of Shares	% of Capital	No. of Shares	% of Capital
16,81,13,582	84.670	3,04,28,805	15.325	19,85,42,387	99.995

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

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

**M. Address for correspondence**

Company	Registrar and Share Transfer Agent
Shri V. Mohan Sr. Vice President (Legal) & Company Secretary Parsvnath Developers Limited Parsvnath Metro Tower Near Shahdara Metro Station, Shahdara, Delhi 110032. Phone: 011 4305 0100/4301 0500 Fax: 011 4305 0468/4305 0473 E-Mail: investors@parsvnath.com	Link Intime India Private Limited (Formerly known as Intime Spectrum Registry Limited) Unit: Parsvnath Developers Limited A-40, 2 <sup>nd</sup> Floor, Naraina Industrial Area, Phase II Near Batra Banquet Hall New Delhi 110028 Phone: 011 4141 0592/93/94 Fax: 011 4141 0591 E-Mail: delhi@linkintime.co.in

**N. Status of Unclaimed Shares**

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



The details of such unclaimed shares as on March 31, 2010 are set out in Table 17 below:

**Table 17: Unclaimed Shares**

Sr. No.	Particulars	Number	
		Shareholders	Shares
1	Aggregate Number of Shareholders and the outstanding shares in the aforesaid suspense account lying at the beginning of the year i.e. as at April 1, 2009	390	9,715*
2	Number of Shareholders who approached for transfer of shares from the said account during the year 2009-10	8	184
3	Number of Shareholders to whom shares were transferred from the said account during the year 2009-10	8	184
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, 2010	382	9,531

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

Shareholders who have not so far received their shares allotted to them in the IPO are requested to contact by writing to the Company and/or to the Registrar and Transfer Agent of the Company alongwith necessary documents for non- receipt of the shares.

#### **8. CEO AND CFO CERTIFICATION**

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

#### **9. CORPORATE GOVERNANCE VOLUNTARY GUIDELINES 2009**

In December, 2009, the Government of India, Ministry of Company Affairs ("MCA") had issued Corporate Governance Guidelines, 2009. MCA has clarified that the Guidelines were prepared and disseminated for consideration and adoption by Corporates and may be voluntarily adopted by public companies with the objective to enhance not only the economic value of the enterprise but also the value of every stakeholder who has contributed in the success of the enterprise and set a global benchmark for good Corporate Governance. MCA after taking into account the experience of adoption of these guidelines by Corporates and after consideration of the feedback received from them would review these guidelines for further improvements after a period of one year.

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

As on March 31, 2010, the Company is compliant with some of the Voluntary Guidelines to the extent they are consistent with the provisions of Clause 49 of the Listing Agreement.

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

## DECLARATION REGARDING CODE OF CONDUCT

I, Sanjeev Kumar Jain, Managing Director of Parsvnath Developers Limited, hereby declare that all the Board Members and Senior Management of the Company have affirmed compliance of the Company's Code of Conduct for the financial year ended March 31, 2010.

New Delhi  
29 April, 2010

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

## AUDITOR'S CERTIFICATE ON CORPORATE GOVERNANCE

### TO THE MEMBERS OF PARSVNATH DEVELOPERS LIMITED

We have examined the compliance of conditions of Corporate Governance by **Parsvnath Developers Limited**, for the year ended on 31 March, 2010, as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges.

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

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

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

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

New Delhi  
29 April, 2010

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

# AUDITORS' REPORT

## TO THE MEMBERS OF

### PARSVNATH DEVELOPERS LIMITED

1. We have audited the attached Balance Sheet of **Parsvnath Developers Limited** ("the Company") as at 31 March, 2010, the Profit and Loss Account and the Cash Flow Statement of the Company for the year ended on that date, both annexed thereto. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and the significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. As required by the Companies (Auditor's Report) Order, 2003 (CARO) issued by the Central Government of India in terms of Section 227(4A) of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 & 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report as follows:
  - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - b. in our opinion, proper books of account, as required by law have been kept by the Company, so far as it appears from our examination of those books;

- c. the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in agreement with the books of account;
- d. in our opinion, the Balance Sheet, the Profit and Loss Account and the Cash Flow Statement dealt with by this report are in compliance with the Accounting Standards referred to in section 211(3C) of the Companies Act, 1956;
- e. in our opinion and to the best of our information and according to the explanations given to us, the said accounts give the information required by the Companies Act, 1956 in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:
  - i. in the case of the Balance Sheet, of the state of affairs of the Company as at 31 March, 2010;
  - ii. in the case of the Profit and Loss Account, of the profit of the Company for the year ended on that date; and
  - iii. in the case of the Cash Flow Statement, of the cash flows of the Company for the year ended on that date.
5. On the basis of written representations received from directors, as on 31 March, 2010 taken on record by the Board of Directors, none of the Directors is disqualified as on 31 March, 2010 from being appointed as a director in terms of section 274(1)(g) of the Companies Act, 1956.

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

Sd/-

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

New Delhi  
 29 April, 2010

## ANNEXURE TO THE AUDITORS' REPORT (Referred to in paragraph 3 of our report of even date)

- (i) Having regard to the nature of the Company's business/ activities/result clauses (x) and (xiii) of CARO are not applicable
- (ii) In respect of its fixed assets:
  - a. The Company has generally maintained proper records showing full particulars, including quantitative details and situation of the fixed assets, except in respect of shuttering and scaffolding wherein, as informed to us, it is not practicable to record quantitative details in the fixed assets register.
  - b. According to the information and explanations given to us, the Company has a programme of physically verifying its fixed assets in a phased manner designed to cover all assets over a period of two years, which in our opinion is reasonable having regard to the size of the Company and the nature of its business. In accordance with this programme, the Management has, other than shuttering and scaffolding, carried out a physical verification of fixed assets during the year and no material discrepancies were noticed on such verification. In respect of Shuttering and Scaffolding, the discrepancies, if any, can not be determined.
  - c. The fixed assets disposed off during the year, in our opinion, do not constitute a substantial part of the fixed assets of the Company and such disposal has, in our opinion, not affected the going concern status of the Company.
- (iii) In respect of its inventory:
  - a. Inventory comprises finished flats and work-in-progress. Inventory of finished flats have been physically verified during the year by the management. In our opinion, the frequency of verification is reasonable. According to the information and explanation given to us, keeping in view the nature of the operations of the company, inventory of work-in-progress can not be physically verified.
  - b. In our opinion and according to the information and explanations given to us, the procedures of physical verification of inventory of finished flats followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
  - c. In our opinion and according to the information and explanations given to us, the company has maintained proper records of its inventory of finished flats and no material discrepancies were noticed on physical verification of inventory as compared to the book records.
- (iv) In respect of loans, secured or unsecured, granted by the Company to companies, firms or other parties covered in the Register under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:
  - a. The Company has granted unsecured loans aggregating Rs. 431.55 lacs to five Companies (its wholly owned

subsidiaries) during the year. At the year-end, the outstanding balances of such loans (to seven companies) aggregated Rs. 7,990.66 lacs and the maximum amount involved during the year was Rs. 15,771.41 lacs (Nine Companies).

- b. The above-mentioned loans are non-interest bearing. In our opinion and according to the information and explanations given to us, other terms and conditions of such loans given by the Company are *prima facie*, not prejudicial to the interest of the Company.
- c. The aforesaid loans given by the Company are repayable on demand and there is no repayment schedule. Therefore, the question of repayment being regular does not arise.
- d. Since the loans are repayable on demand, the question of overdue amount does not arise.

In respect of loans, secured or unsecured, taken by the Company from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956, according to the information and explanations given to us:

- a. The Company has taken loans aggregating Rs. 3,352.47 lacs from a director, a relative of the director and a Company covered in the register maintained under section 301 of the Companies Act, 1956. At the year-end, the outstanding balance of such loans taken aggregated Rs. 2,532.19 lacs and the maximum amount involved during the year was Rs. 3,270.47 lacs.
- b. The rate of interest and other terms and conditions of such loans are, in our opinion, *prima facie*, not prejudicial to the interests of the Company.
- c. Since the aforesaid loans taken by the Company are repayable on demand and there is no repayment schedule, the question of repayment being regular does not arise.
- (v) In our opinion and according to the information and explanations given to us, having regard to the explanations that it is not feasible to obtain comparable alternative quotations for purchase of land for sale or development, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and the sale of goods and services. During the course of our audit, we have not observed any major weaknesses in internal control system.
- (vi) In respect of contracts or arrangements entered in the Register maintained in pursuance of Section 301 of the Companies Act, 1956, to the best of our knowledge and belief and according to the information and explanations given to us:
  - a. The particulars of contracts or arrangements referred to in Section 301 of the Companies Act, 1956 that need to be entered in the Register maintained under the said Section have been so entered.



- b. Where each of such transaction is in excess of Rs. 5 lacs in respect of any party, the transactions have been made at prices which are *prima facie* reasonable having regard to the prevailing market prices at the relevant time.
- (vii) According to the information and explanations given to us, the Company has not accepted any deposits from the public as defined under the provisions of section 58A and 58AA of the Companies Act, 1956 and the rules framed there under.
- (viii) In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
- (ix) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under clause (d) of sub-section (1) of Section 209 of the Companies Act, 1956 for any of the products of the Company.
- (x) According to the information and explanations given to us and the records of the Company examined by us:
- a. *The Company is regular in depositing its undisputed statutory dues pertaining to Wealth Tax. There have been delays in deposit of statutory dues in respect of Provident Fund, Employees' State Insurance, Income Tax, Sales Tax and Cess with the appropriate authorities during the year. There are no undisputed amounts payable in respect of these statutory dues other than installments of advance Income Tax of Rs. 1171.53 lacs, which remained outstanding as at 31 March 2010 for a period of more than six months from the date it became payable. We are informed that the Company's operations, during the year, did not give rise to any liability for Excise Duty, Custom Duty and Investor Education and Protection Fund and no Service Tax is required to be deposited due to input credit availed by the Company.*
- b. The dues of Income Tax and Trade Tax which have not been deposited by the Company on account of various disputes are as follows:

Name of Statute	Nature of Dues	Amount Demanded (Rs. In lacs)	Period to which the amount relates	Forum where the dispute is pending
Income Tax Act, 1961	Disallowance of expenses	115.34	2006-2007	CIT (Appeals)
UP Trade Tax Act, 1948	Trade Tax	29.79	2005-2006	Appellate Tribunal, Moradabad
UP Trade Tax Act, 1948	Trade Tax	672.12	2003-2004	Appellate Tribunal, Moradabad

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

- (xi) Based on the examination of the books of account and related records and according to the information and

explanations given to us, 118 instances of delays were noted in repayment of dues to the banks ranging from 4 days to 89 days with amounts varying from Rs. 1.51 lacs to Rs. 1,667.00 lacs and 97 instances of delays were noted ranging from 1 day to 178 days with amounts varying from Rs. 50.00 lacs to Rs. 1,250.00 lacs in repayment of dues to financial institutions.

- (xii) According to the information and explanations given to us and based on documents and records examined by us, the Company has not granted loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- (xiii) In our opinion and according to the information and explanations given to us, the Company is not dealing or trading in shares, securities, debentures and other investments.
- (xiv) According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from banks or financial institutions.
- (xv) Based on the examination of the books of account and related records and according to the information and explanations given to us, the term loans have been applied for purpose for which they were obtained, other than temporary deployment pending application.
- (xvi) According to the information and explanations provided to us and on an overall examination of the Balance Sheet of the Company, we report that funds raised on short-term basis have *prima facie*, not been used during the year for long term investment.
- (xvii) The Company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act, 1956.
- (xviii) The Company has created securities in respect of secured non-convertible debentures issued.
- (xix) We have verified the end use of the money raised through 'Qualified Institutional Placement (QIP)' as disclosed in Note 8b of Schedule 'S' forming part of the financial statements.
- (xx) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company has been noticed or reported during the year.

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

Sd/-  
 New Delhi  
 29 April, 2010

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

# BALANCE SHEET AS AT 31 MARCH, 2010

		Rs. in lacs	
	Schedule	As at 31.03.2010	As at 31.03.2009
<b>SOURCES OF FUNDS</b>			
<b>1. SHAREHOLDERS' FUNDS</b>			
a. Share capital	A	19,855.25	18,469.62
b. Reserves & Surplus	B	2,01,891.49	1,73,493.96
		<u>2,21,746.74</u>	<u>1,91,963.58</u>
<b>2. LOAN FUNDS</b>			
a. Secured loans	C	1,27,542.24	1,81,093.43
b. Unsecured loans	D	30,883.85	2,573.92
		<u>1,58,426.09</u>	<u>1,83,667.35</u>
		<b><u>3,80,172.83</u></b>	<b><u>3,75,630.93</u></b>
<b>APPLICATION OF FUNDS</b>			
<b>3. FIXED ASSETS</b>			
a. Gross Block	E	20,060.64	20,021.95
b. Less: Depreciation		9,366.61	7,298.36
c. Net Block		10,694.03	12,723.59
d. Capital work-in-progress		25,572.60	17,829.09
		<u>36,266.63</u>	<u>30,552.68</u>
<b>4. INVESTMENTS</b>	F	22,083.21	9,933.83
<b>5. DEFERRED TAX ASSETS (See Note 15)</b>		451.92	479.53
<b>6. CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
a. Inventories	G	2,40,614.26	2,25,037.68
b. Sundry debtors	H	1,14,753.85	1,04,326.19
c. Cash and bank balances	I	19,679.00	27,062.26
d. Loans and advances	J	67,895.83	81,237.29
		<u>4,42,942.94</u>	<u>4,37,663.42</u>
<b>7. LESS: CURRENT LIABILITIES &amp; PROVISIONS</b>			
a. Liabilities	K	1,17,936.84	1,00,088.21
b. Provisions	L	3,635.03	2,910.32
		<u>1,21,571.87</u>	<u>1,02,998.53</u>
<b>8. NET CURRENT ASSETS</b>		<u>3,21,371.07</u>	<u>3,34,664.89</u>
		<b><u>3,80,172.83</u></b>	<b><u>3,75,630.93</u></b>
Notes forming part of the accounts	S		

The above schedules form an integral part of the Balance Sheet

In terms of our report attached

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants

Sd/-  
**JITENDRA AGARWAL**  
Partner

New Delhi  
29 April, 2010

For and on behalf of the Board

Sd/-  
**PRADEEP KUMAR JAIN**  
Chairman

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

Sd/-  
**SANJEEV KUMAR JAIN**  
Managing Director

Sd/-  
**SUNIL MALHOTRA**  
Chief Financial officer

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

Sd/-  
**R.N. MALOO**  
Sr. Vice President-Finance

# PROFIT & LOSS ACCOUNT

FOR THE YEAR ENDED 31 MARCH, 2010

		Rs. in lacs	
	Schedule	Year ended 31.03.2010	Year ended 31.03.2009
<b>1. INCOME</b>			
a. Income from operations	M	77,114.42	73,354.28
b. Other income	N	4,603.14	2,907.56
		<u>81,717.56</u>	<u>76,261.84</u>
<b>2. EXPENDITURE</b>			
a. Cost of construction/development/sales	O	48,382.64	43,517.63
b. Personnel costs	P	3,116.38	4,204.45
c. Selling, administrative and other expenses	Q	3,314.82	4,556.14
d. Finance expenses	R	7,892.76	7,337.39
e. Depreciation	E	2,132.93	2,793.48
		<u>64,839.53</u>	<u>62,409.09</u>
<b>3. PROFIT BEFORE TAX</b>		<b>16,878.03</b>	<b>13,852.75</b>
<b>4. PROVISION FOR TAXES</b>			
a. Current tax		5,800.00	2,800.00
b. Tax adjustment of earlier years (See Note 24)		(2,334.67)	81.17
c. Deferred tax (See Note 15)		27.61	(390.28)
d. Fringe benefit tax		-	57.50
<b>5. PROFIT AFTER TAX</b>		<b>13,385.09</b>	<b>11,304.36</b>
6. Balance brought forward		59,511.72	33,207.36
7. Transferred from Debenture Redemption Reserve		250.00	15,000.00
<b>8. Balance carried to Balance Sheet</b>		<b>73,146.81</b>	<b>59,511.72</b>
<b>EARNINGS PER EQUITY SHARE (IN RS.)</b>			
- Basic & diluted earnings per share (See Note 14) (Face value Rs. 10 per equity share)		<u>6.99</u>	<u>6.12</u>
Notes forming part of the accounts	S		

The above schedules form an integral part of the Profit and Loss Account

In terms of our report attached

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants

For and on behalf of the Board

Sd/-  
**JITENDRA AGARWAL**  
Partner

Sd/-  
**PRADEEP KUMAR JAIN**  
Chairman

Sd/-  
**SANJEEV KUMAR JAIN**  
Managing Director

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

New Delhi  
29 April, 2010

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

Sd/-  
**SUNIL MALHOTRA**  
Chief Financial officer

Sd/-  
**R.N. MALOO**  
Sr. Vice President-Finance

# CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2010

	Rs. in lacs	
	Year ended 31.03.2010	Year ended 31.03.2009
<b>1. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax	16,878.03	13,852.75
Adjustments for :		
Depreciation	2,132.93	2,793.48
(Profit)/Loss on sale of Fixed Assets	(211.92)	(56.42)
Profit on sale of Investments	(2,483.98)	-
Interest expense	23,292.58	24,854.78
Provision for retirement benefits	17.92	(153.80)
Interest Income on deposits	(1,088.73)	(1,857.52)
Share of loss/(profit) from AOP	(6.13)	42.38
Operating profit before working capital changes	38,530.70	39,475.65
Adjustments for :		
(Increase)/Decrease in Sundry Debtors	(10,427.66)	8,698.71
(Increase)/Decrease in Loans and Advances	13,173.72	5,182.39
(Increase)/Decrease in Inventories	(15,576.58)	(33,579.51)
Increase/(Decrease) in Current Liabilities	18,285.13	(1,086.54)
Cash generated from/(used in) operations	43,985.31	18,690.70
Direct taxes paid	(2,758.54)	(4,635.34)
<b>Net cash from/(used in) operating activities</b>	<b>41,226.77</b>	<b>14,055.36</b>
<b>2. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets (including Capital work-in-progress)	(8,148.72)	(11,312.21)
Sale of fixed assets	513.76	120.07
Investments made	(12,165.40)	(1,877.06)
Sale of Investment	2,500.00	-
Share of (loss)/profit from AOP	6.13	(42.38)
Interest received on deposits	1,256.47	2,030.70
<b>Net cash from/(used in) investing activities</b>	<b>(16,037.76)</b>	<b>(11,080.88)</b>
<b>3. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue of Share Capital	1,385.63	-
Share Premium	15,415.10	-
Share Issue expenses	(402.66)	-
Dividend paid (including corporate dividend tax)	-	(6,482.56)
Interest paid	(23,954.30)	(22,847.41)
Increase/(Decrease) in secured debentures	(250.00)	(15,000.00)
Increase/(Decrease) in secured term loans	(45,260.44)	43,592.04
Increase/(Decrease) in working capital loans	(6,538.80)	(9,981.59)
Increase/(Decrease) in vehicle/machinery loans	(952.38)	(131.46)
Increase/(Decrease) in unsecured loans	27,985.58	(7,219.60)
<b>Net cash from/(used in) financing activities</b>	<b>(32,572.27)</b>	<b>(18,070.58)</b>
<b>4. Net increase/(decrease) in cash and cash equivalents</b>	<b>(7,383.26)</b>	<b>(15,096.10)</b>
<b>5. Cash and cash equivalents as at the beginning of the year</b>	<b>27,062.26</b>	<b>42,158.36</b>
<b>6. Cash and cash equivalents as at the end of the year</b>	<b>19,679.00</b>	<b>27,062.26</b>

**Notes:**

- The Cash Flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard-3 on Cash Flow Statement.
- Cash and cash equivalents include fixed deposit under lien Rs. 18,706.29 lacs (previous year Rs. 21,982.25 lacs)

In terms of our report attached

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants

Sd/-  
**JITENDRA AGARWAL**  
Partner

New Delhi  
29 April, 2010

For and on behalf of the Board

Sd/-  
**PRADEEP KUMAR JAIN**  
Chairman

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

Sd/-  
**SANJEEV KUMAR JAIN**  
Managing Director

Sd/-  
**SUNIL MALHOTRA**  
Chief Financial officer

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

Sd/-  
**R.N. MALOO**  
Sr. Vice President-Finance



# SCHEDULES FORMING PART OF THE BALANCE SHEET

	Rs. in lacs	
	As at 31.03.2010	As at 31.03.2009
<b>SCHEDULE A - SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
30,00,00,000 (Previous year 30,00,00,000) Equity shares of Rs. 10/- each	30,000.00	30,000.00
5,00,00,000 (Previous year Nil) Preference shares of Rs. 10/- each	5,000.00	-
	<b>35,000.00</b>	<b>30,000.00</b>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
19,85,52,472 (Previous year 18,46,96,200) Equity Shares of Rs. 10/- each fully paid (See Note 8)	<b>19,855.25</b>	<b>18,469.62</b>
Of the above:		
- 1,89,000 (Previous year 1,89,000) Equity Shares are allotted for consideration other than cash		
- 14,69,96,600 (Previous year 14,69,96,600) Equity Shares are allotted as fully paid-up bonus shares by capitalisation of accumulated profits		
<b>SCHEDULE B - RESERVES AND SURPLUS</b>		
<b>1. Share Premium</b>		
a. Balance brought forward	1,01,022.24	1,01,022.24
b. Add: received during the year (See note 8)	15,415.10	-
c. Less: Share issue expenses	402.66	-
	<b>1,16,034.68</b>	<b>1,01,022.24</b>
<b>2. Debenture Redemption Reserve</b>		
a. Balance brought forward	5,000.00	20,000.00
b. Less: Transferred to Profit & Loss Account	250.00	15,000.00
	<b>4,750.00</b>	<b>5,000.00</b>
<b>3. General Reserve</b>		
a. Balance brought forward	7,960.00	7,960.00
	<b>73,146.81</b>	<b>59,511.72</b>
<b>4. Profit &amp; Loss Account</b>	<b>2,01,891.49</b>	<b>1,73,493.96</b>

# SCHEDULES FORMING PART OF THE BALANCE SHEET

Rs. in lacs

	As at 31.03.2010	As at 31.03.2009
<b>SCHEDULE C - SECURED LOANS</b> (See Note 5)		
<b>1. From Scheduled banks</b>		
a. Term loans	53,153.07	79,538.68
b. Working capital loans	21,730.01	28,268.81
c. Vehicle/Machinery loans	434.68	1,387.06
d. Interest accrued and due	1,710.01	1,484.87
	<u>77,027.77</u>	<u>1,10,679.42</u>
<b>2. From Financial Institutions/Others</b>		
a. Term loans	45,291.57	64,166.40
b. Interest accrued and due	271.87	940.10
	<u>45,563.44</u>	<u>65,106.50</u>
<b>3. Debentures (See Note 7)</b>		
a. 12.2% Non-convertible Redeemable Debentures	4,750.00	5,000.00
b. Interest accrued and due	201.03	307.51
	<u>4,951.03</u>	<u>5,307.51</u>
	<b>1,27,542.24</b>	<b>1,81,093.43</b>
<b>SCHEDULE D - UNSECURED LOANS</b> (See Note 6)		
<b>1. SHORT TERM</b>		
a. From Corporate Bodies	10,870.73	1,687.54
b. From Directors	11.17	878.04
c. From Others	669.26	-
d. Interest accrued and due	112.66	8.34
	<u>11,663.82</u>	<u>2,573.92</u>
<b>2. OTHERS</b>		
a. From Financial Institutions	13,000.00	-
b. From Corporate Bodies	6,000.00	-
c. Interest accrued and due	220.03	-
	<u>19,220.03</u>	<u>-</u>
	<b>30,883.85</b>	<b>2,573.92</b>

## SCHEDULE E - FIXED ASSETS

(See Note 2c & 2d)

Rs. in lacs

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2009	Additions	Deletions	As at 31.03.2010	Upto 01.04.2009	For the year	On Sale/ Adjustments	Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009
Land & Building	2,264.07	53.51	306.87	2,010.71	313.69	90.11	38.43	365.37	1,645.34	1,950.38
Building on leasehold land	6,458.27	221.39	-	6,679.66	728.83	370.33	-	1,099.16	5,580.50	5,729.44
Plant & Machinery:										
- Construction Machinery	3,719.15	51.77	-	3,770.92	1,824.22	579.36	-	2,403.58	1,367.34	1,894.93
- Shuttering & Scaffolding	4,071.69	44.00	-	4,115.69	2,683.15	563.37	-	3,246.52	869.17	1,388.54
- Office Equipment	325.31	2.93	-	328.24	173.04	46.79	-	219.83	108.41	152.27
- Computers	426.79	3.67	-	430.46	315.12	69.15	-	384.27	46.19	111.67
Furniture & Fixture	1,316.52	24.64	-	1,341.16	654.32	204.37	-	858.69	482.47	662.20
Motor Vehicles	1,440.15	3.30	59.65	1,383.80	605.99	209.45	26.25	789.19	594.61	834.16
<b>Total</b>	<b>20,021.95</b>	<b>405.21</b>	<b>366.52</b>	<b>20,060.64</b>	<b>7,298.36</b>	<b>2,132.93</b>	<b>64.68</b>	<b>9,366.61</b>	<b>10,694.03</b>	<b>12,723.59</b>
Previous Year	16,477.89	3,633.79	89.73	20,021.95	4,530.96	2,793.48	26.08	7,298.36	12,723.59	11,946.93
Capital work in progress									25,572.60	17,829.09

Note:

Additions to fixed assets and capital work in progress includes Rs. 3,812.85 lacs (Previous year Rs. 3,628.97 lacs) on account of borrowing costs capitalised during the year in respect of qualifying assets as per AS-16 on 'Borrowing Costs'.

# SCHEDULES FORMING PART OF THE BALANCE SHEET

	Rs. in lacs	
	As at 31.03.2010	As at 31.03.2009
<b>SCHEDULE F - INVESTMENTS</b>		
<b>(See Note 2h)</b>		
<b>LONG TERM</b>		
<b>I SUBSIDIARY COMPANIES</b>		
<b>EQUITY SHARES-UNQUOTED</b>		
a. Parsvnath Landmark Developers Private Limited 25,60,000 (Previous year 25,60,000) Equity Shares of Rs. 10 each fully paid-up (See Note 19)	3,590.98	1,107.00
b. Parsvnath Infra Limited (earlier Parvnath SEZ Limited) 2,60,49,400 (Previous year 2,60,49,400) Equity Shares of Rs. 10 each fully paid-up	2,604.94	2,604.94
c. Parsvnath Film City Limited 50,000 (Previous year 50,000) Equity Shares of Rs. 10 each fully paid-up	5.00	5.00
d. Parsvnath Retail Limited 50,000 (Previous year 50,000) Equity Shares of Rs. 10 each fully paid-up	5.00	5.00
e. PDL Assets Limited 50,000 (Previous year 50,000) Equity Shares of Rs. 10 each fully paid-up	5.00	5.00
f. Parsvnath Hotels Limited 45,00,000 (Previous year 10,00,000) Equity Shares of Rs. 10 each fully paid-up	450.00	100.00
g. Parsvnath Telecom Private Limited 10,10,000 (Previous year 10,000) Equity Shares of Rs. 10 each fully paid-up	101.00	1.00
h. Parsvnath Developers Pte. Limited 4,41,920 (Previous year 2,480) Equity Shares of SGD 1 each fully paid-up	140.27	0.73
i. Jarul Promoters & Developers Private Limited 1,00,000 (Previous year 1,00,000) Equity Shares of Rs. 10 each fully paid-up	10.00	10.00
j. Baasima Buildcon Private Limited 10,000 (Previous year 10,000) Equity Shares of Rs. 10 each fully paid-up	1.00	1.00
k. Parsvnath Developers (GMBT) Private Limited 10,000 (Previous year 10,000) Equity Shares of Rs. 10 each fully paid-up	1.00	1.00
l. Parsvnath Developers (SBBT) Private Limited 10,000 (Previous year 10,000) Equity Shares of Rs. 10 each fully paid-up	1.00	1.00
m. Hessa Realtors Private Limited Nil (Previous year 10,000) Equity Shares of Rs. 10/- each fully paid-up (See Note 20)	-	1.00
n. Primetime Realtors Private Limited 10,000 (Previous year 10,000) Equity Shares of Rs. 10/- each fully paid-up	1.00	1.00
	<b>6,916.19</b>	<b>3,843.67</b>

# SCHEDULES FORMING PART OF THE BALANCE SHEET

	Rs. in lacs	
	As at 31.03.2010	As at 31.03.2009
<b>SCHEDULE F - INVESTMENTS (CONTD.)</b>		
<b>II TRADE</b>		
<b>1. EQUITY SHARES-UNQUOTED</b>		
a. Amazon India Limited 25,000 (Previous year 25,000) Equity Shares of Rs. 10 each fully paid-up	212.50	212.50
b. Home Life Real Estate Private Limited 7,75,000 (Previous year 7,75,000) Equity Shares of Rs. 10 each fully paid-up	77.50	77.50
c. Vardaan Buildtech Private Limited 16,000 (Previous year 16,000) Equity Shares of Rs. 10 each fully paid-up	1.60	1.60
d. Nanocity Haryana Infrastructure Limited 38,00,000 (Previous year 38,00,000) Equity Shares of Rs. 10/- each, amount paid-up is Rs. 3.73 per equity share	1,550.00	1,550.00
<b>2. PREFERENCE SHARES -UNQUOTED</b>		
a. Kanakia Design & Construction Private Limited 10,409 (Previous year Nil) Redeemable Non Cumulative Preference Shares of Rs. 10/- each fully paid-up	1.04	-
	1,842.64	1,841.60
<b>3. JOINT VENTURES</b>		
i. Equity Shares - Unquoted		
a. Hessa Realtors Private Limited 10,000 (Previous year Nil) Class A Equity Shares of Rs. 10/- each fully paid-up (See Note 18)	1.00	-
b. Hessa Realtors Private Limited 9,00,000 (Previous year Nil) Class C Equity Shares of Rs. 10/- each fully paid-up (See Note 18)	9,000.00	-
ii. Investment in Association of Persons (AOP)		
c. Parsvnath Developers (AOP)	2,591.98	2,518.79
d. Ratan Parsvnath Developers (AOP)	625.44	623.81
	12,218.42	3,142.60
<b>III NON TRADE</b>		
<b>1. EQUITY SHARES-UNQUOTED</b>		
a. Delhi Stock Exchange Limited 14,96,500 (Previous year 14,96,500) Equity Shares of Rs. 10 each fully paid-up	1,047.55	1,047.55
b. Jaipur Stock Exchange Limited 3,24,500 (Previous year 3,24,500) Equity Shares of Rs. 10 each fully paid-up	58.41	58.41
	1,105.96	1,105.96
	<b>22,083.21</b>	<b>9,933.83</b>
Book value of Unquoted Investments	22,083.21	9,933.83



# SCHEDULES FORMING PART OF THE BALANCE SHEET

	Rs. in lacs	
	As at 31.03.2010	As at 31.03.2009
<b>SCHEDULE G - INVENTORY</b> (See Note 2g)		
1. Finished flats	5,578.70	747.00
2. Work-in-progress (Projects)	2,35,035.56	2,24,290.68
	<b>2,40,614.26</b>	<b>2,25,037.68</b>
<b>SCHEDULE H - SUNDRY DEBTORS</b> (Unsecured, considered good)		
1. Outstanding for more than six months (See Note 10)	25,069.78	27,068.18
2. Others	21,564.61	6,542.37
	46,634.39	33,610.55
3. Unbilled revenue	68,119.46	70,715.64
	<b>1,14,753.85</b>	<b>1,04,326.19</b>
<b>SCHEDULE I - CASH AND BANK BALANCES</b>		
1. Cash in hand	102.92	58.91
2. Balance with scheduled banks:		
a. In Current accounts	869.79	5,021.10
b. In Deposit accounts (Under bank lien)	18,706.29	21,982.25
	<b>19,679.00</b>	<b>27,062.26</b>
<b>SCHEDULE J - LOANS AND ADVANCES</b> (Unsecured, considered good)		
1. Due from subsidiary companies (See Note 9d)	7,990.66	14,003.24
2. Security deposits	6,367.64	6,452.50
3. Advances recoverable in cash or in kind or for value to be received		
a. Advance against land	29,671.54	36,516.35
b. Upfront fee paid for projects	18,378.23	19,119.44
c. Others (See Note 9a, b and c)	5,487.76	5,145.76
	<b>67,895.83</b>	<b>81,237.29</b>
<b>SCHEDULE K - CURRENT LIABILITIES</b>		
1. Sundry creditors (See Note 28)	36,670.42	27,788.85
2. Sundry creditors (Land)	39,808.72	37,097.23
3. Due to Subsidiaries	8,254.08	11,198.65
4. Advances from customers	23,491.13	17,804.50
5. Other liabilities	590.15	490.35
6. Interest accrued but not due	393.35	829.85
7. Book overdraft-Banks	514.44	306.11
8. Security deposits received	8,163.08	4,520.05
9. Unclaimed Dividends	51.47	52.62
	<b>1,17,936.84</b>	<b>1,00,088.21</b>
<b>SCHEDULE L - PROVISIONS</b>		
1. Income tax (Net of advance tax of Rs. 27,965.37 lacs; Previous year Rs. 25,237.27 lacs)	3,256.74	2,549.95
2. Gratuity and leave encashment	378.29	360.37
	<b>3,635.03</b>	<b>2,910.32</b>

# SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

	Rs. in lacs	
	Year ended 31.03.2010	Year ended 31.03.2009
<b>SCHEDULE M - INCOME FROM OPERATIONS</b>		
1. Sale of flats/plots	58,919.35	66,700.64
2. Income from construction contracts	17,089.28	6,041.89
3. Licence income	709.77	611.75
4. Management fee	396.02	-
	<b>77,114.42</b>	<b>73,354.28</b>
<b>SCHEDULE N - OTHER INCOME</b>		
1. Interest received on deposits (tax deducted at source Rs. 142.99 lacs; Previous year Rs. 398.32 lacs)	1,088.73	1,857.52
2. Interest received from customers/others	221.11	411.84
3. Profit on sale of fixed assets	211.92	56.42
4. Profit on sale of Long-Term trade Investment	2,483.98	-
5. Rent received	187.27	237.80
6. Miscellaneous income	404.00	343.98
7. Share of profit from AOP	6.13	-
	<b>4,603.14</b>	<b>2,907.56</b>
<b>SCHEDULE O - COST OF CONSTRUCTION/DEVELOPMENT/SALES</b>		
<b>A. Construction Cost</b>		
1. Opening stock of work-in-progress	2,24,290.68	1,90,711.17
Less: Projects discontinued during the year	-	7,643.05
<b>Sub-total</b>	<b>2,24,290.68</b>	<b>1,83,068.12</b>
2. <u>Add: Costs incurred during the year</u>		
a. Land/development rights cost	22,840.89	34,458.00
b. Material consumed	10,093.55	20,241.36
c. Contract labour and other charges	9,655.99	6,018.54
d. Salary & allowances	1,083.07	1,682.57
e. Administrative and other expenses	2,204.41	4,506.46
f. Finance charges	15,399.82	17,517.39
<b>Sub-total</b>	<b>61,277.73</b>	<b>84,424.32</b>
3. <u>Less:</u>		
a. Transferred to finished flats/plots	551.87	-
b. Closing stock of work-in-progress	2,35,035.56	2,24,290.68
<b>Sub-total</b>	<b>2,35,587.43</b>	<b>2,24,290.68</b>
4. Expenses on completed projects	532.25	315.87
5. <b>Total (1+2-3+4)</b>	<b>50,513.23</b>	<b>43,517.63</b>
<b>B. Finished flats purchased</b>	<b>2,149.24</b>	-
<b>C. Decrease/(Increase) in Finished Flats</b>		
1. Opening stock of Finished Flats	747.00	747.00
2. Add: Transferred from Work In Progress	551.87	-
3. Less: Closing stock of Finished Flats	5,578.70	747.00
	<b>(4,279.83)</b>	-
<b>Total (A+B+C)</b>	<b>48,382.64</b>	<b>43,517.63</b>

# SCHEDULES FORMING PART OF THE PROFIT AND LOSS ACCOUNT

	Rs. in lacs	
	Year ended 31.03.2010	Year ended 31.03.2009
<b>SCHEDULE P - PERSONNEL COSTS</b>		
1. Salaries, wages and bonus (See Note 12a)	4,070.78	5,641.23
2. Contribution to provident and other funds	37.02	50.56
3. Staff welfare expenses	91.65	195.23
	4,199.45	5,887.02
Less: Transferred to cost of construction/development	1,083.07	1,682.57
	<b>3,116.38</b>	<b>4,204.45</b>
<b>SCHEDULE Q - SELLING, ADMINISTRATIVE AND OTHER EXPENSES</b>		
1. Rent	690.72	908.93
2. Advertisement and publicity	405.32	1,919.69
3. Brokerage (other than sole selling agents)	786.84	861.68
4. Postage and telephone expenses	197.49	303.78
5. Printing and stationery	109.30	175.49
6. Traveling and conveyance	154.42	309.63
7. Vehicle running and maintenance	129.04	128.22
8. Rates & taxes	416.74	647.29
9. Repairs and maintenance		
- Building	81.51	111.94
- Machinery	75.34	100.65
- Others	477.98	688.52
10. Insurance	249.07	257.37
11. Power and fuel charges	652.18	1,193.05
12. Legal and professional charges (See Note 11)	940.50	1,172.32
13. Rebate & discount	0.38	24.21
14. Wealth Tax	6.89	6.25
15. Share of loss from AOP	-	42.38
16. Other expenses	145.51	211.20
	5,519.23	9,062.60
Less: Transferred to cost of construction/development	2,204.41	4,506.46
	<b>3,314.82</b>	<b>4,556.14</b>
<b>SCHEDULE R - FINANCE EXPENSES</b>		
1. Interest paid		
i. Debentures	609.66	1,218.83
ii. Term loans	18,157.30	17,499.24
iii. Working capital loans	1,993.83	3,133.14
iv. Others	1,118.93	950.48
2. Finance charges	1,412.86	2,053.09
	23,292.58	24,854.78
Less: Transferred to cost of construction/development	15,399.82	17,517.39
	<b>7,892.76</b>	<b>7,337.39</b>

# SCHEDULES FORMING PART OF THE ACCOUNTS

## SCHEDULE S - NOTES FORMING PART OF THE ACCOUNTS

### 1. Background

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

### 2. Significant Accounting Policies

#### a. Basis of accounting

The financial statements are prepared under the historical cost convention, on the accrual basis of accounting and in accordance with Generally Accepted Accounting Principles ('GAAP') in India and comply with Accounting Standards prescribed by the Companies (Accounting Standards) Rules, 2006 and in accordance with the provisions of the Companies Act, 1956.

#### b. Use of estimates

The preparation of financial statements in conformity with generally accepted accounting policies requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported accounts of revenues and expenses for the years presented. Actual results could differ from these estimates.

#### c. Fixed assets

Fixed assets are stated at cost of acquisition or construction less accumulated depreciation. Cost includes purchase price and all other attributable costs of bringing the assets to working condition for intended use. Financing costs relating to borrowed funds attributable to acquisition or construction of fixed assets, which takes substantial period of time to get ready for its intended use are also included, for the period till such asset is put to use.

#### d. Depreciation

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

Building	5.00%
Plant & Machinery (including Office Equipment)	30.00%
Shuttering & Scaffolding	40.00%
Furniture & Fixtures	30.00%
Motor Vehicles	25.89%
Computers	60.00%

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

#### e. Revenue Recognition

- i. Revenue from projects is recognised on the 'Percentage of Completion Method' of accounting. Revenue is recognized, in relation to the sold areas only, on the basis of percentage of actual cost incurred thereon including land as against the total estimated cost of the project under execution subject to such actual costs being 30% or more of the total estimated cost. The estimates of saleable area and costs are revised periodically by the management. The effect of such changes to estimates is recognised in the period such changes are determined.
- ii. 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 profit and loss account of the year.
- iii. Income from license fee is recognised on accrual basis in accordance with the terms of agreement with the sub-licensees.
- iv. Interest income is recognised on accrual basis on a time proportion basis.
- v. Dividend income is recognised when the Company's right to receive dividend is established.

#### f. Cost of Construction/Development

Cost of Construction/Development (including cost of land) incurred is charged to the profit and loss account proportionate to project area sold. Adjustments, if required, are made on completion of the respective projects.



# SCHEDULES FORMING PART OF THE ACCOUNTS

## g. Inventories

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

- i. Completed unsold inventory is valued at lower of cost and net realisable value. Cost is determined by including cost of land, materials, services and other related overheads.
- ii. Work-in-progress is valued at lower of cost and net realisable value. Cost comprises cost of land (including development rights), materials, services and other overheads related to projects under construction.

## h. Investments

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

## i. Segment policies

The Company's reporting segments are identified based on activities/products, risk and reward structure, organization structure and internal reporting systems.

## j. Accounting for joint ventures

- i. Jointly controlled operations – The Company's share of revenue, expenses, assets and liabilities are included in the financial statements as revenue, expenses, assets and liabilities respectively.
- ii. Jointly controlled entities – The Company's investment in jointly controlled entities is reflected as investment and accounted for in accordance with the Company's accounting policy of Investments (See Note 2h above).

## k. Foreign Currency Transactions

Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transactions. Monetary items denominated in foreign currency and outstanding at the balance sheet date are translated at the exchange rate prevailing on the balance sheet date. Exchange differences on translation of monetary assets and liabilities and realised gain and losses on foreign currency transactions are recognised in the profit and loss account.

## l. Taxation

Income tax comprises current tax, deferred tax and fringe benefit tax. Current tax and fringe benefit tax is the amount of tax payable as determined in accordance with the provisions of the Income Tax Act, 1961. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences, subject to the consideration of prudence. Deferred tax assets and liabilities are measured using the tax rates enacted or substantively enacted by the balance sheet date.

## m. Earnings per share

The earnings considered in ascertaining the Company's EPS is the net profit after tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the period. The weighted diluted earnings per equity share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period.

## n. Provision for Retirement benefits

- i. The Company's contribution to Provident Fund is deposited with the Employees Provident Fund Organisation (EPFO). These are charged to the profit and loss account when the contribution to the fund is due.
- ii. Liability for Gratuity and balance of unavailed leave due to employees are provided on the basis of actuarial valuation carried out at the Balance Sheet date by an independent actuary using the Projected Unit Credit method.

## o. Borrowing cost

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are considered as part of the cost of that asset. Other borrowing costs are recognised as an expense in the year in which they are incurred.

## p. Provisions

Provision is recognized when an enterprise has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on management estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimate.

# SCHEDULES FORMING PART OF THE ACCOUNTS

## q. Impairment of assets

At each balance sheet date, the Company reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets suffered impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-discount rate that reflect the current market assessment of time value of money and the risks specific to the asset. The impairment loss as determined above is expensed off.

## r. Leases

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

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

## 3. Contingent liabilities

(Rs. in lacs)		
	As at 31.03.10	As at 31.03.09
a. Claims against the Company not acknowledged as debt:		
i. Interest for delay in payment of land premium instalment/EDC	221.05	221.05
ii. Demand for payment of stamp duty	479.10	528.00
iii. Customer complaints pending in consumer courts	1,592.44	552.04
iv. Income Tax Demand	145.34	-
v. Trade Tax Demand	701.91	3,941.61
vi. Entry Tax demand	36.10	274.60
vii. Others	454.28	265.41
b. Security/Performance Guarantees provided to various Government authorities	28,157.97	26,704.13

## 4. Capital commitments

(Rs. in lacs)		
	As at 31.03.10	As at 31.03.09
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	13,815.51	16,277.58

## 5. Secured Loans

- A Term Loans of Rs. 89,666.03 lacs (previous year Rs. 1,33,893.16 lacs) are secured by way of equitable mortgage of the specific project land along with construction thereof, hypothecation of construction material, work in progress and receivables of the related projects and further secured by personal guarantee of Chairman, Managing Director and a Whole-time Director of the Company.
- B Term Loans of Rs. 8,544.69 lacs (previous year Rs. 9,578.00 lacs) are secured by receivables of the related projects.
- c Term Loans of Rs. 233.92 lacs (previous year Rs. 233.92 lacs) are secured against Keyman Policy taken by the Company.
- d Working capital loans of Rs. 10,619.69 lacs (previous year Rs. 13,093.91 lacs) are secured by way of equitable mortgage of project land along with construction thereof and first pari passu charge on stock of construction and building materials, work in progress, finished flats and book receivables for various projects, except those specifically charged to other banks/financial institutions and further secured by personal guarantee of Chairman, Managing Director and a whole time Director of the Company.
- e Working Capital loans of Rs. 11,110.32 lacs (previous year Rs. 15,174.90 lacs) are secured by way of pledge of fixed deposit with banks.
- f Vehicle/Equipment loans are secured by way of hypothecation of specific vehicle/equipments financed.
- g Debentures of Rs. 4,750.00 lacs (previous year Rs. 5,000.00 lacs) are secured by way of mortgage of immoveable property at Ahmedabad and further secured by personal guarantee of the Chairman of the company.

## 6. Unsecured Loans

In respect of unsecured loans of Rs. 25,600.00 lacs, the promoters have pledged their shares held in the Company. Other Unsecured loans of Rs. 19,000.00 lacs have been personally guaranteed by the Chairman of the Company.

# SCHEDULES FORMING PART OF THE ACCOUNTS

## 7. Debentures

Debentures are redeemable at par in 15 instalments on various dates starting from 13 June, 2009 and ending on 30 September, 2010.

## 8. Qualified Institutional Placement

- The Company has raised a sum of Rs. 16,800.73 lacs through Qualified Institutional Placement (QIP) and allotted 1,38,56,272 Equity Shares of Rs. 10 each at a Premium of Rs. 111.25 per Share to various Qualified Institutional Buyers on 7 October, 2009 in accordance with Chapter VIII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.
- These funds have been utilized for the purposes specified in Placement Document dated 1 October, 2009 as follows:

(Rs. in lacs)	
Particulars	Amount
i. Repayment of loans	8,961.00
ii. Development of ongoing Projects	4,387.00
iii. General Corporate Purpose	3,452.73
<b>Total</b>	<b>16,800.73</b>

## 9. Advances recoverable in cash or kind or for value to be received include:

- Share application money paid to subsidiary companies, Parsvnath Infra Limited (earlier known as Parsvnath SEZ Limited) – Rs. 2,279.26 lacs (Previous year Rs. 2,067.47 lacs) and to Parsvnath Developers Pte. Limited - Rs. NIL (Previous year Rs. 129.49 lacs)
- Amounts due from private companies (other than subsidiary companies) in which any director of the Company is a director or member - Rs. 1,465.27 lacs (Previous year Rs. 1,465.58 lacs).
- Amounts due from other companies under the same management within the meaning of sub-section (IB) of section 370 of the Companies Act, 1956, are as under:

(Rs. in lacs)		
	Balance as on 31.03.10	Maximum Balance Outstanding during the year
Honey Builders Private limited	45.95 (46.30)	46.30 (48.30)
New Hind Enterprises Private Limited	1,406.48 (1,408.27)	1,408.27 (1,424.28)

Figures in bracket indicate balances of previous year

- Disclosure of loans and advances to subsidiary companies as required by clause 32 of listing agreement with stock exchanges is as under: (Rs. in lacs)

	Amount outstanding as on 31.03.10	Maximum amount outstanding during the year
Parsvnath Landmark Developers Private Limited	2,579.10 (8,913.60)	9,051.60 (8,913.60)
Parsvnath Film City Limited	4,843.56 (4,840.56)	4,843.56 (4,840.56)
Parsvnath Telecom Private Limited	0.88 (100.39)	100.88 (101.38)
Parsvnath Hotels Limited	563.72 (136.57)	1,045.60 (136.57)
Parsvnath Developers (GMBT) Private Limited	1.50 (1.00)	1.50 (2.00)
Parsvnath Developers (SBBT) Private Limited	1.50 (1.00)	1.50 (2.00)
Parsvnath Developers Pte. Ltd.	- (10.12)	10.12 (10.12)
PDL Assets Limited	0.40 (-)	0.40 (-)
Baasima Buildcon Private limited	- (-)	716.25 (716.25)

Figures in bracket indicate balances of the previous year

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

- Debtors include amount due from Parsvnath Landmark Developers Private Limited, a Subsidiary Company - Rs. 198.89 lacs (Previous year Rs. 646.54 lacs).

## 11. Auditors remuneration\*

Legal and professional charges include auditors' remuneration as follows: (Rs. in lacs)

	Year ended 31.03.10	Year ended 31.03.09
Audit fees (Including fee for limited review)	57.00	57.00
Tax Audit fees	3.00	3.00
Certification and consultancy fees	-	2.20
Reimbursement of out-of-Pocket expenses	0.74	1.07
<b>Total</b>	<b>60.74</b>	<b>63.27</b>

\* Exclusive of Service Tax

## SCHEDULES FORMING PART OF THE ACCOUNTS

12. Additional Information required to be given pursuant to Part II of Schedule VI of the Companies Act, 1956.

(Rs. in lacs)

	Year ended 31.03.10	Year ended 31.03.09
<b>a. Managerial remuneration</b>		
Salaries	684.00	916.75
<b>b. Sitting fee paid</b>		
Non-executive directors	10.00	9.60
<b>c. Earnings in foreign currency</b>		
Sale of Flats	133.25	607.81
<b>d. Expenditure in foreign currency</b>		
Travelling	5.54	7.74
Advertisement & Publicity	-	35.02
Legal & Professional Expenses	97.03	-
Fees & Subscription	4.56	-
	<b>107.13</b>	<b>42.76</b>
<b>e. CIF value of imports</b>		
Purchase of construction material	Nil	282.31
<b>f. Imported and indigenous material consumed</b>		
	<b>Year ended 31.03.10</b>	<b>Year ended 31.03.09</b>
	<b>(Rs. in lacs)</b>	<b>(Rs. in lacs)</b>
Imported	Nil	282.31
Indigenous	10,093.55	19,959.05
Total	<b>10,093.55</b>	<b>20,241.36</b>

- g. The Company is not a manufacturing or trading company, hence quantitative and other disclosures as required by paragraph 3 (ii) (a), (b) and paragraph 4c of Part II of Schedule VI to the Companies Act, 1956 are not applicable to the Company.

13. In accordance with the Accounting Standard 7 on 'Construction Contracts', the break-up of the contracts in progress at the reporting date is as under:

(Rs. in lacs)

Particulars	As of 31.03.10	As of 31.03.09
1. Revenue recognised	17,164.17	6,857.27
2. Cost incurred	14,027.32	5,985.67
3. Advances received	1,439.56	1,993.64
4. Retentions	283.45	209.34
5. Amount due from customers	1,921.82	1,437.48

### 14. Earnings per share

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

	Unit	Year ended 31.03.10	Year ended 31.03.09
a. Net Profit attributable to shareholders	<b>Rs.in lacs</b>	13,385.09	11,304.36
b. Weighted average number of equity shares outstanding during the year	<b>No.</b>	19,13,77,580	18,46,96,200
c. Basic and diluted earnings per share	<b>Rs.</b>	6.99	6.12
d. Nominal Value of equity shares	<b>Rs.</b>	10.00	10.00

### 15. Deferred Tax

- a. Deferred tax assets and liabilities are being offset as they relate to taxes on income levied by the same governing taxation laws.
- b. Break up of deferred tax assets/(liabilities) and reconciliation of current year deferred tax credit (charge) is as follows:



# SCHEDULES FORMING PART OF THE ACCOUNTS

	(Rs. in lacs)		
	Balance as on 31.03.09	Credited/ (Charged) to Profit & Loss Account	Balance as on 31.03.10
<b>Deferred Tax Assets/(Liabilities)</b>			
Tax impact of provision for employee benefits charged in the financial statements but allowable as deductions in future years under income tax	234.95	35.83	270.78
Tax impact of difference between carrying amount of fixed assets in the financial statements and the income tax return	244.58	(63.44)	181.14
<b>Total</b>	<b>479.53</b>	<b>(27.61)</b>	<b>451.92</b>

## 16. Lease commitments

The Company has entered into Concession Agreements with Delhi Metro Rail Corporation (DMRC) and has acquired the License Rights to develop properties and sub license it to the customers for a defined period of time. Of the license fees of Rs. 1,155.51 lacs (Previous Year Rs. 1,026.13 lacs) paid/payable by the Company during the year, Rs. 307.85 lacs (Previous year Rs. 397.99 lacs) has been charged to revenue and Rs. 847.66 lacs (Previous Year Rs. 628.14 lacs) has been deferred till the completion of construction. The total of future minimum license payments/charge is as follows:

	(Rs. in lacs)	
	Year ended 31.03.10	Year ended 31.03.09
a. Not later than one year	2,967.08	2,474.37
b. Later than one year but not later than five years	13,930.34	13,133.47
c. Later than five years	1,58,993.05	1,61,438.14
<b>Total</b>	<b>1,75,890.47</b>	<b>1,77,045.98</b>

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

## 17. Joint Venture

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

### a. Particulars of joint ventures

Name of Joint Venture	Nature of project	Ownership Interest	Country of incorporation/ residence
i. Parsvnath Developers AOP (PDAOP)	Real Estate	50.00%	India
ii. Ratan Parsvnath Developers AOP (RPDAOP)	Real Estate	50.00%	India
iii. Hessa Realtors Private Limited (HRPL)	Real Estate	49.90%	India

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

	(Rs. in lacs)		
	PDAOP	RPDAOP	HRPL
<b>Company's share of:</b>			
Assets	4,749.08 (4,546.41)	322.96 (320.58)	6,115.08 (-)
Liabilities	1,672.78 (1,589.02)	0.27 (0.78)	1,342.63 (-)
Income	25.06 (- 72.43)	- (-)	319.26 (-)
Expenditure	18.56 (-30.69)	0.37 (0.41)	269.65 (-)
Tax	- (0.22)	- (-)	17.96 (-)
Capital commitment	- (-)	- (-)	- (-)
Contingent liabilities	- (-)	- (-)	- (-)

Figures in bracket indicate balances of the previous year

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

## 18. Employee Benefits

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

### a. Accounting policy for recognising actuarial gains and losses

Actuarial gain and losses arising from experience adjustment and effects of changes in actuarial

# SCHEDULES FORMING PART OF THE ACCOUNTS

assumptions are immediately recognised in the statement of profit and loss account as income or expense.

## b. Description of Defined Benefit Plans

### i. Gratuity plan

The gratuity liability arises on retirement, withdrawal, resignation and death of an employee. The aforesaid liability is calculated on the basis of actuarial valuation as per the projected unit credit method.

### ii. Long term compensated absences plan

The earned leave liability arises as and when services are performed by an employee. The aforesaid liability is calculated on the basis of actuarial valuation as per projected unit credit method.

## c. Disclosure as required under Accounting Standard – 15 (Revised) on “Employee Benefits” in respect of Gratuity is as under:

### i. Change in Defined Benefit Obligation

(Rs. in lacs)

	Year ended 31.03.10	Year ended 31.03.09
Present value of obligations as at the beginning of the year	195.81	302.58
Interest cost	14.68	22.69
Current Service Cost	61.36	55.70
Benefits paid	(20.18)	(22.85)
Actuarial (gain)/loss on obligations	(27.23)	(162.31)
Present value of obligations as at the end of the year	<b>224.44</b>	<b>195.81</b>

### ii. The fair value of plan assets is Nil since retirement benefit plans are wholly unfunded as on 31 March, 2010.

### iii. Amounts recognised in the Balance Sheet

(Rs. in lacs)

	Year ended 31.03.10	Year ended 31.03.09
Present value of obligations as at the end of the year	224.44	195.81
Amount recognised in the Balance Sheet	<b>224.44</b>	<b>195.81</b>

## iv. Expenses recognised in the Profit & Loss Account

(Rs. in lacs)

	Year ended 31.03.10	Year ended 31.03.09
Current service cost	61.36	55.70
Interest cost	14.68	22.69
Actuarial (gain)/loss	(27.23)	(162.31)
Expenses charged to the Profit and Loss Account	<b>48.81</b>	<b>(83.92)</b>

## v. Balance Sheet Reconciliation

(Rs. in lacs)

	Year ended 31.03.10	Year ended 31.03.09
Net Liability at the beginning of the year	195.81	302.58
Expense as above	48.81	(83.92)
Benefits paid	(20.18)	(22.85)
Amount Recognized in the Balance Sheet	<b>224.44</b>	<b>195.81</b>

## vi. Principal Actuarial Assumptions

### (a) Economic Assumptions

	Year ended 31.03.10	Year ended 31.03.09
	(%)	(%)
Discount rate	7.50	7.50
Future salary increases	4.00	4.00

### (b) Demographic Assumptions

Retirement Age	60	60
Mortality Table	LIC (1994-1996)	
Ages	Withdrawal Rate (%)	Withdrawal Rate (%)
Upto 30 years	3.00	3.00
From 31 to 44 years	2.00	2.00
Above 44 years	1.00	1.00

The discount rate is based upon the market yields available in Government bonds at the accounting date with a term that matches that of the liabilities.

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

## SCHEDULES FORMING PART OF THE ACCOUNTS

**19.** The Company has entered into a Securities Subscription Agreement and Securityholders Agreement with its subsidiary Parsvnath Landmark Developers Private Limited (PLDPL) and two overseas Investment entities viz. Sterling Pathway and Banrod Investments Limited (Investors). Pursuant to the agreements, PLDPL allotted 5,61,951 Equity Shares of Rs. 10/- each to the Investors. As a result, the Company's shareholding in PLDPL has gone down from 100% to 82%. The Company subsequently entered into a Share Purchase and Supplementary Security Holders Agreement, pursuant to which, the Company sold 1,60,101 Equity Shares to the Investors and simultaneously subscribed to an equal number of equity shares of PLDPL against the conversion of its unsecured loan of Rs. 2,500 lacs with PLDPL. This resulted in reduction of Company's shareholding in PLDPL to 78%.

**20.** Pursuant to Investment Agreement dated 9 December, 2009 entered into with Hessa Realtors Private Limited (HRPL) and two Overseas Investors managed by SUN-Apollo, an international real estate private equity fund (Investors), the Company has transferred and assigned Development Rights in relation to a part of its ongoing project, namely, 'Exotica, Gurgaon' (land admeasuring 11.092 acres) situated at Sector 53, Golf Course Road, Gurgaon (the Project) to Hessa Realtors Private Limited, the joint venture company on terms and conditions contained therein. In lieu of the consideration of Rs. 9,000 lacs agreed in this regard, the Company has been allotted 9,00,000 Class 'C' Equity Shares of Rs. 10/- each (not carrying any voting rights) at a premium of Rs. 990/- per share. By virtue of change in capital structure pursuant to the Investment Agreement, HRPL ceased to be a subsidiary of the Company during the year.

Further, the Company has given the following undertakings to HRPL in respect of the implementation of the above Project –

- a) The Project will be completed within the completion schedule and construction cost shall not exceed the amount as set out in the agreement. In case of cost overruns, the Company shall contribute such excess amount to HRPL against allotment of class C equity shares in terms of Investment Agreement.
- b) Project Revenue shall be at least the amounts set out in the agreement. In case actual revenue is less than the amount specified in the agreement, the Company shall deposit the amount of shortfall.

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

Owing to various factors such as delay in handing over unencumbered land and consequential determination of start of development period, delay in approval of drawing etc and various other issues, disputes have arisen between the Company and Chandigarh Housing Board (CHB). In accordance with advice received in this regard, the Company has chosen to invoke the arbitration clause in the Development Agreement. The arbitration proceedings have since commenced and are progressing as at Balance Sheet date. Pending continuation of these arbitration proceedings, no further treatment has been considered necessary in the books of account.

**22.** The Company had advanced Rs. 4,843.56 lacs to one of its Subsidiaries, Parsvnath Film City Limited (PFCL) for execution of Film City Project at Chandigarh. Out of the aforesaid advance, PFCL had deposited a sum of Rs. 4,775 lacs with Chandigarh Administration (CA) for acquiring development rights in respect of a plot of land admeasuring 30 acres from CA under Development Agreement dated 2<sup>nd</sup> March, 2007 for development of a Multimedia-cum-Film City Complex.

CA has not been able to give possession of the said land. PFCL accordingly invoked the arbitration clause seeking refund of allotment money paid. Considering the facts and the discussions with Legal Counsel, the Management considers the above advance as good and fully recoverable.

**23.** The Company has entered into an Investment and Security Holders Agreement on 25<sup>th</sup> March, 2010 with City Centre Monuments, Mauritius, Emtons Holding Ltd. Cyprus (collectively the Investors), Parasnath & Associates Private Limited (Co-Promoter) and Mahanidhi Buildcon Private Limited (a special purpose vehicle "SPV") for assignment of development rights, on terms and conditions contained in the agreement, in respect of a plot of land, admeasuring 15,583.83 Sq. Mtrs situated at Bhai Veer Singh Marg, New Delhi, for which rights were assigned to the Company by Delhi Metro Rail Corporation (DMRC) vide letter dated 12<sup>th</sup> August, 2009. In consideration thereof, the Company shall receive a share in the available future cash flows from the project accruing to the SPV (after payment of prior charge to the investors), as stipulated in the aforesaid Agreement.

**24.** Tax adjustment for earlier period includes Income Tax Provision written back of Rs. 1,834.71 lacs, pursuant to amendment of Section 80IB (10) of the Income Tax Act, 1961 by the Finance (No.2) Act, 2009.

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

# SCHEDULES FORMING PART OF THE ACCOUNTS

## 26. Related Party Transactions

### a. List of related parties

#### i. Subsidiary Companies

- Parsvnath Infra Limited (Formerly Parsvnath SEZ Limited)
- Parsvnath Film City Limited
- Parsvnath Landmark Developers Private Limited
- Parsvnath Telecom Private Limited
- Parsvnath Hotels Limited
- Parsvnath Retail Limited
- PDL Assets Limited
- Parsvnath Developers (GMBT) Private Limited
- Parsvnath Developers (SBBT) Private Limited
- Jarul Promoters & Developers Private Limited
- Baasima Buildcon Private Limited
- Parsvnath Developers Pte. Ltd., (Overseas Subsidiary –Singapore)
- Primetime Realtors Private Limited
- Hessa Realtors Private Limited\*
- Parsvnath Royal Orchid Hotels Limited (Subsidiary of Parsvnath Hotels Limited)

\* ceased to be a subsidiary during the year

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

- Aadarshini Buildwell Private Limited
- Aahna Realtors Private Limited
- Aaron Real Estates Private Limited
- Adela Buildcon Private Limited
- Afra Infrastructure Private Limited
- Ajit Board Private Limited
- Amazon India Limited
- Amiya Properties Private Limited
- Anjaney Developers Private Limited
- Anshula Buildwell Private Limited (Name changed to P.M. Cinemas Private Limited w.e.f 22 April, 2010)
- Arunachal Infrastructure Private Limited
- Ashirwad Realtors Private Limited
- Bae Buildwell Private Limited
- Baidehi Infrastructure Private Limited
- Balbina Real Estates Private Limited
- Balwaan Buildwell Private Limited
- Banita Buildcon Private Limited
- Basundhra Properties Private Limited
- Bliss Infrastructure Private Limited
- Brinly Properties Private Limited
- Charushila Buildwell Private Limited
- Congenial Real Estates Private Limited
- Coral Buildwell Private Limited
- Crimson Infrastructure Private Limited

- Cyanea Real Estate Private Limited
- Dae Realtors Private Limited
- Dai Real Estates Private Limited
- Deborah Real Estate Private Limited
- Deleena Developers Private Limited
- Dhiren Real Estates Private Limited
- Digant Realtors Private Limited
- Dolphin Buildwell Private Limited
- Elixir Infrastructure Private Limited
- Enormity Buildcon Private Limited
- Farhad Realtors Private Limited
- Farhat Developers Private Limited
- Gauranga Realtors Private Limited
- Gauresh Buildwell Private Limited
- Gazala Promoters & Developers Private Limited
- Gem Buildwell Private Limited
- Generous Buildwell Private Limited
- Himsagar Infrastructure Private Limited
- Homelife Real Estate Private Limited
- Honey Builders Private Limited
- Izna Realcon Private Limited
- Jaguar Buildwell Private Limited
- Janak Finance & Leasing Private Limited
- Jodhpur Infrastructure Private Limited
- K.B. Realtors Private Limited
- Kalyani Pulp Private Limited
- Laban Real Estates Private Limited
- Label Real Estates Private Limited
- Lakshya Realtors Private Limited.
- Landmark Malls and Towers Private Limited
- Landmark Township Planners Private Limited
- LSD Realcon Private Limited
- Luba Real Estate Private Limited
- Madhukanta Real Estate Private Limited
- Madhulekha Developers Private Limited
- Magic Promoters Private Limited
- Mahanidhi Buildcon Private Limited
- Mirage Buildwell Private Limited
- Momentous Developers Private Limited
- Nanocity Haryana Infrastructure Limited
- Navneet Realtors Private Limited
- Neha Infracon (India) Private Limited
- New Hind Enterprises Private Limited
- Nilanchal Realtors Private Limited
- Noida Marketing Private Limited
- Oni Projects Private Limited
- P.S. Realtors Private Limited
- Paavan Buildcon Private Limited
- Panchvati Buildwell Private Limited
- Parasnath And Associates Private Limited
- Parsvnath Dehradun Info Park Private Limited



# SCHEDULES FORMING PART OF THE ACCOUNTS

- Parsvnath Indore Info Park Private Limited
- Parsvnath Gurgaon Info Park Private Limited
- Parasnath Travels & Tours Private Limited
- Parsvnath MIDC Pharma SEZ Private Limited
- Parsvnath Biotech Private Limited
- Parsvnath Knowledge Park Private Limited
- Parsvnath Cyber City Private Limited
- Palakkad Infrastructure Private Limited
- Parikrama Infrastructure Private Limited
- Pearl Propmart Private Limited
- Perpetual Infrastructure Private Limited
- Pradeep Kumar Jain & Sons (HUF)
- Prasidhi Developers Private Limited
- Prastut Real Estate Private Limited
- Prosperity Infrastructures Private Limited
- Rangoli Buildcon Private Limited
- Rangoli Infrastructure Private Limited
- Sadgati Buildcon Private Limited
- Samiksha Realtors Private Limited
- Sapphire Buildtech Private Limited
- Scorpio Realtors Private Limited
- Sharmistha Realtors Private Limited
- Silverstreet Infrastructure Private Limited
- Snigdha Buildwell Private Limited

- Springdale Realtors Private Limited
- Stupendous Buildtech Private Limited
- Suksma Buildtech Private Limited
- Sumeru Developers Private Limited
- Sureshwar Properties Private Limited
- Timebound Contracts Private Limited
- Vardaan Buildtech Private Limited
- Vinu Promoters Private Limited
- Vital Buildwell Private Limited

### iii. Joint Ventures

- Hessa Realtors Private Limited
- Ratan Parsvnath Developers AOP
- Parsvnath Developers AOP

### iv. Key Management Personnel

- Mr. Pradeep Kumar Jain, Chairman
- Mr. Sanjeev Kumar Jain, Managing Director
- Dr. Rajeev Jain, Whole-time Director
- Mr. G.R. Gogia, 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)

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

(Rs. in lacs)

Transaction/Outstanding Balances	Subsidiary Companies	Entities under significant influence	Joint Venture Entities	Key Management Personnel and their relative	Total
<b>(i) Transactions during the year</b>					
<b>Management Fee Received</b>					
Parsvnath Landmark Developers Pvt. Limited	358.47 (-)	- (-)	- (-)	- (-)	358.47 (-)
Hessa Realtors Private Limited	- (-)	- (-)	37.55 (-)	- (-)	37.55 (-)
	<b>358.47</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>37.55</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>396.02</b> <b>(-)</b>
<b>Rent Received</b>					
Nanocity Haryana Infrastructure Limited	- (-)	44.46 (22.23)	- (-)	- (-)	44.46 (22.23)
Basundhra Properties Private Limited	- (-)	30.22 (-)	- (-)	- (-)	30.22 (-)
	<b>-</b> <b>(-)</b>	<b>74.68</b> <b>(22.23)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>74.68</b> <b>(22.23)</b>
<b>Share of profit/(loss) from AOP</b>					
Parsvnath Developers AOP	- (-)	- (-)	6.50 (-41.96)	- (-)	6.50 (-41.96)

# SCHEDULES FORMING PART OF THE ACCOUNTS

(Rs. in lacs)

Transaction/Outstanding Balances	Subsidiary Companies	Entities under significant influence	Joint Venture Entities	Key Management Personnel and their relative	Total
Ratan Parsvnath Developers AOP	- (-)	- (-)	-0.37 (-0.41)	- (-)	-0.37 (-0.41)
	- (-)	- (-)	6.13 (-42.37)	- (-)	6.13 (-42.37)
<b>Cancellation of sale of Development Rights</b>					
Baasima Buildcon Private Limited	- (715.00)	- (-)	- (-)	- (-)	- (715.00)
<b>Sale of Development Rights</b>					
Parsvnath Infra Limited	- (281.80)	- (-)	- (-)	- (-)	- (281.80)
Hessa Realtors Private Limited	- (-)	- (-)	9,000.00 (-)	- (-)	9,000.00 (-)
Roopak Infrastructure Private Limited	- (-)	- (123.65)	- (-)	- (-)	- (123.65)
	- (281.80)	- (123.65)	9,000.00 (-)	- (-)	9,000.00 (405.45)
<b>Sale of Flats/Plots</b>					
Parasnath And Associates Private Limited	- (-)	- (3,273.49)	- (-)	- (-)	- (3,273.49)
Amazon India Limited	- (-)	- (59.64)	- (-)	- (-)	- (59.64)
Associates and KMP each having less than 10% of transactions	- (-)	- (58.53)	- (-)	- (70.46)	- (128.99)
	- (-)	- (3,391.66)	- (-)	- (70.46)	- (3,462.12)
<b>Purchase of Flats/Plots</b>					
Parsvnath Landmark Developers Private Limited	2,149.24 (-)	- (-)	- (-)	- (-)	2,149.24 (-)
<b>Unsecured Loan Received</b>					
Pradeep Kumar Jain	- (-)	- (-)	- (-)	78.00 (4,313.61)	78.00 (4,313.61)
Nutan Jain	- (-)	- (-)	- (-)	936.67 (771.00)	936.67 (771.00)
Pradeep Kumar Jain & Sons (HUF)	- (-)	500.00 (1,750.00)	- (-)	- (-)	500.00 (1,750.00)
Jarul Promoters & Developers Private Limited	- (207.00)	- (-)	- (-)	- (-)	- (207.00)
Parasnath And Associates Private Limited	- (-)	1,837.80 (150.00)	- (-)	- (-)	1,837.80 (150.00)
Basundhra Properties Private Limited	- (-)	53.29 (234.49)	- (-)	- (-)	53.29 (234.49)
	- (207.00)	2,391.09 (2,134.49)	- (-)	1,014.67 (5,084.61)	3,405.76 (7,426.10)

# SCHEDULES FORMING PART OF THE ACCOUNTS

(Rs. in lacs)

Transaction/Outstanding Balances	Subsidiary Companies	Entities under significant influence	Joint Venture Entities	Key Management Personnel and their relative	Total
<b>Unsecured Loan Repaid</b>					
Pradeep Kumar Jain	-	-	-	193.81	193.81
	(-)	(-)	(-)	(4,920.92)	(4,920.92)
Nutan Jain	-	-	-	1,065.36	1,065.36
	(-)	(-)	(-)	(107.17)	(107.17)
Pradeep Kumar Jain & Sons (HUF)	-	529.70	-	-	529.70
	(-)	(1,713.66)	(-)	(-)	(1,713.66)
Basundhra Properties Private Limited	-	114.58	-	-	114.58
	(-)	(-)	(-)	(-)	(-)
Parasnath And Associates Private Limited	-	16.70	-	-	16.70
	(-)	(134.85)	(-)	(-)	(134.85)
	-	<b>660.98</b>	-	<b>1,259.17</b>	<b>1,920.15</b>
	(-)	<b>(1,848.51)</b>	-	<b>(5,028.09)</b>	<b>(6,876.60)</b>
<b>Advance received back during the year</b>					
Parsvnath Developers Pte. Limited	10.12	-	-	-	10.12
	(-)	(-)	(-)	(-)	(-)
Parsvnath Landmark Developers Pvt. Ltd.	6,334.50	-	-	-	6,334.50
	(-)	(-)	(-)	(-)	(-)
Parsvnath Telecom Private Limited	99.51	-	-	-	99.51
	(-)	(-)	(-)	(-)	(-)
Parsvnath Developers AOP	-	-	-	-	-
	(-)	(-)	(141.06)	(-)	(141.06)
Hessa Realtors Private Limited	-	-	345.00	-	345.00
	(-)	(-)	(-)	(-)	(-)
Roopak Infrastructure Private Limited	-	-	-	-	-
	(-)	(333.21)	(-)	(-)	(333.21)
Izna Realcon Private Limited	-	-	-	-	-
	(-)	(1,066.50)	(-)	(-)	(1,066.50)
Baasima Buildcon Private Limited	-	-	-	-	-
	(95.15)	(-)	(-)	(-)	(95.15)
Associates (each having less than 10% of transactions)	-	69.80	-	-	69.80
	(-)	(909.29)	(-)	(-)	(909.29)
	<b>6,444.63</b>	<b>69.80</b>	<b>345.00</b>	-	<b>6,858.93</b>
	<b>(95.15)</b>	<b>(2,309.00)</b>	<b>(141.06)</b>	-	<b>(2,545.21)</b>
<b>Advance received against sale of land</b>					
Parsvnath Hotels Limited	-	-	-	-	-
	(1,050.00)	(-)	(-)	(-)	(1,050.00)
<b>Creditors/Advances Repaid</b>					
Parsvnath Infra Limited	1,117.55	-	-	-	1,117.55
	(-)	(-)	(-)	(-)	(-)
Primetime Realtors Private Limited	3,402.00	-	-	-	3,402.00
	(-)	(-)	(-)	(-)	(-)

# SCHEDULES FORMING PART OF THE ACCOUNTS

(Rs. in lacs)

Transaction/Outstanding Balances	Subsidiary Companies	Entities under significant influence	Joint Venture Entities	Key Management Personnel and their relative	Total
Associates (each having less than 10% of transactions)	- (-)	9.39 (-)	- (-)	- (-)	9.39 (-)
	<b>4,519.55</b> (-)	<b>9.39</b> (-)	- (-)	- (-)	<b>4,528.94</b> (-)
<b>Interest Paid</b>					
Basundhra Properties Private Limited	- (-)	45.76 (32.23)	- (-)	- (-)	45.76 (32.23)
Parasnath And Associates Private Limited	- (-)	15.52 (-)	- (-)	- (-)	15.52 (-)
Pradeep Kumar Jain	- (-)	- (-)	- (-)	9.27 (124.81)	9.27 (124.81)
Pradeep Kumar Jain & Sons (HUF)	- (-)	4.53 (40.98)	- (-)	- (-)	4.53 (40.98)
Nutan Jain	- (-)	- (-)	- (-)	62.78 (43.48)	62.78 (43.48)
	- (-)	<b>65.81</b> (73.21)	- (-)	<b>72.05</b> (168.29)	<b>137.86</b> (241.50)
<b>Rent Paid</b>					
Pradeep Kumar Jain	- (-)	- (-)	- (-)	3.46 (3.46)	3.46 (3.46)
Nutan Jain	- (-)	- (-)	- (-)	47.72 (66.84)	47.72 (66.84)
Pradeep Kumar Jain & Sons (HUF)	- (-)	5.60 (-)	- (-)	- (-)	5.60 (-)
	- (-)	<b>5.60</b> (-)	- (-)	<b>51.18</b> (70.30)	<b>56.78</b> (70.30)
<b>Maintenance Charges Paid</b>					
Basundhra Properties Private Limited	- (-)	31.18 (20.00)	- (-)	- (-)	31.18 (20.00)
<b>Electricity Charges Paid</b>					
Basundhra Properties Private Limited	- (-)	53.35 (-)	- (-)	- (-)	53.35 (-)
<b>Reimbursement of expenses</b>					
Hessa Realtors Private Limited	- (-)	- (-)	132.00 (-)	- (-)	132.00 (-)
Parsvnath Infra Limited	36.86 (19.79)	- (-)	- (-)	- (-)	36.86 (19.79)
Parsvnath Developers AOP	- (-)	- (-)	- (2.78)	- (-)	- (2.78)
Parsvnath Retail Limited	0.12 (-)	- (-)	- (-)	- (-)	0.12 (-)



# SCHEDULES FORMING PART OF THE ACCOUNTS

(Rs. in lacs)					
Transaction/Outstanding Balances	Subsidiary Companies	Entities under significant influence	Joint Venture Entities	Key Management Personnel and their relative	Total
Associates (each having less than 10% of transactions)	- (-)	- (2.30)	- (-)	- (-)	- (2.30)
	<b>36.98</b> <b>(19.79)</b>	<b>-</b> <b>(2.30)</b>	<b>132.00</b> <b>(2.78)</b>	<b>-</b> <b>(-)</b>	<b>168.98</b> <b>(24.87)</b>
<b>Purchase of Development rights</b>					
Primetime Realtors Private Limited	- (21,225.00)	- (-)	- (-)	- (-)	- (21,225.00)
Adela Buildcon Private Limited	- (-)	510.38 (-)	- (-)	- (-)	510.38 (-)
Parikrama Infrastructure Private Limited	- (-)	- (3.38)	- (-)	- (-)	- (3.38)
Prasidhi Developers Private Limited	- (-)	- (4.26)	- (-)	- (-)	- (4.26)
Prastut Real Estate Private Limited	- (-)	- (4.46)	- (-)	- (-)	- (4.46)
Charushila Buildwell Private Limited	- (-)	608.70 (-)	- (-)	- (-)	608.70 (-)
Springdale Realtors Private Limited	- (-)	- (2.89)	- (-)	- (-)	- (2.89)
Jaguar Buildwell Private Limited	- (-)	- (1.29)	- (-)	- (-)	- (1.29)
Vardaan Builtech Private Limited	- (-)	- (4,923.42)	- (-)	- (-)	- (4,923.42)
Symphony Realtors Private Limited	- (-)	- (376.97)	- (-)	- (-)	- (376.97)
Balbina Real Estates Private Limited	- (-)	515.53 (-)	- (-)	- (-)	515.53 (-)
Associates (each having less than 10% of transactions)	- (-)	3,428.39 (93.26)	- (-)	- (-)	3,428.39 (93.26)
	<b>-</b> <b>(21,225.00)</b>	<b>5,063.00</b> <b>(5,409.93)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>5,063.00</b> <b>(26,634.93)</b>
<b>Investments made in equity shares/ Capital Contribution</b>					
Parsvnath Landmark Developers Private Limited	2,500.00 (-)	- (-)	- (-)	- (-)	2,500.00 (-)
Parsvnath Telecom Private Limited	100.00 (-)	- (-)	- (-)	- (-)	100.00 (-)
Parsvnath Hotels Limited	350.00 (95.00)	- (-)	- (-)	- (-)	350.00 (95.00)
Jarul Promoters & Developers Private Limited	- (9.00)	- (-)	- (-)	- (-)	- (9.00)
Hessa Realtors Private Limited	- (-)	- (-)	9,000.00 (-)	- (-)	9,000.00 (-)

# SCHEDULES FORMING PART OF THE ACCOUNTS

(Rs. in lacs)

Transaction/Outstanding Balances	Subsidiary Companies	Entities under significant influence	Joint Venture Entities	Key Management Personnel and their relative	Total
Parsvnath Developers Pte. Limited	139.54	-	-	-	139.54
	(-)	(-)	(-)	(-)	(-)
Parsvnath Developers (AOP)	-	-	66.68	-	66.68
	(-)	(-)	(263.20)	(-)	(263.20)
Ratan Parsvnath Developers (AOP)	-	-	2.00	-	2.00
	(-)	(-)	(-)	(-)	(-)
Nanocity Haryana Infrastructure Limited	-	-	-	-	-
	(-)	(1,550.00)	(-)	(-)	(1,550.00)
	<b>3,089.54</b>	<b>-</b>	<b>9,068.68</b>	<b>-</b>	<b>12,158.22</b>
	<b>(104.00)</b>	<b>(1,550.00)</b>	<b>(263.20)</b>	<b>(-)</b>	<b>(1,917.20)</b>
<b>Purchase of Investments/shares</b>					
Pradeep Kumar Jain	-	-	-	-	-
	(-)	(-)	(-)	(0.04)	(0.04)
Sanjeev Kumar Jain	-	-	-	-	-
	(-)	(-)	(-)	(0.04)	(0.04)
Nutan Jain	-	-	-	-	-
	(-)	(-)	(-)	(0.04)	(0.04)
Rajeev Jain	-	-	-	-	-
	(-)	(-)	(-)	(0.04)	(0.04)
Parasnath And Associates Private Limited	-	-	-	-	-
	(-)	(1.04)	(-)	(-)	(1.04)
New Hind Enterprises Private Limited	-	-	-	-	-
	(-)	(1.00)	(-)	(-)	(1.00)
	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
	<b>(-)</b>	<b>(2.04)</b>	<b>(-)</b>	<b>(0.16)</b>	<b>(2.20)</b>
<b>Advance paid for purchase of land</b>					
Silverstreet Infrastructure Private Limited	-	171.25	-	-	171.25
	(-)	(-)	(-)	(-)	(-)
Aahna Realtors Private Limited	-	334.50	-	-	334.50
	(-)	(-)	(-)	(-)	(-)
Associates (each having less than 10% of transaction)	-	23.66	-	-	23.66
	(-)	(4,736.36)	(-)	(-)	(4,736.36)
	<b>-</b>	<b>529.41</b>	<b>-</b>	<b>-</b>	<b>529.41</b>
	<b>(-)</b>	<b>(4,736.36)</b>	<b>(-)</b>	<b>(-)</b>	<b>(4,736.36)</b>
<b>Refund of Security deposit</b>					
Nutan Jain	-	-	-	32.41	32.41
	(-)	(-)	(-)	(-)	(-)
<b>Security deposit received</b>					
Hessa Realtors Private Limited	-	-	2,000.00	-	2,000.00
	(-)	(-)	(-)	(-)	(-)
Basundhra Properties Private Limited	-	6.61	-	-	6.61
	(-)	(-)	(-)	(-)	(-)

# SCHEDULES FORMING PART OF THE ACCOUNTS

(Rs. in lacs)					
Transaction/Outstanding Balances	Subsidiary Companies	Entities under significant influence	Joint Venture Entities	Key Management Personnel and their relative	Total
Nanocity Haryana Infrastructure Limited	- (-)	- (44.46)	- (-)	- (-)	- (44.46)
	-	<b>6.61</b>	<b>2,000.00</b>	-	<b>2,006.61</b>
	-	<b>(44.46)</b>	<b>(-)</b>	<b>(-)</b>	<b>(44.46)</b>
<b>Share application money paid</b>					
Parsvnath Infra Limited	211.79 (319.97)	- (-)	- (-)	- (-)	211.79 (319.97)
Parsvnath Developers Pte. Limited	- (129.49)	- (-)	- (-)	- (-)	- (129.49)
	<b>211.79</b> <b>(449.46)</b>	- (-)	- (-)	- (-)	<b>211.79</b> <b>(449.46)</b>
<b>Advances Given</b>					
Parsvnath Film City Limited	3.00 (13.23)	- (-)	- (-)	- (-)	3.00 (13.23)
Parsvnath Landmark Developers Private Limited	- (3,826.46)	- (-)	- (-)	- (-)	- (3,826.46)
Parsvnath Telecom Private Limited	- (0.41)	- (-)	- (-)	- (-)	- (0.41)
Parsvnath Hotels Limited	427.14 (122.85)	- (-)	- (-)	- (-)	427.14 (122.85)
PDL Assets Limited	0.40 (-)	- (-)	- (-)	- (-)	0.40 (-)
Parsvnath Developers (GMBT) Private Limited	0.50 (-)	- (-)	- (-)	- (-)	0.50 (-)
Parsvnath Developers (SBBT) Private Limited	0.50 (-)	- (-)	- (-)	- (-)	0.50 (-)
Parsvnath Developers Pte. Limited	- (9.71)	- (-)	- (-)	- (-)	- (9.71)
Hessa Realtors Private Limited	- (-)	- (-)	345.00 (-)	- (-)	345.00 (-)
Vardaan Builtech Private Limited	- (-)	- (3,337.00)	- (-)	- (-)	- (3,337.00)
Anshula Buildwell Private Limited	- (-)	- (128.00)	- (-)	- (-)	- (128.00)
Baasima Buildcon Private Limited	- (95.15)	- (-)	- (-)	- (-)	- (95.15)
Associates (each having less than 10% of transactions)	- (-)	- (30.64)	- (-)	- (-)	- (30.64)
	<b>431.54</b> <b>(4,067.81)</b>	- <b>(3,495.64)</b>	<b>345.00</b> <b>(-)</b>	- <b>(-)</b>	<b>776.54</b> <b>(7,563.45)</b>
<b>Managerial remuneration</b>					
Pradeep Kumar Jain	- (-)	- (-)	- (-)	360.00 (500.00)	360.00 (500.00)

# SCHEDULES FORMING PART OF THE ACCOUNTS

(Rs. in lacs)

Transaction/Outstanding Balances	Subsidiary Companies	Entities under significant influence	Joint Venture Entities	Key Management Personnel and their relative	Total
Sanjeev Kumar Jain	-	-	-	132.00	132.00
	(-)	(-)	(-)	(172.25)	(172.25)
Rajeev Jain	-	-	-	96.00	96.00
	(-)	(-)	(-)	(122.25)	(122.25)
G. R. Gogia	-	-	-	96.00	96.00
	(-)	(-)	(-)	(122.25)	(122.25)
	-	-	-	<b>684.00</b>	<b>684.00</b>
	(-)	(-)	(-)	<b>(916.75)</b>	<b>(916.75)</b>
<b>(ii) Balances at the year end</b>					
<b>Receivables</b>					
Parsvnath Landmark Developers Private Limited	198.89	-	-	-	198.89
	(646.54)	(-)	(-)	(-)	(646.54)
Hessa Realtors Private Limited	-	-	16.16	-	16.16
	(-)	(-)	(-)	(-)	(-)
	<b>198.89</b>	-	<b>16.16</b>	-	<b>215.05</b>
	<b>(646.54)</b>	(-)	(-)	(-)	<b>(646.54)</b>
<b>Share application money</b>					
Parsvnath Infra Limited	2,279.26	-	-	-	2,279.26
	(2,067.47)	(-)	(-)	(-)	(2,067.47)
Parsvnath Developers Pte. Limited	-	-	-	-	-
	(129.49)	(-)	(-)	(-)	(129.49)
	<b>2,279.26</b>	-	-	-	<b>2,279.26</b>
	<b>(2,196.96)</b>	(-)	(-)	(-)	<b>(2,196.96)</b>
<b>Loans/advances at year end</b>					
Parsvnath Landmark Developers Private Limited	2,579.10	-	-	-	2,579.10
	(8,913.60)	(-)	(-)	(-)	(8,913.60)
Parsvnath Film City Limited	4,843.56	-	-	-	4,843.56
	(4,840.56)	(-)	(-)	(-)	(4,840.56)
Parsvnath Telecom Private Limited	0.88	-	-	-	0.88
	(100.39)	(-)	(-)	(-)	(100.39)
Parsvnath Hotels Limited	563.72	-	-	-	563.72
	(136.57)	(-)	(-)	(-)	(136.57)
PDL Assets Limited	0.40	-	-	-	0.40
	(-)	(-)	(-)	(-)	(-)
Parsvnath Developers (GMBT) Private Limited	1.50	-	-	-	1.50
	(1.00)	(-)	(-)	(-)	(1.00)
Parsvnath Developers (SBBT) Private Limited	1.50	-	-	-	1.50
	(1.00)	(-)	(-)	(-)	(1.00)
Parsvnath Developers Pte. Limited	-	-	-	-	-
	(10.12)	(-)	(-)	(-)	(10.12)
Associates (each having less than 10% of balance outstanding)	-	23,563.51	-	-	23,563.51
	(-)	(29,843.52)	(-)	(-)	(29,843.52)
	<b>7,990.66</b>	<b>23,563.51</b>	-	-	<b>31,554.17</b>
	<b>(14,003.24)</b>	<b>(29,843.52)</b>	(-)	(-)	<b>(43,846.76)</b>



# SCHEDULES FORMING PART OF THE ACCOUNTS

					(Rs. in lacs)
Transaction/Outstanding Balances	Subsidiary Companies	Entities under significant influence	Joint Venture Entities	Key Management Personnel and their relative	Total
<b>Security Deposit at year end</b>					
Nutan Jain	-	-	-	27.57	27.57
	(-)	(-)	(-)	(59.98)	(59.98)
	-	-	-	<b>27.57</b>	<b>27.57</b>
	(-)	(-)	(-)	<b>(59.98)</b>	<b>(59.98)</b>
<b>Creditors/Advances received</b>					
Parsvnath Infra Limited	41.24	-	-	-	41.24
	(1,195.65)	(-)	(-)	(-)	(1,195.65)
Parsvnath Landmark Developers Private Limited	1,601.84	-	-	-	1,601.84
	(-)	(-)	(-)	(-)	(-)
Primetime Realtors Private Limited	5,354.00	-	-	-	5,354.00
	(8,746.00)	(-)	(-)	(-)	(8,746.00)
Parsvnath Hotels Limited	1,050.00	-	-	-	1,050.00
	(1,050.00)	(-)	(-)	(-)	(1,050.00)
Jarul Promoters & Developers Private Limited	207.00	-	-	-	207.00
	(207.00)	(-)	(-)	(-)	(207.00)
Timebound Contracts Private Limited	-	138.44	-	-	138.44
	(-)	(138.44)	(-)	(-)	(138.44)
Associates (each having less than 10% of balance outstanding)	-	107.32	-	-	107.32
	(-)	(384.98)	(-)	(-)	(384.98)
	<b>8,254.08</b>	<b>245.76</b>	-	-	<b>8,499.84</b>
	<b>(11,198.65)</b>	<b>(523.42)</b>	(-)	(-)	<b>(11,722.07)</b>
<b>Advances from Customers</b>					
Parasnath And Associates Private Limited	-	1,030.02	-	-	1,030.02
	(-)	(704.49)	(-)	(-)	(704.49)
Associates (each having less than 10% of balance outstanding)	-	28.97	-	-	28.97
	(-)	(31.32)	(-)	(-)	(31.32)
	-	<b>1058.99</b>	-	-	<b>1058.99</b>
	(-)	<b>(735.81)</b>	(-)	(-)	<b>(735.81)</b>
<b>Unsecured Loans</b>					
Pradeep Kumar Jain	-	-	-	-	-
	(-)	(-)	(-)	(106.54)	(106.54)
Nutan Jain	-	-	-	669.25	669.25
	(-)	(-)	(-)	(735.16)	(735.16)
Pradeep Kumar Jain & Sons (HUF)	-	11.17	-	-	11.17
	(-)	(36.34)	(-)	(-)	(36.34)
Parasnath And Associates Private Limited	-	1,851.77	-	-	1,851.77
	(-)	(15.15)	(-)	(-)	(15.15)
Basundhra Properties Private Limited	-	218.96	-	-	218.96
	(-)	(234.49)	(-)	(-)	(234.49)
	-	<b>2,081.90</b>	-	<b>669.25</b>	<b>2,751.15</b>
	(-)	<b>(285.98)</b>	(-)	<b>(841.70)</b>	<b>(1,127.68)</b>

# SCHEDULES FORMING PART OF THE ACCOUNTS

(Rs. in lacs)

Transaction/Outstanding Balances	Subsidiary Companies	Entities under significant influence	Joint Venture Entities	Key Management Personnel and their relative	Total
<b>Security Deposit Received</b>					
Nanocity Haryana Infrastructure Limited	-	44.46	-	-	44.46
	(-)	(44.46)	(-)	(-)	(44.46)
Basundhra Properties Private Limited	-	6.61	-	-	6.61
	(-)	(-)	(-)	(-)	(-)
Hessa Realtors Private Limited	-	-	2,000.00	-	2,000.00
	(-)	(-)	(-)	(-)	(-)
	-	51.07	2,000.00	-	2,051.07
	(-)	(44.46)	(-)	(-)	(44.46)
<b>Investments held</b>					
Parsvnath Landmark Developers Private Limited	3,590.98	-	-	-	3,590.98
	(1,107.00)	(-)	(-)	(-)	(1,107.00)
Parsvnath Infra Limited	2,604.94	-	-	-	2,604.94
	(2,604.94)	(-)	(-)	(-)	(2,604.94)
Parsvnath Film City Limited	5.00	-	-	-	5.00
	(5.00)	(-)	(-)	(-)	(5.00)
Parsvnath Telecom Private Limited	101.00	-	-	-	101.00
	(1.00)	(-)	(-)	(-)	(1.00)
Parsvnath Hotels Limited	450.00	-	-	-	450.00
	(100.00)	(-)	(-)	(-)	(100.00)
Parsvnath Retail Limited	5.00	-	-	-	5.00
	(5.00)	(-)	(-)	(-)	(5.00)
PDL Assets Limited	5.00	-	-	-	5.00
	(5.00)	(-)	(-)	(-)	(5.00)
Jarul Promoters & Developers Private Limited	10.00	-	-	-	10.00
	(10.00)	(-)	(-)	(-)	(10.00)
Baasima Buildcon Private Limited	1.00	-	-	-	1.00
	(1.00)	(-)	(-)	(-)	(1.00)
Parsvnath Developers (GMBT) Private Limited	1.00	-	-	-	1.00
	(1.00)	(-)	(-)	(-)	(1.00)
Parsvnath Developers (SBBT) Private Limited	1.00	-	-	-	1.00
	(1.00)	(-)	(-)	(-)	(1.00)
Parsvnath Developers Pte. Limited	140.27	-	-	-	140.27
	(0.73)	(-)	(-)	(-)	(0.73)
Amazon India Limited	-	212.50	-	-	212.50
	(-)	(212.50)	(-)	(-)	(212.50)
Home Life Real Estate Private Limited	-	77.50	-	-	77.50
	(-)	(77.50)	(-)	(-)	(77.50)
Vardaan Buildtech Private Limited	-	1.60	-	-	1.60
	(-)	(1.60)	(-)	(-)	(1.60)
Parsvnath Developers (AOP)	-	-	2,591.98	-	2,591.98
	(-)	(-)	(2,518.79)	(-)	(2,518.79)
Ratan Parsvnath Developers (AOP)	-	-	625.44	-	625.44
	(-)	(-)	(623.81)	(-)	(623.81)

# SCHEDULES FORMING PART OF THE ACCOUNTS

					(Rs. in lacs)
Transaction/Outstanding Balances	Subsidiary Companies	Entities under significant influence	Joint Venture Entities	Key Management Personnel and their relative	Total
Nanocity Haryana Infrastructure Limited	-	1,550.00	-	-	1,550.00
	(-)	(1,550.00)	(-)	(-)	(1,550.00)
Primetime Realtors Private Limited	1.00	-	-	-	1.00
	(1.00)	(-)	(-)	(-)	(1.00)
Hessa Realtors Private Limited	-	-	9,001.00	-	9,001.00
	(1.00)	(-)	(-)	(-)	(1.00)
	<b>6,916.19</b>	<b>1,841.60</b>	<b>12,218.42</b>	<b>-</b>	<b>20,976.21</b>
	<b>(3,843.67)</b>	<b>(1,841.60)</b>	<b>(3,142.60)</b>	<b>(-)</b>	<b>(8,827.87)</b>

27. The Company has no outstanding derivatives or foreign currency exposure as at the end of the year.
28. The Micro, Small and Medium Enterprises have been identified by the Company from the available information, which has been relied upon by the auditors. According to such identification, the disclosure in respect of Micro, Small and Medium Enterprises Development (MSMED) Act, 2006 is as under:

	Amount (Rs. in lacs)
a. The principal amount remaining unpaid to such suppliers	275.05 (55.60)
b. The interest due thereon remaining unpaid to such suppliers	Nil (-)
c. The amount of interest paid in terms of Section 16 of the MSMED Act along with the amount of the payment made to the suppliers beyond the appointed date	Nil (-)
d. The amount of interest due and payable for the period of delay in making payment	Nil (-)
e. The amount of interest accrued and remaining unpaid	Nil (-)
f. The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues as above are actually paid to the small enterprises	Nil (-)

Figures in bracket indicate balances of previous year

29. Previous year's figures have been regrouped/rearranged where necessary to conform to current year's presentation.

## For and on behalf of the Board

Sd/-  
**PRADEEP KUMAR JAIN**  
Chairman

Sd/-  
**SANJEEV KUMAR JAIN**  
Managing Director

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

New Delhi  
29 April, 2010

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

Sd/-  
**SUNIL MALHOTRA**  
Chief Financial officer

Sd/-  
**R.N. MALOO**  
Sr. Vice President-Finance

# BALANCE SHEET ABSTRACT AND COMPANY'S GENERAL BUSINESS PROFILE

## I Registration Details

Registration No.	40945	State Code	:	55
Balance Sheet Date	31.03.2010			

## II Capital raised during the year (Amount in Rs. Thousands)

Public Issue	:	Nil	Right Issue	:	Nil
Bonus Issue	:	Nil	Private Placement	:	1,38,563

## III Position of Mobilisation and Deployment of Funds (Amount in Rs. Thousand)

Total Liabilities	:	3,80,17,283	Total Assets	:	3,80,17,283
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### Sources of Funds

Paid -up Capital	:	19,85,525	Reserves and Surplus	:	2,01,89,149
Secured Loans	:	1,27,54,224	Unsecured Loans	:	30,88,385

### Application of Funds

Net Fixed Assets	:	36,26,663	Investments	:	22,08,321
Net Current Assets	:	3,21,37,107	Miscellaneous Expenditure	:	Nil
Deferred Tax Assets	:	45,192			

## IV. Performance of the Company (Amount in Rs. Thousand)

Turnover	:	81,71,756	Total Expenditure	:	64,83,953
Profit/(Loss) before tax	:	16,87,803	Profit/(Loss) after tax	:	13,38,509
Earning per share (in.Rs.) (Basic & Diluted)	:	6.99	Dividend rate (%)	:	—

## V. Generic name of Three Principal Products/Services of Company (As per monetary terms)

Item Code No (ITC Code)	:	Not Applicable
Product Description	:	Development, Construction and Marketing of Real Estate Projects for Commercial and Residential use

### For and on behalf of the Board

Sd/-  
**PRADEEP KUMAR JAIN**  
Chairman

Sd/-  
**SANJEEV KUMAR JAIN**  
Managing Director

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

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

Sd/-  
**SUNIL MALHOTRA**  
Chief Financial officer

Sd/-  
**R.N. MALOO**  
Sr. Vice President-Finance

New Delhi  
29 April, 2010



# AUDITOR'S REPORT ON CONSOLIDATED FINANCIAL STATEMENTS

## TO THE BOARD OF DIRECTORS OF PARSVNATH DEVELOPERS LIMITED

1. We have audited the attached Consolidated Balance Sheet of **Parsvnath Developers Limited** ("the Company"), its subsidiaries and jointly controlled entities (The Company, its subsidiaries and jointly controlled entities constitute "the Group") as at 31 March, 2010, the Consolidated Profit and Loss Account and the Consolidated Cash Flow Statement of the Group for the year ended on that date, both annexed thereto. The Consolidated Financial Statements include investments in associates accounted on the equity method in accordance with Accounting Standard 23 (Accounting for Investment in Associates in Consolidated Financial Statements) and the jointly controlled entities accounted in accordance with Accounting Standard 27 (Financial Reporting of Interests in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006. These financial statements are the responsibility of the Company's Management and have been prepared by the Management on the basis of separate financial statements and other financial information regarding components. Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit.
2. We conducted our audit in accordance with auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatements. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by Management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.
3. We did not audit the financial statements of a subsidiary and a joint venture, whose financial statements reflect total assets of Rs. 113.84 lacs, as at 31 March, 2010, total revenues of Rs. Nil and net cash inflows amounting to Rs. 1.14 lacs for the year ended on that date as considered in the Consolidated Financial Statements. We also did not audit the financial statements of

three Associates which reflects Company's share of profit in Associates aggregating to Rs. 1.62 lacs (Net). These financial statements have been audited by other auditors whose reports have been furnished to us and our opinion, in so far as it relates to the amounts included in respect of these Subsidiary, Joint Ventures and Associates, is based solely on the report of other auditors.

4. We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard 21 (Consolidated Financial Statements), Accounting Standard 23 (Accounting for Investments in Associates in Consolidated Financial Statements) and Accounting Standard 27 (Financial Reporting of Interest in Joint Ventures) as notified under the Companies (Accounting Standards) Rules, 2006.
5. Based on our audit and on the consideration of separate audit reports on individual financial statements of the Company and the aforesaid subsidiaries and joint ventures and associates, and to the best of our information and explanations given to us, in our opinion, the Consolidated Financial Statements give a true and fair view in conformity with the accounting principles generally accepted in India:
  - i. in the case of the Consolidated Balance Sheet, of the state of affairs of the Group as at 31 March, 2010;
  - ii. in the case of the Consolidated Profit and Loss Account, of the profit of the Group for the year ended on that date; and
  - iii. in the case of the Consolidated Cash Flow Statement, of the cash flows of the Group for the year ended on that date.

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

New Delhi  
29 April, 2010

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

# CONSOLIDATED BALANCE SHEET AS AT 31 MARCH, 2010

		Rs. in lacs	
	Schedule	As at 31.03.2010	As at 31.03.2009
<b>SOURCES OF FUNDS</b>			
<b>1. SHAREHOLDERS' FUNDS</b>			
a. Share capital	A	19,855.25	18,469.62
b. Reserves & Surplus	B	2,09,357.69	1,81,800.43
		2,29,212.94	2,00,270.05
<b>2. SHARE APPLICATION MONEY</b>		200.00	200.00
<b>3. MINORITY INTEREST</b>		3,086.02	131.84
<b>4. LOAN FUNDS</b>			
a. Secured loans	C	1,31,293.69	1,90,736.65
b. Unsecured loans	D	39,686.68	2,366.92
		1,70,980.37	1,93,103.57
		<b>4,03,479.33</b>	<b>3,93,705.46</b>
<b>APPLICATION OF FUNDS</b>			
<b>5. FIXED ASSETS</b>			
a. Gross Block	E	20,260.69	20,217.82
b. Less: Depreciation		9,438.31	7,354.32
c. Net Block		10,822.38	12,863.50
d. Capital work-in-progress		32,552.26	22,361.77
e. Pre-operative expenditure (See Note 10)		1,117.54	553.00
		44,492.18	35,778.27
<b>6. GOODWILL ON CONSOLIDATION</b>		4,259.99	-
<b>7. INVESTMENTS</b>	F	2,892.44	2,955.52
<b>8. DEFERRED TAX ASSETS (See Note 20)</b>		461.39	485.90
<b>9. CURRENT ASSETS, LOANS &amp; ADVANCES</b>			
a. Inventories	G	2,51,362.73	2,45,742.46
b. Sundry debtors	H	1,40,564.45	1,14,659.71
c. Cash and bank balances	I	20,471.31	27,095.87
d. Loans and advances	J	65,103.26	70,611.90
		4,77,501.75	4,58,109.94
<b>10. LESS: CURRENT LIABILITIES &amp; PROVISIONS</b>			
a. Liabilities	K	1,20,519.99	1,00,708.87
b. Provisions	L	5,608.43	2,915.30
		1,26,128.42	1,03,624.17
<b>11. NET CURRENT ASSETS</b>		3,51,373.33	3,54,485.77
<b>12. MISCELLANEOUS EXPENDITURE</b> (to the extent not written off or adjusted)	M	-	-
		<b>4,03,479.33</b>	<b>3,93,705.46</b>
Notes forming part of the accounts	T		

The above schedules form an integral part of the Balance Sheet

In terms of our report attached

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants

Sd/-  
**JITENDRA AGARWAL**  
Partner

New Delhi  
29 April, 2010

For and on behalf of the Board

Sd/-  
**PRADEEP KUMAR JAIN**  
Chairman

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

Sd/-  
**SANJEEV KUMAR JAIN**  
Managing Director

Sd/-  
**SUNIL MALHOTRA**  
Chief Financial officer

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

Sd/-  
**R.N. MALOO**  
Sr. Vice President-Finance

# CONSOLIDATED PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31 MARCH, 2010

		Rs. in lacs	
	Schedule	Year ended 31.03.2010	Year ended 31.03.2009
<b>1. INCOME</b>			
a. Income from operations	N	94,073.50	69,839.79
b. Other income	O	4,744.70	3,081.37
		<u>98,818.20</u>	<u>72,921.16</u>
<b>2. EXPENDITURE</b>			
a. Cost of construction/development/Sales	P	61,726.78	39,981.84
b. Personnel costs	Q	3,171.94	4,286.78
c. Selling, administrative and other expenses	R	4,126.25	4,805.49
d. Finance expenses	S	8,025.49	7,340.26
e. Depreciation	E	2,148.67	2,812.22
		<u>79,199.13</u>	<u>59,226.59</u>
<b>3. PROFIT BEFORE TAX</b>		<b>19,619.07</b>	<b>13,694.57</b>
<b>4. PROVISION FOR TAXES</b>			
a. Current tax		7,900.96	2,851.73
b. Tax adjustment for earlier years (See Note 23)		(2,334.47)	(106.06)
c. Deferred tax (See Note 20)		24.51	(391.05)
d. Fringe benefit tax		-	58.28
e. Minimum Alternate Tax Credit		(33.00)	-
		<u>14,061.07</u>	<u>11,281.67</u>
<b>5. PROFIT AFTER TAX</b>		<b>14,061.07</b>	<b>11,281.67</b>
6. Less/(Add): share of profit/(loss) transferred to minority interest		574.69	(8.93)
<b>7. PROFIT AFTER MINORITY INTEREST CARRIED TO BALANCE SHEET</b>		<b>13,486.38</b>	<b>11,290.60</b>
<b>EARNINGS PER EQUITY SHARE (In Rs.)</b>			
a. Basic & diluted earnings per share (See Note 19) (Face value Rs. 10 per equity share)		<u>7.05</u>	<u>6.11</u>
Notes forming part of the accounts	T		

The above schedules form an integral part of the profit and loss account

In terms of our report attached

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants

Sd/-  
**JITENDRA AGARWAL**  
Partner

New Delhi  
29 April, 2010

For and on behalf of the Board

Sd/-  
**PRADEEP KUMAR JAIN**  
Chairman

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

Sd/-  
**SANJEEV KUMAR JAIN**  
Managing Director

Sd/-  
**SUNIL MALHOTRA**  
Chief Financial officer

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

Sd/-  
**R.N. MALOO**  
Sr. Vice President-Finance

# CONSOLIDATED CASH FLOW STATEMENT FOR THE YEAR ENDED 31 MARCH, 2010

Rs. in lacs

	Year ended 31.03.2010	Year ended 31.03.2009
<b>1. CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net profit before tax	19,619.07	13,694.57
Adjustments for :		
Depreciation	2,148.67	2,812.22
(Profit)/Loss on sale of Fixed Assets	(211.92)	(56.42)
Profit on sale of Investments	(2,483.98)	-
Interest expense	25,097.39	26,371.66
Preliminary expenses written off	-	1.04
Provision for retirement benefits	22.54	(153.42)
Interest Income on deposits	(1,119.02)	(1,858.25)
Profit adjusted on conversion of Subsidiary into Joint Venture	0.20	-
Share of Loss/(profit) in Associates	64.12	36.85
Operating profit before working capital changes	43,137.07	40,848.25
Adjustments for :		
(Increase)/Decrease in Sundry Debtors	(25,904.74)	13,479.26
(Increase)/Decrease in Loans and Advances	5,340.89	3,997.65
(Increase)/Decrease in Inventories	(5,620.27)	(19,634.45)
Increase/(Decrease) in Current Liabilities	19,388.83	(15,530.94)
Cash generated from/(used in) operations	36,341.78	23,159.77
Direct taxes paid/deducted at source	(2,862.90)	(5,004.99)
<b>Net cash from/(used in) operating activities</b>	<b>33,478.88</b>	<b>18,154.78</b>
<b>2. CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of fixed assets (Including Capital Work-in-progress and Incidental expenditure)	(11,164.42)	(12,167.39)
Sale of fixed assets	513.76	120.07
Investments made	(17.05)	(1,550.00)
Sale of Investments	2,500.00	-
Investment in Joint Venture	(4,259.99)	-
Investment in subsidiaries (Net)	-	(0.74)
Interest received on deposits	1,286.75	2,031.43
Preliminary Expenses incurred	-	(0.87)
<b>Net cash from/(used in) investing activities</b>	<b>(11,140.95)</b>	<b>(11,567.50)</b>
<b>3. CASH FLOW FROM FINANCING ACTIVITIES</b>		
Issue of share capital	1,385.63	-
Share Premium received	15,415.10	-
Share application money received	-	199.94
Dividend paid (including corporate dividend tax)	-	(6,482.56)
Interest paid	(25,082.88)	(24,228.41)
Contribution by Minority in share Capital	72.20	-
Contribution by Minority in share premium	1,365.54	-
Share issue expenses	(402.66)	-
Increase/(Decrease) in secured debentures	(250.00)	(15,000.00)
Increase/(Decrease) in secured term loans	(50,969.64)	41,273.84
Increase/(Decrease) in working capital loans	(6,538.80)	(9,981.59)
Increase/(Decrease) in vehicle/machinery loans	(952.39)	(131.46)
Increase/(Decrease) in unsecured loans	36,995.41	(7,426.60)
<b>Net cash from/(used in) financing activities</b>	<b>(28,962.49)</b>	<b>(21,776.84)</b>
<b>4. Net increase/(decrease) in cash and cash equivalents</b>	<b>(6,624.56)</b>	<b>(15,189.56)</b>
<b>5. Cash and cash equivalents as at the beginning of the year</b>	<b>27,095.87</b>	<b>42,284.44</b>
<b>6. Cash and cash equivalents of subsidiaries acquired</b>	<b>-</b>	<b>0.99</b>
<b>7. Cash and cash equivalents as at the end of the year</b>	<b>20,471.31</b>	<b>27,095.87</b>

Notes:

- The Cash Flow statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard-3 on Cash Flow Statement.
- Cash and cash equivalents include fixed deposits under lien with banks Rs. 18,706.29 lacs (previous year Rs. 21,986.62 lacs)

In terms of our report attached

For **DELOITTE HASKINS & SELLS**  
Chartered Accountants

Sd/-  
**JITENDRA AGARWAL**  
Partner

New Delhi  
29 April, 2010

For and on behalf of the Board

Sd/-  
**PRADEEP KUMAR JAIN**  
Chairman

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

Sd/-  
**SANJEEV KUMAR JAIN**  
Managing Director

Sd/-  
**SUNIL MALHOTRA**  
Chief Financial officer

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

Sd/-  
**R.N. MALOO**  
Sr. Vice President-Finance



# SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

	Rs. in lacs	
	As at 31.03.2010	As at 31.03.2009
<b>SCHEDULE A - SHARE CAPITAL</b>		
<b>AUTHORISED</b>		
30,00,00,000 (Previous year 30,00,00,000) Equity shares of Rs. 10 each	30,000.00	30,000.00
5,00,00,000 (Previous year Nil) Preference Shares of Rs. 10 each	5,000.00	-
	<b>35,000.00</b>	<b>30,000.00</b>
<b>ISSUED, SUBSCRIBED AND PAID UP</b>		
19,85,52,472 (Previous year 18,46,96,200) Equity Shares of Rs. 10/- each, fully paid-up (See Note 9)	<b>19,855.25</b>	<b>18,469.62</b>
Of the above:		
- 1,89,000 (Previous year 1,89,000) Equity Shares are allotted for consideration other than cash		
- 14,69,96,600 (Previous year 14,69,96,600) Equity Shares are allotted as fully paid-up bonus shares by capitalisation of accumulated profits		
<b>SCHEDULE B - RESERVES AND SURPLUS</b>		
<b>1. Capital Reserve on Consolidation</b>		
a. Balance brought forward	890.43	890.43
b. Less: Adjusted upon further acquisition of shares of a subsidiary	546.48	-
	<b>343.95</b>	<b>890.43</b>
<b>2. Share Premium</b>		
a. Balance brought forward	1,04,855.28	1,04,855.28
b. Add: received during the year (See Note 9)	15,415.10	-
c. Add: share in post acquisition reserve received from minority	1,065.13	-
d. Less: Share issue expenses	402.66	-
	<b>1,20,932.85</b>	<b>1,04,855.28</b>
<b>3. Debenture Redemption Reserve</b>		
a. Balance brought forward	5,000.00	20,000.00
b. Less: Transferred to Profit & Loss Account	250.00	15,000.00
	<b>4,750.00</b>	<b>5,000.00</b>
<b>4. Foreign Currency Translation Reserve</b>		
Exchange difference on Investments in overseas subsidiary company		
a. Balance brought forward	9.71	0.01
b. For the year	(0.02)	9.70
	<b>9.69</b>	<b>9.71</b>
<b>5. General Reserve</b>		
a. Balance brought forward	<b>7,960.00</b>	<b>7,960.00</b>
<b>6. Profit &amp; Loss Account</b>		
a. Balance brought forward	63,085.01	36,794.36
b. Add: Profit adjusted on conversion of Subsidiary into Joint Venture	0.20	-
c. Add: balance of subsidiaries acquired during the year	-	0.05
d. Less: Opening balance of accumulated profits transferred to Minority	1,460.39	-
e. Add: Transferred from Debenture Redemption Reserve	250.00	15,000.00
f. Add: Profit for the year	13,486.38	11,290.60
	<b>75,361.20</b>	<b>63,085.01</b>
	<b>2,09,357.69</b>	<b>1,81,800.43</b>

# SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

Rs. in lacs

	As at 31.03.2010	As at 31.03.2009
<b>SCHEDULE C - SECURED LOANS</b>		
<b>(See Note 6)</b>		
<b>1. From Scheduled banks</b>		
a. Term loans	56,478.16	87,942.97
b. Working capital loans	21,730.01	28,268.81
c. Vehicle/Machinery loans	434.67	1,387.06
d. Interest accrued and due	1,710.01	1,673.81
	<u>80,352.85</u>	<u>1,19,272.65</u>
<b>2. From Financial Institutions/Others</b>		
a. Term loans	45,711.57	65,216.40
b. Interest accrued and due	278.24	940.10
	<u>45,989.81</u>	<u>66,156.50</u>
<b>3. Debentures (See Note 8)</b>		
a. 12.2% Non-convertible Redeemable debentures	4,750.00	5,000.00
b. Interest accrued and due	201.03	307.50
	<u>4,951.03</u>	<u>5,307.50</u>
	<u><b>1,31,293.69</b></u>	<u><b>1,90,736.65</b></u>
<b>SCHEDULE D - UNSECURED LOANS</b>		
<b>(See Note 7)</b>		
<b>1. DEBENTURES</b>		
a. Fully Convertible Debentures (See Note 8)	8,802.83	-
<b>2. SHORT TERM</b>		
a. From Corporate Bodies	10,870.73	1,480.54
b. From Directors	11.17	878.04
c. From Others	669.26	-
d. Interest accrued and due	112.66	8.34
	<u>11,663.82</u>	<u>2,366.92</u>
<b>3. OTHERS</b>		
a. From Financial Institutions	13,000.00	-
b. From Corporate Bodies	6,000.00	-
c. Interest accrued and due	220.03	-
	<u>19,220.03</u>	<u>-</u>
	<u><b>39,686.68</b></u>	<u><b>2,366.92</b></u>

## SCHEDULE E - FIXED ASSETS

(See Note 2c & 2d)

Rs. in lacs

PARTICULARS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As at 01.04.2009	Additions	Deletions	As at 31.03.2010	Upto 01.04.2009	For the year	On Sale/ Adjustments	Upto 31.03.2010	As at 31.03.2010	As at 31.03.2009
Land & Building	2,384.19	53.51	306.87	2,130.83	319.70	95.82	38.43	377.09	1,753.74	2,064.49
Building on leasehold land	6,458.28	221.39	-	6,679.67	728.83	370.33	-	1,099.16	5,580.51	5,729.45
Plant & Machinery:										
- Construction Machinery	3,742.58	53.18	-	3,795.76	1,839.92	583.08	-	2,423.00	1,372.76	1,902.66
- Shuttering & Scaffolding	4,071.69	44.00	-	4,115.69	2,683.15	563.37	-	3,246.52	869.17	1,388.54
- Office Equipment	329.14	4.24	-	333.38	175.07	47.51	-	222.58	110.80	154.07
- Computers	432.27	3.73	-	436.00	319.26	70.00	-	389.26	46.74	113.01
Furniture & Fixture	1,359.43	26.04	-	1,385.47	682.34	209.10	-	891.44	494.03	677.09
Motor Vehicles	1,440.24	3.30	59.65	1,383.89	606.05	209.46	26.25	789.26	594.63	834.19
<b>Total</b>	<b>20,217.82</b>	<b>409.39</b>	<b>366.52</b>	<b>20,260.69</b>	<b>7,354.32</b>	<b>2,148.67</b>	<b>64.68</b>	<b>9,438.31</b>	<b>10,822.38</b>	<b>12,863.50</b>
Previous Year	16,544.58	3,762.97	89.73	20,217.82	4,568.18	2,812.22	26.08	7,354.32	12,863.50	11,976.40
Capital work-in-progress									32,552.26	22,361.77

Note:

Additions to fixed assets and capital work-in-progress includes Rs. 3,812.85 lacs (Previous year Rs. 3,628.97 lacs) on account of borrowing costs capitalised during the year in respect of qualifying assets as per AS-16 on 'Borrowing Costs'.

# SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

	Rs. in lacs	
	As at 31.03.2010	As at 31.03.2009
<b>SCHEDULE F - INVESTMENTS</b>		
<b>(See Note 2j)</b>		
<b>LONG TERM</b>		
<b>I TRADE</b>		
<b>1. PREFERENCE SHARES - UNQUOTED</b>		
a. Kanakia Design & Construction Private Limited 10,409 (Previous year Nil) Redeemable Non-Cumulative Preference Shares of Rs. 10/- each fully paid-up	1.04	-
<b>II NON TRADE</b>		
<b>1. EQUITY SHARES-UNQUOTED</b>		
a. Delhi Stock Exchange Limited 14,96,500 (Previous year 14,96,500) Equity Shares of Rs. 10 each fully paid-up	1,047.55	1,047.55
b. Jaipur Stock Exchange Limited 3,24,500 (Previous year 3,24,500) Equity Shares of Rs. 10 each fully paid-up	58.41	58.41
	1,105.96	1,105.96
<b>III INVESTMENTS IN ASSOCIATES (TRADE)</b>		
<b>1. EQUITY SHARES-UNQUOTED</b>		
a. Amazon India Limited 25,000 (Previous Year 25,000) Equity Shares of Rs. 10 each fully paid-up Add: Goodwill on consolidation Add: share in opening accumulated profits Add: Share in profit/(loss) of current year	2.50 210.00 39.81 0.01	2.50 210.00 41.73 (1.92)
	252.32	252.31
b. Home Life Real Estate Private Limited 7,75,000 (Previous Year 7,75,000) Equity Shares of Rs. 10 each fully paid-up Add: share in opening accumulated profits Add: Share in profit of current year	77.50 13.14 1.77	77.50 3.08 10.06
	92.41	90.64
c. Vardaan Buildtech Private Limited 16,000 (Previous Year 16,000) Equity Shares of Rs. 10 each fully paid-up Add: share in opening accumulated profits Add: Share in profit/(loss) of current year	1.60 3.31 (0.16)	1.60 - 3.31
	4.75	4.91
d. Nanocity Haryana Infrastructure Limited 38,00,000 (Previous Year 38,00,000) Equity Shares of Rs. 10 each, amount paid up Rs. 3.73 per share Add: Goodwill on consolidation Add: Share in opening accumulated profits/(Losses) Add: Share in profit/(loss) of current year	141.74 1,408.26 (48.30) (65.74)	141.74 1,408.26 - (48.30)
	1,435.96	1,501.70
	1,785.44	1,849.56
	<b>2,892.44</b>	<b>2,955.52</b>
Book value of Unquoted Investments	2,892.44	2,955.52

# SCHEDULES FORMING PART OF THE CONSOLIDATED BALANCE SHEET

	Rs. in lacs	
	As at 31.03.2010	As at 31.03.2009
<b>SCHEDULE G - INVENTORY</b> (See Note 2i)		
1. Finished flats	5,578.70	2,896.24
2. Work-in-progress (Projects)	2,45,784.03	2,42,846.22
	<b>2,51,362.73</b>	<b>2,45,742.46</b>
<b>SCHEDULE H - SUNDRY DEBTORS</b> (Unsecured, considered good)		
1. Outstanding for more than six months	25,626.63	28,209.16
2. Others	28,192.80	5,895.83
	53,819.43	34,104.99
3. Unbilled revenue	86,745.02	80,554.72
	<b>1,40,564.45</b>	<b>1,14,659.71</b>
<b>SCHEDULE I - CASH AND BANK BALANCES</b>		
1. Cash in hand	118.97	70.30
2. Balance with scheduled banks:		
a. In Current accounts	1,144.65	5,038.95
b. In Deposit accounts (Includes under bank lien Rs. 18,706.29 lacs, Previous year Rs. 21,986.62 lacs)	19,207.69	21,986.62
	<b>20,471.31</b>	<b>27,095.87</b>
<b>SCHEDULE J - LOANS AND ADVANCES</b> (Unsecured, considered good)		
1. Security deposits	6,441.76	6,458.02
2. Advances recoverable in cash or in kind or for value to be received:		
a. Advance against land	31,101.59	38,024.50
b. Upfront fee paid for projects	18,378.23	19,119.44
c. Others	9,181.68	7,009.94
	<b>65,103.26</b>	<b>70,611.90</b>
<b>SCHEDULE K - CURRENT LIABILITIES</b>		
1. Sundry creditors	45,031.42	38,649.33
2. Sundry creditors (Land)	41,428.94	37,397.76
3. Advances from customers	23,677.62	17,902.13
4. Other liabilities	1,261.65	959.48
5. Interest accrued but not due	1,252.14	829.85
6. Book overdraft-Banks	607.67	349.35
7. Security deposits received	7,209.08	4,568.35
8. Unclaimed dividends	51.47	52.62
	<b>1,20,519.99</b>	<b>1,00,708.87</b>
<b>SCHEDULE L - PROVISIONS</b>		
1. Income tax (Net of advance tax of Rs. 31,231.90 lacs; Previous year Rs. 28,436.48 lacs)	5,223.26	2,552.67
2. Gratuity and leave encashment	385.17	362.63
	<b>5,608.43</b>	<b>2,915.30</b>
<b>SCHEDULE M - MISCELLANEOUS EXPENDITURE</b>		
<b>PRELIMINARY EXPENSES</b>		
1. Opening balance of subsidiaries acquired during the year	-	0.17
2. Add: Incurred during the year	-	0.87
3. Less: written off during the year	-	1.04
	-	-



# SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT

	Rs. in lacs	
	Year ended 31.03.2010	Year ended 31.03.2009
<b>SCHEDULE N - INCOME FROM OPERATIONS</b>		
1. Sale of flats/plots	74,173.06	63,186.16
2. Income from construction contracts	19,171.86	6,041.88
3. Licence income	709.77	611.75
4. Management Fees	18.81	-
	<b>94,073.50</b>	<b>69,839.79</b>
<b>SCHEDULE O - OTHER INCOME</b>		
1. Interest received on deposits	1,119.02	1,858.25
2. Interest from customers/others	273.08	492.27
3. Profit on sale of fixed assets	211.92	56.42
4. Profit on sale of Long-term trade Investment	2,483.98	-
5. Rent received	187.27	252.35
6. Miscellaneous income	469.43	422.08
	<b>4,744.70</b>	<b>3,081.37</b>
<b>SCHEDULE P - COST OF CONSTRUCTION/DEVELOPMENT/SALES</b>		
<b>A Construction Cost</b>		
1. Opening stock of work-in-progress	2,42,846.22	2,25,361.01
Less: Transferred to Capital Work in Progress/others	2,386.69	-
Less: Transferred to Incidental expenditure during construction period	252.06	-
Less: Project discontinued during the year	-	26,765.87
<b>Sub-total</b>	<b>2,40,207.47</b>	<b>1,98,595.14</b>
2. <u>Add: Costs incurred during the year</u>		
a. Land/development rights cost	23,019.54	33,963.17
b. Material consumed	13,043.64	20,501.70
c. Contract, labour and other charges	11,861.44	6,031.97
d. Salary, wages and bonus	1,099.85	1,748.24
e. Administrative and other expenses	3,481.65	4,778.34
f. Finance expenses	16,947.43	18,902.58
<b>Sub-total</b>	<b>69,453.55</b>	<b>85,926.00</b>
3. Less:		
a. Transferred to finished flats/plots	551.87	2,149.24
b. Closing stock of work-in-progress	2,45,784.03	2,42,846.22
<b>Sub-total</b>	<b>2,46,335.90</b>	<b>2,44,995.46</b>
4. Expenses on completed projects	532.25	456.16
5. <b>Total (1+2-3+4)</b>	<b>63,857.37</b>	<b>39,981.84</b>
<b>B. Decrease/(Increase) in Finished Flats</b>		
1. Opening stock of Finished Flats	2,896.24	747.00
2. Add: Transferred from Work In Progress	551.87	2,149.24
3. Less: Closing stock of Finished Flats	5,578.70	2,896.24
	(2,130.59)	-
	<b>61,726.78</b>	<b>39,981.84</b>

# SCHEDULES FORMING PART OF THE CONSOLIDATED PROFIT & LOSS ACCOUNT

	Rs. in lacs	
	Year ended 31.03.2010	Year ended 31.03.2009
<b>SCHEDULE Q - PERSONNEL COSTS</b>		
1. Salaries, wages and bonus	4,175.67	5,849.81
2. Contribution to provident and other funds	43.21	52.04
3. Staff welfare expenses	93.23	196.49
	4,312.11	6,098.34
Less: Transferred to cost of construction/development	1,099.85	1,748.24
Less: Transferred to Incidental expenditure during construction Period	40.32	63.32
	<b>3,171.94</b>	<b>4,286.78</b>
<b>SCHEDULE R - SELLING, ADMINISTRATIVE AND OTHER EXPENSES</b>		
1. Rent	690.72	908.92
2. Advertisement and publicity	691.76	1,939.54
3. Brokerage	1,003.63	975.89
4. Postage and telephone expenses	199.78	307.42
5. Printing and stationery	117.61	182.02
6. Traveling and conveyance	160.10	330.10
7. Vehicle running and maintenance	129.04	128.21
8. Rates & taxes	992.68	701.75
9. Repairs and maintenance		
- Building	82.90	114.73
- Machinery	75.34	100.65
- Others	524.70	690.83
10. Insurance	253.30	258.06
11. Power and fuel charges	1,067.69	1,330.61
12. Legal and professional charges (See Note 17)	1,447.51	1,456.25
13. Preliminary expenses written off	-	1.04
14. Rebate & discount	0.38	24.21
15. Wealth tax	6.89	6.25
16. Share of loss in Associates	64.12	36.85
17. Other expenses	247.44	287.63
	7,755.59	9,780.96
Less: Transferred to cost of construction/development	3,481.65	4,778.34
Less: Transferred to Incidental expenditure during construction Period	147.69	197.13
	<b>4,126.25</b>	<b>4,805.49</b>
<b>SCHEDULE S - FINANCE EXPENSES</b>		
1. Interest paid		
a. Debentures	1,567.72	1,218.83
b. Term loans	19,001.10	18,995.48
c. Working capital loans	1,993.84	3,133.14
d. Others	1,118.93	950.48
2. Finance charges	1,415.80	2,073.73
	25,097.39	26,371.66
Less: Transferred to cost of construction/development	16,947.43	18,902.58
Less: Transferred to Incidental expenditure during construction Period	124.47	128.82
	<b>8,025.49</b>	<b>7,340.26</b>

# SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

## SCHEDULE T - NOTES FORMING PART OF THE CONSOLIDATED ACCOUNTS

### 1. Principles of Consolidation

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

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

- g. As far as possible the Consolidated Financial Statements are prepared using uniform accounting policies for like transactions and other events in similar circumstances and are presented in the same manner as the Company's separate financial statements.
- h. The financial statements of the entities used for the purpose of consolidation are drawn up to the same reporting date as that of the Company i.e. year ended 31 March, 2010.

### 2. Significant Accounting Policies

#### a. Basis of Accounting

The financial statements are prepared under the historical cost convention on the accrual basis of accounting and in accordance with Generally Accepted Accounting Principles ('GAAP') in India and comply with Accounting Standards prescribed by the Companies (Accounting Standards) Rules, 2006 and in accordance with the provisions of the Companies Act, 1956.

#### b. Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting policies requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the reported accounts of revenues and expenses for the years presented. Actual results could differ from these estimates.

#### c. Fixed Assets

Fixed Assets are stated at cost of acquisition or construction less accumulated depreciation. Cost includes purchase price and all other attributable costs of bringing the assets to working condition for intended use. Financing costs relating to borrowed funds attributable to acquisition or construction of fixed assets, which takes substantial period of time to get ready for its intended use are also included, for the period till such asset is put to use.

#### d. Depreciation

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

# SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

Building	5.00%
Plant & Machinery (including Office Equipment)	30.00%
Shuttering & Scaffolding	40.00%
Furniture & Fixtures	30.00%
Motor Vehicles	25.89%
Computers	60.00%

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

## e. Capital Work In Progress

Capital work in progress includes advances given and expenditure incurred in connection with the purchase/construction of fixed assets and pending allocation to the fixed assets.

## f. Pre-operative expenditure pending allocation

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

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

## g. Revenue Recognition

- i. Revenue from projects is recognised on the 'Percentage of Completion Method' of accounting. Revenue is recognized, in relation to the sold areas only, on the basis of percentage of actual cost incurred thereon including land as against the total estimated cost of the project under execution subject to such actual costs being 30% or more of the total estimated cost. The estimates of saleable area and costs are revised periodically by the management. The effect of such changes to estimates is recognised in the period such changes are determined.
- ii. 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 profit and loss account of the year.

- iii. Income from license fee is recognised on accrual basis in accordance with the terms of agreement with the sub-licensee.
- iv. Interest income is recognised on accrual basis on a time proportion basis.
- v. Dividend income is recognised when the Company's right to receive dividend is established.

## h. Cost of Construction/Development

Cost of Construction/Development (including cost of land) incurred is charged to the profit and loss account proportionate to project area sold. Adjustments, if required, are made on completion of the respective projects.

## i. Inventories

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

- i. Completed unsold inventory is valued at lower of cost and net realisable value. Cost is determined by including cost of land, materials, services and other related overheads.
- ii. Work-in-progress is valued at lower of cost and net realisable value. Cost comprises cost of land (including development rights), materials, services and other overheads related to projects under construction.

## j. Investments

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

## k. Segment policies

The reporting segments are identified based on activities/products, risk and reward structure, organization structure and internal reporting systems.

## l. Foreign Currency Transactions

- i. Transactions in foreign currencies are recorded at the exchange rate prevailing on the date of the transactions. Monetary items denominated in



# SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

foreign currency and outstanding at the balance sheet date are translated at the exchange rate prevailing on the balance sheet date. Exchange differences on translation of monetary assets and liabilities and realised gains and losses on foreign currency transactions are recognised in the profit and loss account.

- ii. The financial statements of Foreign Subsidiaries in the nature of non integral foreign operations are incorporated in the consolidated financial statements. For the purpose of consolidation, Income and expense items are translated into the reporting currency at the average exchange rate during the year and assets and liabilities are translated at the closing exchange rate. The resulting exchange differences are transferred to Foreign Currency Translation Reserve.

## m. Taxation

Income tax comprises current tax, deferred tax and fringe benefit tax. Current tax and fringe benefit tax is the amount of tax payable as determined in accordance with the provisions of the Income Tax Act, 1961. Deferred tax assets and liabilities are recognized for the future tax consequences of timing differences, subject to the consideration of prudence. Deferred tax assets and liabilities are measured using the tax rates enacted or substantively enacted by the balance sheet date.

## n. Earnings per share

The earnings considered in ascertaining the EPS comprises the net profit after tax. The number of shares used in computing basic EPS is the weighted average number of shares outstanding during the period. The weighted diluted earnings per equity share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period.

## o. Provision for Retirement benefits

- i. The Company's contribution to Provident Fund is deposited with the Employees Provident Fund Organisation (EPFO). These are charged to the profit and loss account when the contribution to the fund is due.
- ii. In respect of the Company, liability for gratuity and balance of unavailed leave due to employees are provided on the basis of actuarial valuation carried out at the balance sheet date by an independent actuary using the Projected Unit Credit method.

- iii. In respect of subsidiary and Joint Venture Entities, liability for gratuity and leave encashment is provided on the basis of management estimate of the liability, based on period of service and last salary drawn, since the numbers of employees are very few.

## p. Borrowing cost

Borrowing costs that are directly attributable to the acquisition or construction of a qualifying asset are considered as part of the cost of that asset. Other borrowing costs are recognised as an expense in the year in which they are incurred.

## q. Provisions

Provision is recognised when an enterprise has a present obligation as a result of past events and it is probable that an outflow of resources will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on management estimates required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current management estimate.

## r. Impairment of assets

At each balance sheet date, the group reviews the carrying amounts of its fixed assets to determine whether there is any indication that those assets suffered impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of impairment loss. Recoverable amount is the higher of an asset's net selling price and value in use. In assessing value in use, the estimated future cash flows expected from the continuing use of the asset and from its disposal are discounted to their present value using a pre-discount rate that reflects the current market assessment of time value of money and the risks specific to the asset. The impairment loss as determined above is expensed off.

## s. Leases

Lease arrangements where the risk and rewards incident to ownership of an asset substantially vest with the lessor are recognised as operating lease. Lease rent under operating leases are charged to the profit & loss account on a straight line basis over the lease term.

Assets given under operating leases are included in fixed assets. Lease income is recognised in the profit & loss account on a straight line basis over the lease term. Costs, including depreciation are recognised as expense in the profit & loss account.

# SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

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

	Proportion of ownership interest	
	As at 31.03.2010	As at 31.03.2009
<b>Subsidiaries</b>		
a. Parsvnath Landmark Developers Private Limited	78.00%	100.00%
b. Parsvnath Infra Limited (See Note iii below)	94.87%	94.87%
c. Parsvnath Film City Limited	100.00 %	100.00 %
d. Parsvnath Telecom Private Limited	100.00 %	100.00 %
e. Parsvnath Hotels Limited	100.00 %	100.00 %
f. Parsvnath Retail Limited	100.00 %	100.00 %
g. PDL Assets Limited	100.00 %	100.00 %
h. Jarul Promoters & Developers Private Limited	100.00 %	100.00 %
i. Baasima Buildcon Private Limited	100.00 %	100.00 %
j. Parsvnath Developers (GMBT) Private Limited	100.00 %	100.00 %
k. Parsvnath Developers (SBBT) Private Limited	100.00 %	100.00 %
l. Parsvnath Developers Pte. Ltd. (See Note iv)	100.00 %	100.00 %
m. Primetime Realtors Private Limited	100.00 %	100.00 %
n. Hessa Realtors Private Limited (See Note v below)	N.A.	100.00%
<b>Step Down Subsidiary</b>		
a. Parsvnath Royal Orchid Hotels Limited (Subsidiary of Parsvnath Hotels Limited)	70.00 %	70.00 %
<b>Jointly Controlled Entities</b>		
a. Parsvnath Developers (AOP)	50.00%	50.00%
b. Ratan Parsvnath Developers (AOP)	50.00%	50.00%
c. Hessa Realtors Private Limited (See Note v below)	49.90%	N.A.
<b>Jointly Controlled Entities of Parsvnath Infra Limited, Subsidiary Company (Ownership interest of Parsvnath Infra Limited)</b>		
a. Parsvnath Biotech Private Limited	50.00%	50.00 %
b. Parsvnath Knowledge Park Private Limited	50.00%	50.00 %
c. Parsvnath Cyber City Private Limited	50.00%	50.00 %
d. Parsvnath MIDC Pharma SEZ Private Limited	50.00%	50.00 %
e. Palakkad Infrastructure Private Limited	33.33%	33.33%
f. Parsvnath Dehradun Info Park Private Limited	50.00%	50.00 %
g. Parsvnath Gurgaon Info Park Private Limited	50.00%	50.00 %
h. Parsvnath Indore Info Park Private Limited	50.00%	50.00 %
<b>Associate Companies</b>		
a. Amazon India Limited	48.30%	48.30 %
b. Home Life Real Estate Private Limited	50.00%	50.00 %
c. Vardaan Buildtech Private Limited	33.33%	33.33 %
d. Nanocity Haryana Infrastructure Limited	38.00%	38.00%

# SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

## Notes:

- All Subsidiary Companies, Jointly Controlled Entities and Associate Companies are incorporated in India except Parsvnath Developers Pte. Ltd., a wholly owned subsidiary company, which was incorporated in Singapore.
- Parsvnath Developers (AOP) and Ratan Parsvnath Developers (AOP), the jointly controlled entities, being unincorporated Joint Ventures, have been set up vide agreements entered into in India.
- Name of Parsvnath SEZ Limited has been changed to Parsvnath Infra Limited w.e.f. 31 March, 2010.
- The audited financial statements of Parsvnath Developers Pte. Ltd., incorporated in Singapore have been prepared in accordance with the Singapore Financial Reporting Standards. Differences with the accounting policies of Company are not material.
- Hessa Realtors Private Limited has ceased to be a subsidiary of the Company and has become a Jointly Controlled Entity with effect from 16 December, 2009.

## 4. Contingent liabilities

	(Rs. in lacs)	
	As at 31.03.10	As at 31.03.09
a. Claims against the Company not acknowledged as debt:		
i. Interest for delay in payment of land premium instalment/EDC	221.05	221.05
ii. Demand for payment of stamp duty	479.10	528.00
iii. Customer complaints pending in consumer courts	1,592.44	552.04
iv. Trade Tax Demand	701.91	3,941.61
v. Income Tax Demand	145.34	-
vi. Entry Tax Demand	36.10	274.60
vii. Others	557.15	265.41
b. Security/Performance Guarantees provided to various Government authorities	28,294.95	26,704.13

## 5. Capital commitments

	(Rs. in lacs)	
	As at 31.03.10	As at 31.03.09
Estimated amount of contracts remaining to be executed on capital account (net of advances) and not provided for	13,815.51	16,277.58

## 6. Secured Loans

- Term Loans of Rs. 93,411.12 lacs (previous year Rs. 1,43,347.45 lacs) are secured by way of equitable mortgage of the specific project land along with construction thereof, hypothecation of construction material, work in progress and receivables of the related projects and further secured by personal guarantee of Chairman, Managing Director and a Whole-time Director of the Company.
- Term Loans of Rs. 8,544.69 lacs (previous year Rs. 9,578.00 lacs) are secured by receivables of the related projects.
- Term Loans of Rs. 233.92 lacs (previous year Rs. 233.92 lacs) are secured against Keyman Policy taken by the Company.
- Working capital loans of Rs. 10,619.69 lacs (previous year Rs. 13,093.91 lacs) are secured by way of equitable mortgage of project land along with construction thereof and first pari passu charge on stock of construction and building materials, work in progress, finished flats and book receivables for various projects, except those specifically charged to other banks/financial institutions and further secured by personal guarantee of Chairman, Managing Director and Whole-time Director of the Company.
- Working Capital loans of Rs. 11,110.32 lacs (previous year Rs. 15,174.90 lacs) are secured by way of pledge of fixed deposit with banks.
- Vehicle/Equipment loans are secured by way of hypothecation of specific vehicle/equipments financed.
- Debentures of Rs. 4,750.00 lacs (previous year Rs. 5,000.00 lacs) are secured by way of mortgage of immoveable property at Ahmedabad and further secured by personal guarantee of the Chairman of the company.

## 7. Unsecured Loans

In respect of unsecured loans of Rs. 25,600.00 lacs, the promoters have pledged their shares held in the Company. Other Unsecured loans of Rs. 19,000.00 lacs have been personally guaranteed by the Chairman of the Company.

# SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

## 8. Debentures

Secured Debentures are redeemable at par in 15 instalments on various dates starting from 13 June, 2009 and ending on 30 September, 2010. Unsecured debentures are compulsorily convertible into equity shares.

## 9. Qualified Institutional Placement

- The Company has raised a sum of Rs. 16,800.73 lacs through Qualified Institutional Placement (QIP) and has issued and allotted 1,38,56,272 Equity Shares of Rs. 10 each at a premium of Rs. 111.25 per share to various Qualified Institutional Buyers on 7 October, 2009 in accordance with Chapter VIII of SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2009.
- These funds have been utilized for the purposes specified in Placement Document dated October 1, 2009 as follows: (Rs. in lacs)

Particulars	Amount
I Repayment of Loans	8,961.00
II Development of ongoing Projects	4,387.00
III General Corporate Purposes	3,452.73
<b>Total</b>	<b>16,800.73</b>

## 10. Pre-operative expenditure pending allocation

The subsidiary companies are setting up SEZ facilities and Hotels. Details of Net incidental expenditure during construction pending allocation are:

Particulars	(Rs. in lacs)	
	As at 31.03.10	As at 31.03.09
<b>A. Balance brought forward</b>	553.00	137.29
<b>B. Incurred during the year</b>		
i. Salaries, Wages and Bonus	40.32	63.31
ii. Contribution to provident and other funds	-	3.72
iii. Administrative and other expenses	137.02	26.12
iv. Conversion Charges	3.78	-
v. Legal and professional charges	6.89	193.76
vi. Interest expenses	124.47	128.80
Sub-total (B)	312.48	415.71
<b>C. Total (A+B)</b>	865.48	553.00
<b>Add (+)/Less (-) : Adjustments during the year</b>		
<b>D. Transferred from work-in-progress (C)</b>	252.06	-
<b>E. Balances carried forward (A+B+C+D)</b>	<b>1,117.54</b>	<b>553.00</b>

- Parsvnath Film City Limited (PFCL), a subsidiary of the Company, had given an advance of Rs. 4,775.00 lacs to 'Chandigarh Administration', being 25% of consideration amount for acquisition of leasehold rights in respect of land admeasuring 30 acres for development of a Multimedia-cum-Film City Complex. The Chandigarh Administration has not been able to deliver possession of the said land; the Company has therefore invoked the arbitration clause for seeking refund of money paid for acquisition of leasehold rights. Considering the facts and the discussion with Legal Counsel, the Management considers this advance as recoverable.

- The Company has entered into a Securities Subscription Agreement and Securityholders Agreement with its subsidiary Parsvnath Landmark Developers Private Limited (PLDPL) and two overseas Investment entities viz. Sterling Pathway and Banrod Investments Limited (Investors). Pursuant to the agreements, PLDPL made allotment of equity shares to the Investors. As a result, the Company's shareholding in PLDPL has gone down from 100% to 82%. The Company subsequently entered into a Share Purchase and Supplementary Security Holders Agreement, pursuant to which, the Company sold 1,60,101 Equity Shares to the Investors and simultaneously subscribed to an equal number of equity shares of PLDPL against the conversion of its unsecured loan of Rs. 2,500 lacs with PLDPL. This resulted in reduction of Company's shareholding in PLDPL to 78%.

- Pursuant to Investment Agreement dated 9 December, 2009 entered into by the Company with Hessa Realtors Private Limited (HRPL) and two Overseas Investors managed by SUN-Apollo, an international real estate private equity fund (Investors), the Company has transferred and assigned Development Rights in relation to a part of its ongoing project, namely, 'Exotica, Gurgaon' (land admeasuring 11.092 acres) situated at Sector 53, Golf Course Road, Gurgaon (the Project) to Hessa Realtors Private Limited, the joint venture company on terms and conditions contained therein. In lieu of the consideration of Rs. 9,000.00 lacs agreed in this regard, the Company has been allotted 9,00,000 Class 'C' Equity Shares of Rs. 10/- each (not carrying any voting rights) at a premium of Rs. 990/- per share. By virtue of change in capital structure pursuant to the Investment Agreement, HRPL ceased to be a subsidiary of the Company during the year.

Further, the Company has given the following undertakings to HRPL in respect of the implementation of the above Project –

- The Project will be completed within the completion schedule and construction cost shall not exceed the amount as set out in the agreement. In case of cost overruns, the Company shall contribute such excess amount to HRPL against allotment of class C equity shares in terms of Investment Agreement.

## SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

- b) Project Revenue shall be at least the amounts set out in the agreement. In case actual revenue is less than the amount specified in the agreement, the Company shall deposit the amount of shortfall.

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

Owing to various factors such as delay in handing over unencumbered land and consequential determination of start of development period, delay in approval of drawing etc. and various other issues, disputes have arisen between the Company and Chandigarh Housing Board (CHB). In accordance with advice received in this regard, the Company has chosen to invoke the arbitration clause in the Development Agreement. The arbitration proceedings have since commenced and are progressing as at Balance Sheet date. Pending continuation of these arbitration proceedings, no further treatment has been considered necessary in the books of accounts.

15. The Company has entered into an Investment and Security Holders Agreement on 25 March, 2010 with City Centre Monuments, Mauritius, Emtons Holding Limited, Cyprus (collectively the Investors), Parasnath And Associates Private Limited (Co-Promoter) and Mahanidhi Buildcon Private Limited (a special purpose vehicle "SPV") for assignment of development rights, on terms and conditions contained in the agreement, in respect of a plot of land, admeasuring 15,583.83 Sq. Mtrs situated at Bhai Veer Singh Marg, New Delhi, for which rights were assigned to the Company by Delhi Metro Rail Corporation (DMRC) vide letter dated 12 August, 2009. In consideration thereof, the Company shall receive a share in the available future cash flows from the project accruing to the SPV (after payment of prior charge to the investors), as stipulated in the aforesaid agreement.
16. Pursuant to a Share Subscription Agreement, a subsidiary company, Jarul Promoters & Developers Private Limited had received a sum of Rs. 200.00 lacs on account of share application money from two foreign entities under the automatic route of Reserve Bank of India (RBI) for development of a project in Mumbai. Due to delays in commencement of the project, investors have expressed their desire to exit from the project and therefore, the Company has decided to refund the Share Application Money to the investors and has accordingly applied to the Reserve Bank of India for its approval.

### 17. Auditors remuneration\*

Legal and professional charges include auditors' remuneration as follows:

	(Rs. in lacs)	
	Year ended 31.03.10	Year ended 31.03.09
Audit fees (Including fee for limited review)	68.62	66.87
Tax Audit fees	3.00	3.00
Certification and consultancy fees	-	2.20
Reimbursement of out-of-Pocket expenses	0.74	1.07
<b>Total</b>	<b>72.36</b>	<b>63.14</b>

\* Exclusive of Service Tax

18. In accordance with the Accounting Standard-7 on 'Construction Contracts', the break-up of the contracts in progress at the reporting date is as under:

	(Rs. in lacs)	
Particulars	As of 31.03.10	As of 31.03.09
1. Revenue recognised	17,164.17	6,857.27
2. Cost incurred	14,027.32	5,985.67
3. Advances received	1,439.56	1,993.64
4. Retentions	283.45	209.34
5. Amount due from customers	1,921.82	1,437.48

### 19. Earnings per share

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

	Year ended 31.03.10	Year ended 31.03.09
Net Profit (Rs. in lacs)	13,486.38	11,290.60
attributable to shareholders		
Weighted average number of equity shares outstanding during the year	<b>No.</b> 19,13,77,580	18,46,96,200
Basic and diluted earnings per share	<b>Rs.</b> 7.05	6.11
Nominal Value of equity shares	<b>Rs.</b> 10.00	10.00



# SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

## 20. Deferred Tax

- Deferred tax assets and liabilities are being offset as they relate to taxes on income levied by the same governing taxation laws.
- Break up of deferred tax assets/(liabilities) and current year deferred tax credit/(charge) is as follows:

(Rs. in lacs)

	Balance as on 31.03.09	Credited/ (Charged) to Profit & Loss Account	Balance as on 31.03.10
<b>Deferred Tax Assets/(Liabilities)</b>			
Tax impact of provision for employee benefits charged in the financial statements but allowable as deductions in future years under income tax	234.95	42.96	277.91
Tax impact of difference between carrying amount of fixed assets in the financial statements and the income tax return	250.95	(67.47)	183.48
<b>Total</b>	<b>485.90</b>	<b>(24.51)</b>	<b>461.39</b>

## 21. Lease commitments

The Company has entered into Concession Agreements with Delhi Metro Rail Corporation (DMRC) and has acquired the License Rights to develop properties and sub license it to the customers for a defined period of time. Of the license fees of Rs. 1,155.51 lacs (Previous Year Rs. 1,026.13 lacs) paid/payable by the Company during the year, Rs. 307.85 lacs (Previous year Rs. 397.99 lacs) has been charged to revenue and Rs. 847.66 lacs (Previous Year Rs. 628.14 lacs) has been deferred till the completion of construction. The total of future minimum license payments/charge is as follows:

(Rs. in lacs)

	Year ended 31.03.10	Year ended 31.03.09
a. Not later than one year	2,967.08	2,474.37
b. Later than one year but not later than five years	13,930.34	13,133.47
c. Later than five years	1,58,993.05	1,61,438.14
<b>Total</b>	<b>1,75,890.47</b>	<b>1,77,045.98</b>

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

## 22. Joint Venture

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

(Rs. in lacs)

	Year ended 31.03.10	Year ended 31.03.09
Assets	11,187.12	4,866.99
Liabilities	3,015.68	1,589.80
Income	344.32	(72.43)
Expenditure	288.58	(30.28)
Tax	17.96	0.22

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

- Tax adjustment for earlier period includes Income Tax Provision written back of Rs. 1,834.71 lacs (PDL), pursuant to amendment of Section 80IB (10) of the Income Tax Act, 1961 by the Finance (No.2) Act, 2009.

## 24. Employee Benefits

In accordance with the revised Accounting Standard-15 on "Employee Benefits", the requisite disclosures are as follows:

### a. Accounting policy for recognising actuarial gains and losses

Actuarial gain and losses arising from experience adjustment and effects of changes in actuarial assumptions are immediately recognised in the statement of Profit & Loss Account as income or expense.

### b. Defined Benefit Plans

#### i. Gratuity plan

The gratuity liability arises on retirement, withdrawal, resignation and death of an employee. The aforesaid liability is calculated on the basis of actuarial valuation as per the projected unit credit method.

#### ii. Long term compensated absences plan

The earned leave liability arises as and when services are performed by an employee. The aforesaid liability is calculated on the basis of actuarial valuation as per projected unit credit method.

### c. Disclosure as required under Accounting Standard-15 (Revised) in respect of Gratuity is as under:

#### i. Change in Defined Benefit Obligation

# SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

	(Rs. in lacs)	
	Year ended 31.03.10	Year ended 31.03.09
Liability at the beginning of the year	196.24	303.60
Interest cost	14.68	22.69
Current Service Cost	63.93	55.11
Benefits paid	(20.18)	(22.85)
Actuarial (gain)/loss on obligations	(27.23)	(162.31)
Liability at the end of the year	<b>227.44</b>	<b>196.24</b>

- ii. The fair value of plan assets is Nil since retirement benefit plans are wholly unfunded as on 31 March, 2010.

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

	(Rs. in lacs)	
	Year ended 31.03.10	Year ended 31.03.09
Present value of obligation at the end of the year	227.44	196.24
Amount recognised in Balance Sheet	<b>227.44</b>	<b>196.24</b>

iv. **Expenses recognized in the Profit & Loss Account**

	(Rs. in lacs)	
	Year ended 31.03.10	Year ended 31.03.09
Current service cost	63.93	55.11
Interest cost	14.68	22.69
Actuarial (gain)/loss	(27.23)	(162.31)
Expenses charged to the Profit & Loss Account	<b>51.38</b>	<b>(84.51)</b>

v. **Balance Sheet Reconciliation**

	(Rs. in lacs)	
	Year ended 31.03.10	Year ended 31.03.09
Opening Net Liability	196.24	303.60
Expense as above	51.38	(84.51)
Benefits paid	(20.18)	(22.85)
Amount Recognized in the balance sheet	<b>227.44</b>	<b>196.24</b>

vi. **Principal Actuarial Assumptions**

(a) **Economic Assumptions**

	Year ended 31.03.10	Year ended 31.03.09
	(%)	(%)
Discount rate	7.50	7.50
Future salary increases	4.00	4.00

(b) **Demographic Assumptions**

Retirement Age	60	60
Mortality Table	LIC (1994-1996)	
Ages	Withdrawal Rate (%)	Withdrawal Rate (%)
Upto 30 years	3.00	3.00
From 31 to 44 years	2.00	2.00
Above 44 years	1.00	1.00

The discount rate is based upon the market yields available in Government Bonds at the accounting date with a term that matches that of the liabilities.

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

25. **Segment information**

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

26. **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*

- Aadarshini Buildwell Private Limited
- Aahna Realtors Private Limited
- Aaron Real Estates Private Limited
- Adela Buildcon Private Limited
- Afra Infrastructure Private Limited
- Ajit Board Private Limited
- Amazon India Limited
- Amiya Properties Private Limited

# SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

- 
- Anjaney Developers Private Limited
  - Anshula Buildwell Private Limited (Name changed to P.M. Cinemas Private Limited w.e.f 22 April, 2010)
  - Arunachal Infrastructure Private Limited
  - Ashirwad Realtors Private Limited
  - Bae Buildwell Private Limited
  - Baidehi Infrastructure Private Limited
  - Balbina Real Estates Private Limited
  - Balwaan Buildwell Private Limited
  - Banita Buildcon Private Limited
  - Basundhra Properties Private Limited
  - Bliss Infrastructure Private Limited
  - Brinly Properties Private Limited
  - Charushila Buildwell Private Limited
  - Congenial Real Estates Private Limited
  - Coral Buildwell Private Limited
  - Crimson Infrastructure Private Limited
  - Cyanea Real Estate Private Limited
  - Dae Realtors Private Limited
  - Dai Real Estates Private Limited
  - Deborah Real Estate Private Limited
  - Deleena Developers Private Limited
  - Dhiren Real Estates Private Limited
  - Digant Realtors Private Limited
  - Dolphin Buildwell Private Limited
  - Elixir Infrastructure Private Limited
  - Enormity Buildcon Private Limited
  - Farhad Realtors Private Limited
  - Farhat Developers Private Limited
  - Gauranga Realtors Private Limited
  - Gauresh Buildwell Private Limited
  - Gazala Promoters & Developers Private Limited
  - Gem Buildwell Private Limited
  - Generous Buildwell Private Limited
  - Himsagar Infrastructure Private Limited
  - Homelife Real Estate Private Limited
  - Honey Builders Private Limited
  - Izna Realcon Private Limited
  - Jaguar Buildwell Private Limited
  - Janak Finance & Leasing Private Limited
  - Jodhpur Infrastructure Private Limited
  - K.B. Realtors Private Limited
  - Kalyani Pulp Private Limited
  - Laban Real Estates Private Limited
  - Label Real Estates Private Limited
  - Lakshya Realtors Private Limited.
  - Landmark Malls and Towers Private Limited
  - Landmark Township Planners Private Limited
  - LSD Realcon Private Limited
  - Luba Real Estate Private Limited
  - Madhukanta Real Estate Private Limited
  - Madhulekha Developers Private Limited
  - Magic Promoters Private Limited
  - Mahanidhi Buildcon Private Limited
  - Mirage Buildwell Private Limited
  - Momentous Developers Private Limited
  - Nanocity Haryana Infrastructure Limited
  - Navneet Realtors Private Limited
  - Neha Infracon (India) Private Limited
  - New Hind Enterprises Private Limited
  - Nilanchal Realtors Private Limited
  - Noida Marketing Private Limited
  - Oni Projects Private Limited
  - P.S. Realtors Private Limited
  - Paavan Buildcon Private Limited
  - Panchvati Buildwell Private Limited
  - Parasnath And Associates Private Limited
  - Parasnath Travels & Tours Private Limited
  - Parikrama Infrastructure Private Limited
  - Pearl Propmart Private Limited
  - Perpetual Infrastructure Private Limited
  - Pradeep Kumar Jain & Sons (HUF)
  - Prasidhi Developers Private Limited
  - Prastut Real Estate Private Limited
  - Prosperity Infrastructures Private Limited
  - Rangoli Buildcon Private Limited
  - Rangoli Infrastructure Private Limited
  - Sadgati Buildcon Private Limited
  - Samiksha Realtors Private Limited
  - Sapphire Buildtech Private Limited

# SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

- Scorpio Realtors Private Limited
- Sharmistha Realtors Private Limited
- Silverstreet Infrastructure Private Limited
- Snigdha Buildwell Private Limited
- Springdale Realtors Private Limited
- Stupendous Buildtech Private Limited
- Suksma Buildtech Private Limited
- Sumeru Developers Private Limited
- Sureshwar Properties Private Limited
- Timebound Contracts Private Limited
- Vardaan Buildtech Private Limited
- Vinu Promoters Private Limited
- Vital Buildwell Private Limited

## ii. Joint Ventures

### Joint Ventures of the Company

- Ratan Parsvnath Developers AOP
- Parsvnath Developers AOP
- Hessa Realtors Private Limited

### Joint Ventures of a subsidiary company

- Parsvnath MIDC Pharma SEZ Private Limited
- Parsvnath Knowledge Park Private Limited
- Parsvnath Cyber City Private Limited
- Parsvnath Biotech Private Limited
- Parsvnath Dehradun Info Park Private Limited
- Parsvnath Indore Info Park Private Limited
- Parsvnath Gurgaon Info Park Private Limited
- Palakkad Infrastructure Private Limited

## iii. Key Management Personnel

- Mr. Pradeep Kumar Jain, Chairman
- Mr. Sanjeev Kumar Jain, Managing Director
- Dr. Rajeev Jain, Whole-time Director
- Mr. G.R. Gogia, Whole-time Director

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

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

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

(Rs. in lacs)				
Transaction/Outstanding Balances	Entities under significant influence	Joint Venture Entities	Key Management Personnel and their relatives	Total
<b>I. Transactions during the year:</b>				
<b>Management Fee Received</b>				
Hessa Realtors Private Limited	- (-)	<b>18.81</b> (-)	- (-)	<b>18.81</b> (-)
<b>Rent received</b>				
Nanocity Haryana Infrastructure Limited	44.46 (22.23)	- (-)	- (-)	44.46 (22.23)
Basundhra Properties Private Limited	30.22 (-)	- (-)	- (-)	30.22 (-)
	<b>74.68</b> <b>(22.23)</b>	- (-)	- (-)	<b>74.68</b> <b>(22.23)</b>
<b>Sale of Development Rights</b>				
Roopak Infrastructure Private Limited	- (123.65)	- (-)	- (-)	- (123.65)
Hessa Realtors Private Limited	- (-)	4,509.00 (-)	- (-)	4,509.00 (-)
	<b>-</b> <b>(123.65)</b>	<b>4,509.00</b> (-)	- (-)	<b>4,509.00</b> <b>(123.65)</b>

# SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

(Rs. in lacs)

Transaction/Outstanding Balances	Entities under significant influence	Joint Venture Entities	Key Management Personnel and their relative	Total
<b>Sale of Flats/Plots</b>				
Parasnath And Associates Private Limited	-	-	-	-
	(3,273.49)	(-)	(-)	(3,273.49)
Amazon India Limited	-	-	-	-
	(59.64)	(-)	(-)	(59.64)
Associates and KMP each having less than 10% of transactions	-	-	-	-
	(58.53)	(-)	(70.46)	(128.99)
	-	-	-	-
	<b>(3,391.66)</b>	<b>(-)</b>	<b>(70.46)</b>	<b>(3,462.12)</b>
<b>Unsecured Loans Received</b>				
Pradeep Kumar Jain	-	-	78.00	78.00
	(-)	(-)	(4,313.61)	(4,313.61)
Nutan Jain	-	-	936.67	936.67
	(-)	(-)	(771.00)	(771.00)
Pradeep Kumar Jain & Sons (HUF)	500.00	-	-	500.00
	(1,750.00)	(-)	(-)	(1,750.00)
Parasnath And Associates Private Limited	1,837.80	-	-	1,837.80
	(150.00)	(-)	(-)	(150.00)
Basundhra Properties Private Limited	53.29	-	-	53.29
	(234.49)	(-)	(-)	(234.49)
	<b>2,391.09</b>	<b>-</b>	<b>1,014.67</b>	<b>3,405.76</b>
	<b>(2,134.49)</b>	<b>(-)</b>	<b>(5,084.61)</b>	<b>(7,219.10)</b>
<b>Unsecured Loans Repaid</b>				
Pradeep Kumar Jain	-	-	193.81	193.81
	(-)	(-)	(4,920.92)	(4,920.92)
Nutan Jain	-	-	1,065.36	1,065.36
	(-)	(-)	(107.17)	(107.17)
Pradeep Kumar Jain & Sons (HUF)	529.70	-	-	529.70
	(1,713.66)	(-)	(-)	(1,713.66)
Parasnath And Associates Private Limited	16.70	-	-	16.70
	(134.85)	(-)	(-)	(134.85)
Basundhra Properties Private Limited	114.58	-	-	114.58
	(-)	(-)	(-)	(-)
	<b>660.98</b>	<b>-</b>	<b>1,259.17</b>	<b>1,920.15</b>
	<b>(1,848.51)</b>	<b>(-)</b>	<b>(5,028.09)</b>	<b>(6,876.60)</b>
<b>Advance received back during the year</b>				
Hessa Realtors Private Limited	-	172.85	-	172.85
	(-)	(-)	(-)	(-)
Roopak Infrastructure Private Limited	-	-	-	-
	(333.21)	(-)	(-)	(333.21)



# SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

(Rs. in lacs)				
Transaction/Outstanding Balances	Entities under significant influence	Joint Venture Entities	Key Management Personnel and their relative	Total
Izna Realcon Private Limited	- (1,066.50)	- (-)	- (-)	- (1,066.50)
Parsvnath Developers AOP	- (-)	- (70.53)	- (-)	- (70.53)
Associates (each having less than 10% of transactions)	69.80 (909.29)	- (-)	- (-)	69.80 (909.29)
	<b>69.80</b> <b>(2,309.00)</b>	<b>172.85</b> <b>(70.53)</b>	<b>-</b> <b>(-)</b>	<b>242.65</b> <b>(2,379.53)</b>
<b>Creditors/Advances Repaid</b>				
Associates (each having less than 10% of transactions)	<b>9.39</b> (-)	- (-)	- (-)	<b>9.39</b> (-)
<b>Interest Paid</b>				
Basundhra Properties Private Limited	45.76 (32.23)	- (-)	- (-)	45.76 (32.23)
Parasnath And Associates Private Limited	15.52 (-)	- (-)	- (-)	15.52 (-)
Pradeep Kumar Jain	- (-)	- (-)	9.27 (124.81)	9.27 (124.81)
Pradeep Kumar Jain & Sons (HUF)	4.53 (40.98)	- (-)	- (-)	4.53 (40.98)
Nutan Jain	- (-)	- (-)	62.78 (43.48)	62.78 (43.48)
	<b>65.81</b> <b>(73.21)</b>	<b>-</b> <b>(-)</b>	<b>72.05</b> <b>(168.29)</b>	<b>137.86</b> <b>(241.50)</b>
<b>Rent Paid</b>				
Pradeep Kumar Jain	- (-)	- (-)	3.46 (3.46)	3.46 (3.46)
Nutan Jain	- (-)	- (-)	47.72 (66.84)	47.72 (66.84)
Pradeep Kumar Jain & Sons (HUF)	5.60 (-)	- (-)	- (-)	5.60 (-)
	<b>5.60</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>51.18</b> <b>(70.30)</b>	<b>56.78</b> <b>(70.30)</b>
<b>Maintenance Charges Paid</b>				
Basundhra Properties Private Limited	<b>31.18</b> <b>(20.00)</b>	- (-)	- (-)	<b>31.18</b> <b>(20.00)</b>
<b>Electricity Charges Paid</b>				
Basundhra Properties Private Limited	<b>53.35</b> (-)	- (-)	- (-)	<b>53.35</b> (-)

# SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

(Rs. in lacs)

Transaction/Outstanding Balances	Entities under significant influence	Joint Venture Entities	Key Management Personnel and their relative	Total
<b>Reimbursement of expenses</b>				
Parsvnath Developers AOP	-	-	-	-
	(-)	(1.39)	(-)	(1.39)
Hessa Realtors Private Limited	-	66.13	-	66.13
	(-)	(-)	(-)	(-)
Spearhead Realtors Private Limited	-	-	-	-
	(0.82)	(-)	(-)	(0.82)
Amazon India Limited	-	-	-	-
	(1.02)	(-)	(-)	(1.02)
Noida Marketing Private Limited	-	-	-	-
	(0.46)	(-)	(-)	(0.46)
	-	<b>66.13</b>	-	<b>66.13</b>
	<b>(2.30)</b>	<b>(1.39)</b>	<b>(-)</b>	<b>(3.69)</b>
<b>Purchase of Development Rights</b>				
Adela Buildcon Private Limited	510.38	-	-	510.38
	(-)	(-)	(-)	(-)
Parikrama Infrastructure Private Limited	-	-	-	-
	(3.38)	(-)	(-)	(3.38)
Prasidhi Developers Private Limited	-	-	-	-
	(4.26)	(-)	(-)	(4.26)
Prastut Real Estate Private Limited	-	-	-	-
	(4.46)	(-)	(-)	(4.46)
Charushila Buildwell Private Limited	608.70	-	-	608.70
	(-)	(-)	(-)	(-)
Springdale Realtors Private Limited	-	-	-	-
	(2.89)	(-)	(-)	(2.89)
Jaguar Buildwell Private Limited	-	-	-	-
	(1.29)	(-)	(-)	(1.29)
Vardaan Builtech Private Limited	-	-	-	-
	(4,923.42)	(-)	(-)	(4,923.42)
Symphony Realtors Private Limited	-	-	-	-
	(376.97)	(-)	(-)	(376.97)
Balbina Real Estates Private Limited	515.53	-	-	515.53
	(-)	(-)	(-)	(-)
Amazon India Limited	-	-	-	-
	(53.58)	(-)	(-)	(53.58)
Associates (each having less than 10% of transactions)	3,428.39	-	-	3,428.39
	(39.68)	(-)	(-)	(39.68)
	<b>5,063.00</b>	-	-	<b>5,063.00</b>
	<b>(5,409.93)</b>	<b>(-)</b>	<b>(-)</b>	<b>(5,409.93)</b>

# SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

(Rs. in lacs)				
Transaction/Outstanding Balances	Entities under significant influence	Joint Venture Entities	Key Management Personnel and their relative	Total
<b>Investments made in equity shares/Capital Contribution</b>				
Nanocity Haryana Infrastructure Limited	- (1,550.00)	- (-)	- (-)	- (1,550.00)
<b>Purchase of Investments/shares</b>				
Pradeep Kumar Jain	- (-)	- (-)	- (0.04)	- (0.04)
Sanjeev Kumar Jain	- (-)	- (-)	- (0.04)	- (0.04)
Nutan Jain	- (-)	- (-)	- (0.04)	- (0.04)
Parasnath And Associates Private Limited	- (1.04)	- (-)	- (-)	- (1.04)
New Hind Enterprises Private Limited	- (1.00)	- (-)	- (-)	- (1.00)
Rajeev Jain	- (-)	- (-)	- (0.04)	- (0.04)
	- (2.04)	- (-)	- (0.16)	- (2.20)
<b>Advance paid for purchase of land</b>				
Silverstreet Infrastructure Private Limited	171.25 (-)	- (-)	- (-)	171.25 (-)
Aahna Realtors Private Limited	334.50 (-)	- (-)	- (-)	334.50 (-)
Associates (each having less than 10% of transaction)	23.66 (4,736.36)	- (-)	- (-)	23.66 (4,736.36)
	529.41 (4,736.36)	- (-)	- (-)	529.41 (4,736.36)
<b>Refund of Security Deposit</b>				
Nutan Jain	- (-)	- (-)	32.41 (-)	32.41 (-)
<b>Security Deposit received</b>				
Hessa Realtors Private Limited	- (-)	1,002.00 (-)	- (-)	1,002.00 (-)
Basundhra Properties Private Limited	6.61 (-)	- (-)	- (-)	6.61 (-)
Nanocity Haryana Infrastructure Limited	- (44.46)	- (-)	- (-)	- (44.46)
	- (44.46)	1,002.00 (-)	- (-)	1,002.00 (44.46)

# SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

(Rs. in lacs)

Transaction/Outstanding Balances	Entities under significant influence	Joint Venture Entities	Key Management Personnel and their relative	Total
<b>Advances Given</b>				
Vardaan Builtech Private Limited	-	-	-	-
	(3,337.00)	(-)	(-)	(3,337.00)
Hessa Realtors Private Limited	-	172.85	-	172.85
	(-)	(-)	(-)	(-)
Anshula Buildwell Private Limited	-	-	-	-
	(128.00)	(-)	(-)	(128.00)
Associates (each having less than 10% of transactions)	-	-	-	-
	(30.64)	(-)	(-)	(30.64)
	-	172.85	-	172.85
	(3,495.64)	(-)	(-)	(3,495.64)
<b>Managerial remuneration</b>				
Pradeep Kumar Jain	-	-	360.00	360.00
	(-)	(-)	(500.00)	(500.00)
Sanjeev Kumar Jain	-	-	132.00	132.00
	(-)	(-)	(172.25)	(172.25)
Rajeev Jain	-	-	96.00	96.00
	(-)	(-)	(122.25)	(122.25)
G. R. Gogia	-	-	96.00	96.00
	(-)	(-)	(122.25)	(122.25)
	-	-	684.00	684.00
	(-)	(-)	(916.75)	(916.75)
<b>Share of profit/(loss) from Associates</b>				
Amazon India Limited	0.01	-	-	0.01
	(-1.92)	(-)	(-)	(-1.92)
Home Life Real Estate Private Limited	1.77	-	-	1.77
	(10.06)	(-)	(-)	(10.06)
Vardaan Buildtech Private Limited	-0.16	-	-	-0.16
	(3.31)	(-)	(-)	(3.31)
Nanocity Haryana Infrastructure Limited	-65.74	-	-	-65.74
	(-48.30)	(-)	(-)	(-48.30)
	-64.12	-	-	-64.12
	(-36.85)	(-)	(-)	(-36.85)
<b>II. Balances at year end</b>				
<b>Debtors outstanding</b>				
Hessa Realtors Private Limited	-	8.10	-	8.10
	(-)	(-)	(-)	(-)

# SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

(Rs. in lacs)				
Transaction/Outstanding Balances	Entities under significant influence	Joint Venture Entities	Key Management Personnel and their relative	Total
<b>Loans/advances</b>				
Associates (each having less than 10% of balance outstanding)	<b>23,563.51</b> <b>(29,843.52)</b>	- (-)	- (-)	<b>23,563.51</b> <b>(29,843.52)</b>
<b>Security Deposits</b>				
Nutan Jain	- (-)	- (-)	<b>27.57</b> <b>(59.98)</b>	<b>27.57</b> <b>(59.98)</b>
<b>Creditors/Advances received</b>				
Home Life Real Estate Private Limited	94.50 (-)	- (-)	- (-)	94.50 (-)
Timebound Contracts Private Limited	138.44 (138.44)	- (-)	- (-)	138.44 (138.44)
Associates (each having less than 10% of balance outstanding)	12.82 (384.98)	- (-)	- (-)	12.82 (384.98)
	<b>245.76</b> <b>(523.42)</b>	- (-)	- (-)	<b>245.76</b> <b>(523.42)</b>
<b>Advance from Customers</b>				
Parasnath And Associates Private Limited	1,030.02 (704.49)	- (-)	- (-)	1,030.02 (704.49)
Associates (each having less than 10% of balance outstanding)	28.97 (31.32)	- (-)	- (-)	28.97 (31.32)
	<b>1,058.99</b> <b>(735.81)</b>	- (-)	- (-)	<b>1,058.99</b> <b>(735.81)</b>
<b>Unsecured Loans</b>				
Pradeep Kumar Jain	- (-)	- (-)	- (106.54)	- (106.54)
Nutan Jain	- (-)	- (-)	669.26 (735.16)	669.26 (735.16)
Pradeep Kumar Jain & Sons (HUF)	11.17 (36.34)	- (-)	- (-)	11.17 (36.34)
Parasnath And Associates Private Limited	1,851.77 (15.15)	- (-)	- (-)	1,851.77 (15.15)
Basundhra Properties Private Limited	218.96 (234.49)	- (-)	- (-)	218.96 (234.49)
	<b>2,081.90</b> <b>(285.98)</b>	- (-)	<b>669.26</b> <b>(841.70)</b>	<b>2,751.16</b> <b>(1,127.68)</b>
<b>Security Deposit Received</b>				
Nanocity Haryana Infrastructure Limited	44.46 (44.46)	- (-)	- (-)	44.46 (44.46)



# SCHEDULES FORMING PART OF THE CONSOLIDATED ACCOUNTS

(Rs. in lacs)

Transaction/Outstanding Balances	Entities under significant influence	Joint Venture Entities	Key Management Personnel and their relative	Total
Hessa Realtors Private Limited	- (-)	1,002.00 (-)	- (-)	1,002.00 (-)
Basundhra Properties Private Limited	6.61 (-)	- (-)	- (-)	6.61 (-)
	<b>51.07</b> <b>(44.46)</b>	<b>1,002.00</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>1,053.07</b> <b>(44.46)</b>
<b>Investments held</b>				
Amazon India Limited	252.32 (252.31)	- (-)	- (-)	252.32 (252.31)
Home Life Real Estate Private Limited	92.41 (90.64)	- (-)	- (-)	92.41 (90.64)
Vardaan Buildtech Private Limited	4.75 (4.91)	- (-)	- (-)	4.75 (4.91)
Nanocity Haryana Infrastructure Limited	1,435.96 (1,501.70)	- (-)	- (-)	1,435.96 (1,501.70)
	<b>1,785.44</b> <b>(1,849.56)</b>	<b>-</b> <b>(-)</b>	<b>-</b> <b>(-)</b>	<b>1,785.44</b> <b>(1,849.56)</b>

Figures in brackets indicate balances of the previous year.

27. Figures relating to Subsidiaries and Joint Ventures have been regrouped/reclassified wherever considered necessary to bring them in line with the Company's financial statements.
28. Previous year's figures have been regrouped where necessary to conform to current year's presentation.

## For and on behalf of the Board

Sd/-  
**PRADEEP KUMAR JAIN**  
Chairman

Sd/-  
**SANJEEV KUMAR JAIN**  
Managing Director

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

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

Sd/-  
**SUNIL MALHOTRA**  
Chief Financial officer

Sd/-  
**R.N. MALOO**  
Sr. Vice President-Finance

New Delhi  
29 April, 2010

### Statement pursuant to Section 212 of the Companies Act, 1956 relating to subsidiary companies as on March 31, 2010

Sr. No.	Name of the Subsidiary Company	Financial year of the Subsidiary ended on	Shares of subsidiary company held by the Company directly or through its nominees on March 31, 2010			Net aggregate amount of profit/(loss) of the subsidiary for the financial year of the subsidiary so far as they concern members of the Company.			Net aggregate amount of profits/(losses) for previous financial years of the subsidiary, since it became a subsidiary so far as they concern members of the Company.			Amount in Rs.(lacs)
			Number and face value		Extent of holding (%)	Dealt with in the accounts of the Company for the year ended March 31, 2010	Not dealt with in the accounts of the Company for the year ended March 31, 2010	Dealt with in the accounts of the Company for the year ended March 31, 2009	Not Dealt with in the accounts of the Company for the year ended March 31, 2009			
			Number of Shares	Face Value of each Share								
1	Parsvnath Infra Ltd.	31.03.2010	2,60,49,400	Rs. 10/-	94.87%	Nil	187.58	Nil	(152.98)			
2	Parsvnath Film City Ltd.	31.03.2010	50,000	Rs. 10/-	100.00%	Nil	(2.65)	Nil	(35.86)			
3	Parsvnath Landmark Developers Pvt. Ltd.	31.03.2010	25,60,000	Rs. 10/-	78.00%	Nil	2,693.12	Nil	272.47			
4	Parsvnath Telecom Pvt. Ltd.	31.03.2010	10,10,000	Rs. 10/-	100.00%	Nil	(0.30)	Nil	(0.34)			
5	Parsvnath Hotels Ltd.	31.03.2010	45,00,000	Rs. 10/-	100.00%	Nil	(10.91)	Nil	(7.17)			
6	Parsvnath Developers Pte. Ltd. (Refer note 1)	31.03.2010	4,41,920	SGD 1/-	100.00%	Nil	(11.00)	Nil	(31.04)			
7	Parsvnath Retail Ltd.	31.03.2010	50,000	Rs. 10/-	100.00%	Nil	(1.23)	Nil	(1.59)			
8	PDL Assets Ltd.	31.03.2010	50,000	Rs. 10/-	100.00%	Nil	(0.32)	Nil	(0.34)			
9	Jarul Promoters & Developers Pvt. Ltd.	31.03.2010	1,00,000	Rs. 10/-	100.00%	Nil	(0.32)	Nil	(0.98)			
10	Baasima Buildcon Pvt. Ltd.	31.03.2010	10,000	Rs. 10/-	100.00%	Nil	(0.32)	Nil	(0.47)			
11	Parsvnath Developers (GMBT) Pvt. Ltd.	31.03.2010	10,000	Rs. 10/-	100.00%	Nil	(0.30)	Nil	(0.32)			
12	Parsvnath Developers (SBBT) Pvt. Ltd.	31.03.2010	10,000	Rs. 10/-	100.00%	Nil	(0.30)	Nil	(0.32)			
13	Primetime Realtors Pvt. Ltd.	31.03.2010	10,000	Rs. 10/-	100.00%	Nil	(0.50)	Nil	3.87			
14	Parsvnath Royal Orchid Hotels Ltd. (Refer note 2)	31.03.2010	-	Rs. 10/-	-	Nil	(0.21)	Nil	(0.25)			

#### Notes :

- Overseas subsidiary, incorporated in Singapore (Exchange Rate as on 31.03.2010 : 1 SGD = Rs. 32.1979)
- Subsidiary in terms of Section 4(1)(c) of the Companies Act, 1956, since 70% of the equity capital is held by Parsvnath Hotels Limited, a subsidiary of Parsvnath Developers Limited.

#### For and on behalf of the Board

Sd/-  
**PRADEEP KUMAR JAIN**  
 Chairman

Sd/-  
**SANJEEV KUMAR JAIN**  
 Managing Director

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

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

Sd/-  
**SUNIL MALHOTRA**  
 Chief Financial officer

Sd/-  
**R.N. MALOO**  
 Sr. Vice President-Finance

New Delhi  
 29 April, 2010

### Summarised Financial Statement of Subsidiary Companies as on & for the financial year ended on March 31, 2010

Sr. No.	Name of the Subsidiary Company	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 Laibilities)	Investments (other than investment in subsidiaries)	Turnover	Profit/(Loss) before taxation	Provision for taxation	Profit/(Loss) after taxation	Proposed Dividend
1	Parsvnath Infra Ltd.	2,745.77	3,843.34	10,908.07	4,318.96	-	2,082.61	195.48	(2.24)	197.72	-
2	Parsvnath Film City Ltd.	5.00	(73.61)	4,775.50	4,844.11	-	-	(2.65)	-	(2.65)	-
3	Parsvnath Landmark Developers Pvt. Ltd.	328.21	13,056.34	30,838.42	17,453.88	-	21,696.98	5,501.87	2,049.15	3,452.72	-
4	Parsvnath Telecom Private Ltd.	101.00	(101.82)	0.34	1.16	-	-	(0.30)	-	(0.30)	-
5	Parsvnath Hotels Ltd.	450.00	(22.37)	1,430.88	1,003.25	-	-	(10.91)	-	(10.91)	-
6	Parsvnath Developers Pte. Ltd. (Refer Note 2)	140.27	(33.15)	113.55	6.43	-	0.09	(11.00)	-	(11.00)	-
7	Parsvnath Retail Ltd.	5.00	(4.94)	0.33	0.28	-	-	(1.23)	-	(1.23)	-
8	PDL Assets Ltd.	5.00	(5.39)	0.29	0.68	-	-	(0.32)	-	(0.32)	-
9	Jarul Promoters & Developers Pvt. Ltd.	10.00	(2.00)	208.27	200.28	-	0.22	(0.32)	-	(0.32)	-
10	Baasima Buildcon Pvt. Ltd.	1.00	(1.21)	0.07	0.28	-	-	(0.32)	-	(0.32)	-
11	Parsvnath Developers (GMBT) Pvt. Ltd.	1.00	(1.04)	1.74	1.78	-	-	(0.30)	-	(0.30)	-
12	Parsvnath Developers (SBBT) Pvt. Ltd.	1.00	(1.04)	1.74	1.78	-	-	(0.30)	-	(0.30)	-
13	Primetime Realtors Pvt. Ltd.	1.00	3.40	5,354.67	5,350.28	-	-	(0.31)	0.19	(0.50)	-
14	Parsvnath Royal Orchid Hotels Ltd. (Refer note 3)	5.00	(1.20)	4.08	0.28	-	-	(0.30)	-	(0.30)	-

#### Notes:

- The Annual Accounts of the subsidiary companies and the related detailed information will be made available to the members of the holding and subsidiary companies seeking such information at any point of time. The annual accounts of the subsidiary companies will also be kept open for inspection by an investor in its registered office and that of the respective subsidiary companies between 11 a.m. and 1 p.m. on all working days.
- Overseas subsidiary incorporated in Singapore (Exchange Rate as on 31.03.2010 : 1 SGD = Rs. 32.1979)
- Subsidiary in terms of Section 4(1)(c) of the Companies Act, 1956, since 70% of the equity capital is held by Parsvnath Hotels Limited, a subsidiary of Parsvnath Developers Limited.

#### For and on behalf of the Board

Sd/-  
**PRADEEP KUMAR JAIN**  
 Chairman

Sd/-  
**SANJEEV KUMAR JAIN**  
 Managing Director

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

New Delhi  
 29 April, 2010

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

Sd/-  
**SUNIL MALHOTRA**  
 Chief Financial officer

Sd/-  
**R.N. MALOO**  
 Sr. Vice President-Finance



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

**Regd. Office :** Parsvnath Metro Tower, Near Shahdara Metro Station, Shahdara, Delhi - 110032  
Ph. : +91-11-43050100, 43010500 Fax: +91-11-43050473

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