PUREARTH

# TWENTY NINETH ANNUAL REPORT 2021 - 22

## PUREARTH INFRASTRUCTURE LIMITED

**PUREARTH INFRASTRUCTURE LIMITED**
**(U45202DL1991PLC046111)**

## BOARD OF DIRECTORS

**Shri Sat Pal Khattar**
*(Chairman)*

**Shri Kartar Singh Thakral**
**Shri Karan Singh Thakral**

**Shri Yash Gupta**
*(Independent Director)*

**Shri Sumant Bharat Ram**
*(Whole Time Director)*

**Smt. Chitra Gouri Lal**
**Shri Navin Khattar**
**Shri Yuv Bharat Ram**
**Shri Rahil Bharat Ram**

**Shri Satveer Singh Thakral**
*(Alternate Director to Shri Kartar Singh Thakral)*

## SECRETARY

**Shri Sachin Kumar Gupta**
*(Company Secretary)*

## BANKERS

**HDFC Bank**

## AUDITORS

**M/s. Walker Chandiok & Co LLP**

## REGISTERED OFFICE

Central Square,
20, Manohar Lal Khurana Marg,
Bara Hindu Rao, Delhi- 110006

# NOTICE

Notice is hereby given that the Twenty-nineth Annual General Meeting of the Company will be held on Tuesday, 27th September, 2022 at 11.00 a.m. at Central Square, 20, Manohar Lal Khurana Marg, Bara Hindu Rao, Delhi-110006 to transact the following business:

## ORDINARY BUSINESS

1. To consider and adopt the Audited Financial Statements including Consolidated Financial Statements of the Company for the financial year ended 31st March, 2022 together with Auditors' Report and Directors' Report thereon.

2. To appoint Director in place of Mr. Yuv Bharat Ram (holding DIN 08558056), who retires by rotation and, being eligible, offers himself for re-appointment.

3. To appoint Director in place of Mr. Navin Khattar (holding DIN 08629378), who retires by rotation and, being eligible, offers himself for re-appointment.

## SPECIAL BUSINESS

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

   "RESOLVED THAT further to special resolution passed by Shareholders of the Company in their Extraordinary General Meeting held on 16th July 2021, and pursuant to request from Mr. Sat Pal Khattar and Mr. Karan Singh Thakral, Non-executive Directors, regarding waiver of remuneration by way of commission and Section 197 and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, Articles of Association of the Company, recommendation of the Nomination and Remuneration Committee in its meeting held on 7th February, 2022 and subject to such other approvals, permissions, sanctions as may be required and subject to such modifications, conditions as may be imposed by any authority in granting such approvals, permissions and sanctions, consent of the company be and is hereby accorded to pay sitting fee(s) of Rs. 50,000/- per meeting or such fees as may be approved by Board from time to time (excluding out-of-pocket expenses as may be approved by the Board) with effect from 1st April, 2022 to Mr. Sat Pal Khattar and Mr. Karan Singh Thakral, Non-Executive Directors, towards attending the meetings of the Board and/or its Committee(s) from time to time till the payment of remuneration by way of commission is restored by the Board of Directors.

   RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolution."

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

   "RESOLVED THAT pursuant to the provisions of Section 196, 197, 198 and 203 of the Companies Act, 2013 (the said Act) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V and other applicable provisions of the said Act including any statutory modification or re-enactment thereof, and subject to such other approvals, permissions, sanctions as may be required and subject to such modifications, conditions as may be imposed by any authority in granting such approvals, permissions and sanctions, Mr. Sumant Bharat Ram (Holding DIN 00052833) be and is hereby re-appointed as Whole Time Director of the Company for a period of 3 years commencing from 01st April, 2022 on the terms and conditions as set out herein:

| PARTICULARS | | Rs. (Per Month) |
|---|---|---|
| **A.** | **SALARY** | |
| | - Basic | 5,50,000 |
| | - Personal Pay | 7,50,000 |
| | - Special Pay | 1,50,000 |
| **B.** | **PERQUISITES** | |
| | - House Rent Allowance/Lease | 3,00,000 |
| | - Water, Electricity & Gas | 35,000 |
| | - Group Medical | 500 |
| | **Total** | **17,85,500** |
| **C.** | **TERMINAL BENEFITS** | |
| | - Provident Fund @ 12% of Basic Salary | |
| | - Gratuity as per Payment of Gratuity Act | |

OTHER TERMS APPLICABLE TO THE ENTIRE TENURE:

1. The remuneration payable to the Wholetime Director shall be subject to revision @ 10% p.a. of the total annual remuneration as aforesaid.
2. The Wholetime Director shall also be entitled to Performance Based Bonus, as per performance parameters set by the Board from time to time, @ 5% of the net profits of the Company or Rs. 1.00 crore, whichever is less.
3. The Wholetime Director would be provided a car for official purposes valued approx. Rs. 1.10 Crore with driver and actual running, maintenance and insurance expenses.
4. The Company shall make payment for utilities viz., Gas, Electricity and Water at the leased accommodation subject to above overall limit.
5. The Wholetime Director shall be entitled to House Watch & Ward security of his leased accommodation.
6. Remuneration for a part of the year shall be computed on pro-rata basis.
7. He shall be entitled to leave as per policy of the Company.
8. He shall be entitled to reimbursement of all actual expenses including on entertainment and travelling incurred in the course of business of the Company which will not be treated as an item of remuneration.
9. He will not be paid any sitting fees for attending the meeting of the Board of Directors or Committee(s) thereof.
10. The appointment as aforesaid may be terminated by either party by giving three months' notice in writing or payment thereof.

RESOLVED FURTHER THAT pursuant to Section II or Section III, of Part II of Schedule V, as may be applicable, and other applicable provisions of the said Act, if any, and subject to such approvals as may be necessary, the Company be and is hereby authorized to pay Mr. Sumant Bharat Ram, Whole Time Director of the Company, the remuneration specified hereinabove, as minimum remuneration in case the Company has no profits or its profits are inadequate during any of the financial years during the period mentioned hereinabove.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolution."

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

"RESOLVED THAT further to the resolution passed by the Board of Directors of the Company in its meeting held on 7th February 2022 relating to appointment of Mr. Sumant Bharat Ram as Whole Time Director of the Company with effect from 1st April 2022 and pursuant to the provisions of Section 196, 197, 198 and 203 of the Companies Act, 2013 (the said Act) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 read with Schedule V and other applicable provisions of the said Act including any statutory modification or re-enactment thereof and subject to shareholders' approval and such other approvals, permissions, sanctions as may be required and subject to such modifications, conditions as may be imposed by any authority in granting such approvals, permissions and sanctions, the remuneration of Mr. Sumant Bharat Ram (Holding DIN 00052833), Whole Time Director, be and is hereby restructured / modified with effect from 1st December, 2022 on the terms and conditions as set out herein:

| PARTICULARS | Rs. (Per Month) |
|---|---|
| **A. SALARY** | |
| - Basic | 5,50,000 |
| - Personal Pay | 7,50,000 |
| - Special Pay | 1,50,000 |
| **B. PERQUISITES** | |
| - House Rent Allowance/Lease | 3,45,000 |
| - Water, Electricity & Gas | 35,000 |
| - Group Medical | 500 |
| **Total** | **18,30,500** |
| **C. TERMINAL BENEFITS** | |
| - Provident Fund @ 12% of Basic Salary | |
| - Gratuity as per Payment of Gratuity Act | |

OTHER TERMS APPLICABLE TO THE ENTIRE TENURE:

1. The remuneration payable to the Wholetime Director shall be subject to revision @ 10% p.a. of the total annual remuneration as aforesaid.
2. The Wholetime Director shall also be entitled to Performance Based Bonus, as per performance parameters set by the Board from time to time, @ 5% of the net profits of the Company orRs. 1.00 crore, whichever is less.
3. The Wholetime Director is entitled to a car for official purposes valued approx. Rs. 1.10 Crore with driver and actual running, maintenance and insurance expenses.
4. The Company shall make payment for utilities viz., Gas, Electricity and Water at the leased accommodation subject to above overall limit.
5. The Wholetime Director shall be entitled to House Watch & Ward security of his leased accommodation.
6. Remuneration for a part of the year shall be computed on pro-rata basis.
7. He shall be entitled to leave as per policy of the Company.
8. He shall be entitled to reimbursement of all actual expenses including on entertainment and travelling incurred in the course of business of the Company which will not be treated as an item of remuneration.
9. He will not be paid any sitting fees for attending the meeting of the Board of Directors or Committee(s) thereof.
10. The appointment as aforesaid may be terminated by either party by giving three months' notice in writing or payment thereof.

RESOLVED FURTHER THAT pursuant to Section II or Section III, of Part II of Schedule V, as may be applicable, and other applicable provisions of the said Act, if any, and subject to such approvals as may be necessary, the Company be and is hereby authorized to pay Mr. Sumant Bharat Ram, Whole Time Director of the Company, the remuneration specified hereinabove, as minimum remuneration in case the Company has no profits or its profits are inadequate during any of the financial years during the period mentioned hereinabove.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required to give effect to the aforesaid resolution."

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

   "RESOLVED that pursuant to Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Rules made thereunder, as amended from time to time, the Company do hereby approve / ratify appointment of M/s. Yogesh Gupta and Associates, Cost Accountants as Cost Auditors of the Company to conduct audit of cost records maintained by the Company for the Financial Year 2022-23 at a remuneration of Rs. 48,000/- (Rupees Forty-Eight Thousand only) plus applicable taxes and out-of-pocket expenses as may be incurred in connection with performance of the services as per limits discussed and agreed upon by the Board of Directors of the Company or any person so authorized by the Board."

By order of the Board
For Purearth Infrastructure Limited

Sd/-
Sachin Kumar Gupta
Company Secretary

Place : Delhi
Date: 26th May, 2022

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF. THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. A BLANK FORM OF PROXY IS ENCLOSED AND IF INTENDED TO BE USED, IT SHOULD BE RETURNED DULY COMPLETED TO THE REGISTERED OFFICE OF THE COMPANY NOT LESS THAN FORTY-EIGHT HOURS BEFORE THE SCHEDULED TIME OF THE ANNUAL GENERAL MEETING.
2. A person can act as a proxy on behalf of Members not exceeding 50 and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
3. Shareholders are requested to notify change in address along with Pin Code, if any, to the Company at its Registered Office quoting their folio numbers.
4. A Corporate Member intending to nominate its authorized representatives to attend the Meeting in terms of Section 113 of the Companies Act, 2013 is requested to send to the Company a certified copy of the Board Resolution authorizing such representative to attend and vote on its behalf at the Meeting.
5. Members/Proxies/Authorized Representatives are requested to bring the attendance slips duly filled in for attending the Meeting. Members who hold shares in dematerialized form are requested to write their client ID and DP ID numbers and those who hold shares in physical form are requested to write their Folio Number in the attendance slip for attending the Meeting.
6. During the period beginning 24 hours before the time fixed for the commencement of Meeting and ending with the conclusion of the Meeting, a Member would be entitled to inspect the proxies lodged at any time during the business hours of the Company. All documents referred to in the Notice and accompanying explanatory statement are open for inspection at the Registered Office of the Company on all working days of the Company between 11.00 a.m. to 1.00 p.m. upto the date of the Annual General Meeting and at the venue of the Meeting for the duration of the Meeting.
7. Route-map to the venue of the Meeting is provided at the end of the Notice.
8. Any query relating to financial statements must be sent to the Company's Registered Office at least seven days before the date of the Meeting.
9. Members can avail of the nomination facility by filing Form SH-13, as prescribed under Section 72 of the Companies Act, 2013 and Rule 19(1) of the Companies (Share Capital and Debentures) Rule, 2014, with the Company. Blank forms will be supplied on request.
10. In accordance with the provisions of Article 106 and 107 of the Articles of Association. Mr. Navin Khattar and Mr. Yuv Bharat Ram, Directors of the Company will retire by rotation at the Annual General Meeting and, being eligible, offer themselves for re-election.

## ANNEXURE TO NOTICE - EXPLANATORY STATEMENT

**(In terms of Section 102 of the Companies Act, 2013, the explanatory statement sets out all material facts relating to the business mentioned under Item No. 4, 5, 6 & 7 of the accompanying Notice dated 26th May, 2022**

**Item No 4**

The members of the Company in their Extraordinary General Meeting held on 16th July, 2021 approved the payment of remuneration by way of Commission to its Non-executive Directors (NED) for a period of three years commencing 6th April 2021 to 05th April 2024 as per details given below:

| Sr. No. | Name of Non-executive Directors | Details of Remuneration by way of Commission |
|---|---|---|
| 1 | Mr. Sat Pal Khattar (DIN: 00307293) | Rs. 1,00,00,000/- (Rs. One Crore only) per annum/- to be paid quarterly on proportionate basis.<br><br>GST shall be borne by the Company under reverse charge mechanism. Income Tax / TDS to be deducted by the Company. |
| 2 | Mr. Karan Singh Thakral (DIN:00268504) | Rs. 1,00,00,000/- (Rs. One Crore only) per annum/- to be paid quarterly on proportionate basis.<br><br>GST shall be borne by the Company under reverse charge mechanism. Income Tax / TDS to be deducted by the Company. |

Pursuant to approval of Shareholders of the Company in their meeting held on 16th July, 2021 relating to payment of remuneration by way of Commission to said NEDs, Mr. Sat Pal Khattar and Mr. Karan Singh Thakral are not entitled to get sitting fees.

Both Mr. Khattar and Mr. Thakral have waived their remunerations by way of Commission for the financial years 2022-23 considering the present state of affairs of the Company. The Board of Directors of the Company in their meeting held on 07-02-2022, pursuant to the recommendation of the Nomination and Remuneration Committee in its meeting held on 07-02-2022, has approved/ recommended for payment of sitting fees as approved by Board from time to time to Mr. Sat Pal Khattar and Mr. Karan Singh Thakral, NED, for attending Board and its Committee(s) meetings till their Remuneration by way of Commission is restored for bringing parity with other members of the Board.

Approval of members of the Company is required in the General Meeting for payment to sitting fees to NED. Accordingly, the Board recommends the Special Resolution as set out in the Notice at Item No. 4 for approval by the Members.

Except Mr. Sat Pal Khattar, Mr. Kartar Singh Thakral, Mr. Karan Singh Thakral, Mr. Navin Khattar, and Mr. Satveer Singh Thakral, none of the other Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolution as set out at Item No. 4.

**Item No. 5 & 6**

The Members of the Company in their 26th Annual General Meeting held on 26th September, 2019 had approved the appointment of Mr. Sumant Bharat Ram as Whole Time Director of the Company for a period of 3 years commencing 01st April, 2019 to 31st March, 2022.

Present terms and conditions of Mr. Sumant Bharat Ram, Whole Time Director, is as follows:

| **PARTICULARS** | | **Rs. (Per Month)** |
|---|---|---|
| **A.** | **SALARY** | |
| | - Basic | 5,50,000 |
| | - Personal Pay | 6,20,000 |
| | - Special Pay | 1,00,000 |
| **B.** | **PERQUISITES** | |
| | - House Rent Allowance/Lease | 3,00,000 |
| | - Water, Electricity & Gas | 35,000 |
| | - Group Medical | 500 |
| | **Total** | **16,05,500** |
| **C.** | **TERMINAL BENEFITS** | |
| | - Provident Fund @ 12% of Basic Salary | |
| | - Gratuity as per Payment of Gratuity Act | |

OTHER TERMS WILL REMAIN SAME AS APPLICABLE TO THE ENTIRE TENURE:

1. The remuneration payable to the Wholetime Director shall be subject to revision @ 10% p.a. of the total annual remuneration as aforesaid.
2. The Wholetime Director shall also be entitled to Performance Based Bonus, as per performance parameters set by the Board from time to time, @ 5% of the net profits of the Company or Rs. 1.00 crore, whichever is less.
3. The Wholetime Director would be provided a car for official purposes valued approx. Rs.70 lacs with driver and actual running, maintenance and insurance expenses.
4. The Company shall make payment for utilities viz., Gas, Electricity and Water at the leased accommodation subject to above overall limit.
5. The Wholetime Director shall be entitled to House Watch & Ward security of his residential accommodation.
6. Remuneration for a part of the year shall be computed on pro-rata basis.
7. He shall be entitled to leave as per policy of the Company.
8. He shall be entitled to reimbursement of all actual expenses including on entertainment and travelling incurred in the course of business of the Company which will not be treated as an item of remuneration.
9. He will not be paid any sitting fees for attending the meeting of the Board of Directors or Committee(s) thereof.
10. The appointment as aforesaid may be terminated by either party by giving three months' notice in writing or payment thereof.

As members are aware that the Company is developing two large projects i.e. Flatted Factory namely Central Square and Residential namely Amaryllis at Bara Hindu Rao/Kishanganj, Delhi. Residential project is being jointly developed with M/s Basant Projects Limited (Unity Group).

Your Company is also working towards major operational turn-around. The Residential Group Housing project - Amaryllis is going at fast pace. The Completion Certificate of first phase has been duly, received and possession of Residential units is being taken by the customers. Second and third phase is scheduled to be delivered in the year 2023. This would require focused marketing and sales efforts for monetizing Company's share of development in the project.

In the Central Square project, sustained efforts are also required to increase occupation of units by pursuing with the unit holders, to recover outstanding dues from the existing customers and make efforts for leasing out/selling further area in the project to shore up Company's finances and firm up plans for undertaking further development.

In order to take up the above stated operational matters in the right earnest and give proper direction for achieving Company's goals, the Board of Directors in its meeting held on 07.02.2022 pursuant to the recommendation of the Nomination and Remuneration Committee in its meeting held on 07.02.2022 approved the reappointment of Mr. Sumant Bharat Ram as a Whole Time Director of the Company for a further period of 3 (three) years commencing from 01st April, 2022 on the terms and conditions as set out in the item no. 5 for approval of the members.

Further, the Board of Directors in its meeting held on 26.05.2022, on the recommendation of Nomination and Remuneration of Committee in its Meeting held on 26.05.2022, approved restructuring of remuneration of Mr. Sumant Bharat Ram due to increase in lease rental with effect from 01st December, 2022 as set out in the item No. 6 for approval of the members.

Mr. Sumant Bharat Ram was first appointed as a Director on the Board on 26.09.1997 and held office till 17.10.2007. He again became a director on 18.08.2008 and has since been continuing to hold the office. He has been working as Whole-time Director of the Company with effect from 01.04.2019. During his long tenure on the Board of the Company both as Director and Whole Time Director, he has immensely contributed to the affairs of the Company, especially, in the matters of restructuring schemes of the Company, obtaining construction/ development related approvals, strengthening the sales, marketing and recovery of due amount of the Company in the residential project and Central Square project, working out closely with the legal team for formulating legal strategy and providing other assistance from time to time.

A statement as per Clause (iv) in Paragraph (A) and (B) of Section II of Part II of Schedule V to the Companies Act, 2013 providing complete details on the proposed appointee and other required information is annexed for perusal of the members.

Except for Mr. Sumant Bharat Ram being appointee, Mr. Yuv Bharat Ram and Mr. Rahil Bharat Ram being related to Mr. Sumant Bharat Ram, none of the Directors and Key Managerial Personnel of the Company and their relatives are concerned or interested in the resolution as set out at Item No. 5& 6.

The Board of Directors recommends the Special Resolution at item no. 5 & 6 for your approval.

**Item No. 7**

Pursuant to Section 148 of the Companies Act, 2013, the Company is required to get its cost records audited by a cost accountant in practice. On the recommendation of the Audit Committee, the Board of Directors approved the appointment of M/s. Yogesh Gupta & Associates, Cost Accountants, as Cost Auditors of the Company to conduct audit of cost records maintained by the Company for the Financial Year 2022-23 at a remuneration of Rs. 48,000/- (Rupees Forty-Eight Thousand only) plus applicable taxes and out-of-pocket expenses as may be incurred in connection with performance of the services as per limits discussed and agreed upon by the Board of Directors of the Company.

The Cost Accountants have furnished a certificate regarding their eligibility for appointment as Cost Auditors of the Company. The Board commends the Resolution at Item No. 7 of the accompanying Notice for ratification by the Members of the Company.

None of the Directors and/or key managerial personnel or their relatives is concerned or interested in the proposed Resolution.

**Statement as per Clause (iv) in Paragraph (A) and (B) of Section II of Part II of Schedule V to the Companies Act, 2013**

I. General Information:

(1) Nature of industry

The Company is in the business of Real Estate development.

(2) Date or expected date of commencement of commercial production

The Company has been engaged in development of real estate since 29th August, 2005.

(3) In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:

Not Applicable.

(4) Financial performance based on given indicators:

(Rs. in Lacs)

| **Particulars** | **2021-22** | **2020-21** | **2019-20** |
|---|---|---|---|
| Revenue from Operations | 22,167.84 | 848.15 | 619.27 |
| Profit /(Loss)before Tax | 4,231.62 | (545.95) | (3,299.85) |
| Total Comprehensive income for the year | 3,133.32 | (546.44) | (2,697.96) |

(5) Foreign investments or collaborators, if any

M/s Tiara Investment Holdings Limited, Mauritius (Tiara) holds 50.65% in the paid up capital of the Company.

II. Information about the appointee: **MR. SUMANT BHARAT RAM**

I. Information about the appointee:

(1) Background details

Mr. Sumant Bharat Ram, aged around 55 years, is part of the Promoter group of DCM Limited. He holds Bachelor degree in Economics (Honors) from Delhi University. He did his Master's Degree from the University of Michigan, Ann Arbor, USA. He hails from pioneering Industrialist family of Lala Shri Ram, Dr. Bharat Ram and Dr. Vinay Bharat Ram. Before joining DCM Limited he worked with Toyota Motor Corporation, Japan and SRF Limited. He had also acted as Executive Vice Chairman & Managing Director of erstwhile DCM Engineering Limited. He has industry experience of more than 25 years in the area of corporate affairs, finance, legal, and business strategies. He has been working as Whole Time Director of the Company with effect from 1st April, 2019. He is member in the Corporate Social Responsibility Committee, Nomination and Remuneration Committee and Executive Committee of Directors of the Company.

(2) Past remuneration

Before joining the Company, Mr. Sumant Bharat Ram had been drawing remuneration from DCM Limited (DCM) in the capacity of Chief Executive and Financial Officer of the Company. During the last three years, he has drawn remuneration from the Company as per details given below:

(Rs. in Lacs)

| Particulars | 2021-22 | 2020-21 | 2019-20 |
|---|---|---|---|
| Remuneration drawn | 200.58 | 160.77 | 165.05 |

(3) Recognition or awards: None

(4) Job profile and his suitability

Mr. Sumant Bharat Ram was first appointed as a Director on the Board on 26-09-1997 and held office till 17-10-2007. He again became a director on 18-08-2008 and has since been continuing to hold the office. During his long tenure on the Board of the Company, he has immensely contributed to the affairs of the Company, especially, in the matters of restructuring schemes of the Company, obtaining construction/ development related approvals through DCM Limited, working out closely with the legal team for formulating legal strategy and providing other assistance from time to time.

He possesses experience of more than 25 years in the area of corporate affairs, finance, legal, and business strategies.

With his vast experience in dealing with Management, administrative and other complex matters, your Company is confident that he would be instrumental in helping the Company in successfully achieving its objectives.

(5) Remuneration Proposed

The terms of remuneration proposed are detailed in the resolution as set out at item no. 5 & 6 in the aforesaid notice.

(6) Comparative remuneration profile with respect to industry; size of the company; profile of the position and person

The prevalent levels of remuneration in Real Estate Sector, for the level of experience and profile of Mr. Sumant Bharat Ram, are either equal or higher than what is being proposed and hence, the proposed remuneration to Mr. Sumant Bharat Ram is reasonable and in line with the remuneration levels in the industry.

(7) Pecuniary relationship directly or indirectly with the Company, or relationship with the managerial personnel, if any

Mr. Sumant Bharat Ram holds directly 58,61,818 equity shares (5.44%) in the Company and his ultimate holdings is 37.01% of the total paid up capital of the Company. He has been drawing remuneration with effect from 01-04-2019 from the Company as Whole-time Director. Except, Mr. Yuv Bharat Ram and Mr. Rahil Bharat Ram, Directors, he is not related to any Director and managerial personnel of the Company.

During the year 2021-22, two Nomination and Remuneration Committee, one Corporate Social Responsibility Committee, six Executive Committee of Directors and five Board Meetings were convened by the Company and he attended all the said meetings.

II. Other information:

(1) Reasons of loss or inadequate profits: The reasons for loss or inadequate profits of the Company are mainly due to ban on construction activities coupled with material movement, Covid-19 outbreak, subsequent lockdowns, overall recession in the real estate sector resulting in low uptake in the inventory, delay in habitation /occupation of the sold units in the flatted factory complex and resultant loss on maintenance charges, high interest cost. The levy of GST on under construction real estate projects has also dampened the spirit of the buyers. In addition to above, the Company is following INDAS-115, wherein Real Estate Developer recognizes revenue on completion method instead of percentage of Completion Method.

2) Steps taken or proposed to be taken for improvement: The construction and development work in the Residential Project is going at fast pace and the Company has been aggressively working on the sales and marketing of the project. Completion Certificate of Phase - I of Group Housing Project - "The Amaryllis" was duly received from North Delhi Municipal Corporation.With this, first phase is being delivered resulting Net Profit for the year - Rs. 3,129,41

Lakhs as against loss of Rs. 545.95 Lakhs in the previous year, second & third phase would be delivered by 2023 and the sales revenue in the project is expected to grow further. Efforts are being made to further increase habitation in the already constructed and sold units in the Central Square, flatted factory project, by encouraging leasing activity. The Company is also making efforts to sell the unsold stock. Further, in the matter of commercialization of the flatted factory complex, the Company is confident to get a favourable decision by the Hon'ble Supreme Court of India which would play a positive role in increased habitation and further sales and development of the project. The Company is positive that with the stimulus package provided by the Government of India, low interest rate, relaxation in the GST rates, impending delivery of the completed phases and improved market sentiments these efforts would greatly enhance the revenue generation for the Company.

(3) Expected increase in productivity and profits in measurable terms:

With substantial unsold area in the Residential Complex and Flatted Factory Complex and their strategic location in the heart of Delhi, the Company is confident of better revenue and earning reasonably good profits in the coming years.

III. Disclosures:

(1) Disclosures to shareholders about proposed remuneration package of the managerial personnel and other related details: Mr. Sumant Bharat Ram

| PARTICULARS | Rs. (Per Month) With effect from 01/04/2022 |
|---|---|
| **A. SALARY** | |
| - Basic | 5,50,000 |
| - Personal Pay | 7,50,000 |
| - Special Pay | 1,50,000 |
| **B. PERQUISITES** | |
| - House Rent Allowance/Lease | 3,00,000 |
| - Water, Electricity & Gas | 35,000 |
| - Group Medical | 500 |
| **Total** | **17,85,500** |
| **C. TERMINAL BENEFITS** | |
| - Provident Fund @ 12% of Basic Salary | |
| - Gratuity as per Payment of Gratuity Act | |

OTHER TERMS WILL REMAIN SAME AS APPLICABLE TO THE ENTIRE TENURE:

1. The remuneration payable to the Wholetime Director shall be subject to revision @ 10% p.a. of the total annual remuneration as aforesaid.
2. The Wholetime Director shall also be entitled to Performance Based Bonus, as per performance parameters set by the Board from time to time, @ 5% of the net profits of the Company or Rs. 1.00 crore, whichever is less.
3. The Wholetime Director would be provided a car for official purposes valued approx. Rs.1.10 crore with driver and actual running, maintenance and insurance expenses.
4. The Company shall make payment for utilities viz., Gas, Electricity and Water at the leased accommodation subject to above overall limit.
5. The Wholetime Director shall be entitled to House Watch & Ward security of his residential accommodation.
6. Remuneration for a part of the year shall be computed on pro-rata basis.
7. He shall be entitled to leave as per policy of the Company.
8. He shall be entitled to reimbursement of all actual expenses including on entertainment and travelling incurred in the course of business of the Company which will not be treated as an item of remuneration.
9. He will not be paid any sitting fees for attending the meeting of the Board of Directors or Committee(s) thereof.
10. The appointment as aforesaid may be terminated by either party by giving three months' notice in writing or payment thereof.

(2) Disclosures to shareholders about proposed remuneration package of the managerial personnel and other related details: Mr. Sumant Bharat Ram

| PARTICULARS | Rs. (Per Month) With effect from 01/12/2022 |
|---|---|
| **A. SALARY** | |
| - Basic | 5,50,000 |
| - Personal Pay | 7,50,000 |
| - Special Pay | 1,50,000 |
| **B. PERQUISITES** | |
| - House Rent Allowance/Lease | 3,45,000 |
| - Water, Electricity & Gas | 35,000 |
| - Group Medical | 500 |
| **Total** | **18,30,500** |
| **C. TERMINAL BENEFITS** | |
| - Provident Fund @ 12% of Basic Salary | |
| - Gratuity as per Payment of Gratuity Act | |

OTHER TERMS WILL REMAIN SAME AS APPLICABLE TO THE ENTIRE TENURE:

1. The remuneration payable to the Wholetime Director shall be subject to revision @ 10% p.a. of the total annual remuneration as aforesaid.
2. The Wholetime Director shall also be entitled to Performance Based Bonus, as per performance parameters set by the Board from time to time, @ 5% of the net profits of the Company or Rs. 1.00 crore, whichever is less.
3. The Wholetime Director would be provided a car for official purposes valued approx. Rs.1.10 crore with driver and actual running, maintenance and insurance expenses.
4. The Company shall make payment for utilities viz., Gas, Electricity and Water at the leased accommodation subject to above overall limit.
5. The Wholetime Director shall be entitled to House Watch & Ward security of his residential accommodation.
6. Remuneration for a part of the year shall be computed on pro-rata basis.
7. He shall be entitled to leave as per policy of the Company.
8. He shall be entitled to reimbursement of all actual expenses including on entertainment and travelling incurred in the course of business of the Company which will not be treated as an item of remuneration.
9. He will not be paid any sitting fees for attending the meeting of the Board of Directors or Committee(s) thereof.
10. The appointment as aforesaid may be terminated by either party by giving three months' notice in writing or payment thereof.

# DIRECTORS' REPORT

To
The Members,

We are pleased to present the 29th Annual Report of the Company together with the financial statement including consolidated financial statement for the year ended 31st March, 2022.

## FINANCIAL RESULTS

The working results of the Company for the year under review are briefly given below:

(₹ in Lacs)

| Particulars | Standalone | | Consolidated | |
|---|---|---|---|---|
| | **Year ended 31.03.2022** | Year ended 31.03.2021 | **Year ended 31.03.2022** | Year ended 31.03.2021 |
| **Revenue from operations** | **22,167.84** | 848.15 | **22,167.58** | 847.25 |
| Other Income | **351.39** | 821.05 | **368.36** | 838.21 |
| **Total Income** | **22,519.23** | 1,669.20 | **22,535.94** | 1,685.46 |
| Total Expenses | **18,287.61** | 2,215.15 | **18,311.79** | 2,233.80 |
| **Net Profit/(Loss) before tax** | **4,231.62** | (545.95) | **4,224.15** | (548.34) |
| **Tax Expenses:** | | | | |
| - Current tax expense (including tax relating to prior years) | **-** | - | **0.05** | 0.37 |
| - Deferred Tax | **1,102.21** | - | **1,102.23** | 0.03 |
| **Profit/Loss for the year** | **3,129.41** | (545.95) | **3,121.87** | (548.74) |
| **Other Comprehensive income Items that will not be reclassified to profit or loss** | | | | |
| (a) - Re-measurement (loss)/gain of defined benefit obligation | **5.22** | (0.66) | **5.22** | (0.66) |
| (b) Income tax relating to re-measurement of defined benefit obligation | **(1.31)** | 0.17 | **(1.31)** | 0.17 |
| **Total other comprehensive income** | **3.91** | (0.49) | **3.91** | (0.49) |
| Total comprehensive income for the year | 3,133.32 | **(546.44)** | 3,125.78 | (549.23) |
| Earning/Loss per equity share (₹) Basic and diluted loss per equity share(Amount in ₹) | **2.90** | (0.51) | **2.90** | (0.51) |

The Board of Directors hope that you and your family are safe, healthy and pray for your continued good health and well-being in these testing times.

## ECONOMIC AND INDUSTRY SCENARIO

Year 2021-22 has seen a year of mix economic outcome. On one side, there is turmoil in the global economy due to Covid-19 pandemic, Geopolitical tensions etc. and other side growth projected for the future. Repeated waves of infection, supply-chain disruptions, and, more recently, Geopolitical crisis and sanctions, persistent and spreading inflationary pressures, rising debt levels, capital outflows, currency depreciation have created critical times for policy-makers. Whereas world economies show signs of resilient, and many industrial sectors are gradually coming back to their feet.

The International Monetary Fund (IMF) has revised down its forecast of global output growth for 2022 by 0.8 percentage point to 3.6 per cent, in a span of less than three months. The World Trade Organization has scaled down projection of world trade growth for 2022 by 1.7 percentage points to 3.0 per cent.

Geopolitical tensions are ratcheting up inflation to their highest levels in the last 3 to 4 decades in major economies while moderating external demand. Global crude oil prices are ruling above US $ 100 per barrel and remain volatile.

The last two years have been challenging for the world economy due to upswing and downswing of Covid-19 pandemic leading to lockdowns and restrictions. Faced with these challenges, the Government of India's immediate response was a bouquet of safety-nets to cushion the impact on vulnerable sections of society and the business sector. It next pushed through a significant increase in capital expenditure on infrastructure to build back medium-term demand as well as aggressively implemented supply-side measures to prepare the economy for a sustained long-term expansion.

India, like most other nations, quelled the 'pandemic panic' and adjusted to the new normal across all business dispensations including the real estate sector. The Indian real estate sector is well positioned towards different models of development and business, resetting to the new way of living. The learnings and experiences gathered from the year of 2021 presents an overall positive outlook for the upcoming year. The residential and commercial space including leasing/rentals activities are gaining traction due to host of factors like stable government, opening up of the economy, stamp duty concessions, fiscal stimulus, tax holidays for affordable housing projects, ramping up of the vaccination drive etc.

Advance estimates suggests that Indian economy is expected to witness real GDP expansion by more than 8.5 per cent in 2021-22 after contracting in 2020-21. Overall economic activity has recovered past the pre-pandemic levels. The economic impact of the "second wave" in Q1 was much smaller than that experienced during the full lockdown phase in 2020-21 even though the health impact was more severe.

Reserve Bank of India (RBI) was also pushing economic growth by continue to maintain its accommodative stance for the last two years to keep the repo and reverse repo stable at 4.00% and 3.35% respectively and maintain the liquidity in the system. The last repo rate reduction took place in May 2020. However, the consistent rise in headline CPI inflation in March 2022 to 7 per cent was propelled, in particular, by food inflation due to the impact of adverse spillovers from unprecedented high global food prices. Monetary Policy Committee of RBI (MPC) decided, based on its assessment of the macroeconomic situation and outlook, to increase the policy repo rate by 40 basis points to 4.40 per cent, with immediate effect. Consequently, the standing deposit facility (SDF) rate stands adjusted to 4.15 per cent and the marginal standing facility (MSF) rate and the Bank Rate to 4.65 per cent. MPC also decided unanimously to remain accommodative while focusing on withdrawal of accommodation to ensure that inflation remains within the target going forward, while supporting growth.

Your directors believe in the long-term growth story of India. Prospects for the year 2022-23 have strengthened being an emerging economy. However, the rising prices of steel, cement and other construction materials, increase in interest rate has imparted uncertainty to the outlook and needs to be closely watched and addressed by all stakeholders.

**OPERATIONS REVIEW**

Completion Certificate of Phase - I of Group Housing Project - "The Amaryllis" was duly received from North Delhi Municipal Corporation. Consequently, Possession has been offered to Allottees of said Phase-I of Amaryllis. Allottees are also taking possession for habitation as well. Hon'ble Real Estate Regulatory Authority (RERA), in pursuance of applications in terms of RERA order dated 23.02.2022, further extended the registration of Residential Group Housing Project - "The Amaryllis" for Phase II and III by a period of nine months i.e. Valid until 31.01.2023 and 30.06.2023 considering the impact of Covid-19 Pandemic (Second Wave) causing disruption in supply chain of construction material, migration of labour and slow-downing construction activities. Further, the development of phase II and III of Residential Project is progressing well.

In the Central Square Project, your Company is eagerly awaiting the outcome in the matter of Special Leave Petition before the Hon'ble Supreme Court on conversion of the project from "flatted factory to commercial" thus paving the way for customers of Central Square to apply for conversion from Flatted Factory to Commercial. The SLP has been pending before the Hon'ble Supreme Court since long and your Company is confident of getting a positive outcome in the matter of commercialization.

The Company is also selling and leasing out built-up area of Plaza 1, 2 and 3 of Central Square to customers to shore up its revenue and increase the occupation in the Central Square Project. Your Company is, diligently, pursuing for recovery of outstanding dues from the existing customers and making efforts to increase collection with regard to CAM charges and other dues even from customers who have yet to commence operations.

Your Company is contemplating development in Plaza-4 keeping in view of the changing dynamics / landscape of real estate industry as to conceptualizing, planning, designing and implementation.

Hope is the most exciting thing in life. Your Directors are confident that the Company would be able to meet the challenges posed by the current and future circumstances successfully.

**CONSOLIDATED FINANCIAL STATEMENT**

In accordance with the Companies Act, 2013 ("the Act") and Indian Accounting Standard (INDAS) - 110 on Consolidated Financial Statements, the audited consolidated financial statement for the financial year ended 31st March 2022 is provided in the Annual Report.

**BOARD OF DIRECTORS**

Your Company's Board consist of 10 Directors i.e., 1 Independent Director, 1 Woman Director, 8 Promoter Directors (including 1 Whole time Director and 1 Alternate Director to Mr. Kartar Singh Thakral).

During the year, the Board of Directors of the Company met five times i.e. on 05-04-2021, 28-06-2021, 12-08-2021, 11-11-2021 and 07-02-2022. The details of meetings of Board and its Committees attended by Directors of the Company are given as **Annexure-5**.

Both Mr. Sat Pal Khattar and Mr. Karan Singh Thakral, Non-executive Directors have voluntarily waived their remuneration by way of commission for the financial year 2022-23.

Your Directors have also proposed re-appointment and payment of remuneration to Mr. Sumant Bharat Ram as Whole Time Director for a further period of 3 (three) years commencing 1st April 2022. Resolution for the said appointment of Mr. Sumant Bharat Ram has been proposed for approval of members.

Mr. Navin Khattar and Mr. Yuv Bharat Ram Directors retire by rotation and, being eligible, offer themselves for re-appointment at the ensuing Annual General Meeting.

**INDEPENDENT DIRECTORS**

Mr. Yash Gupta is the Independent Non-executive Director of the Company appointed in terms of section 149 of the Companies Act, 2013 and has given declaration of Independence in terms of Section 149 (7) for the year 2022-23.

**EVALUATION OF DIRECTORS OF THE COMPANY**

The performance evaluation of the Independent Director is carried out by the entire Board and that of the Chairman and the Non-Independent Directors by the Independent Director.

The Directors were satisfied with the evaluation results, which reflected the overall engagement of the Board and its Committees with the Company.

**KEY MANAGERIAL PERSONNEL**

Your Company is in compliance with the provisions of Section 203 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 with regard to appointment of whole-time key managerial personnel.

Mr. Sumant Bharat Ram, Whole time Director, Mr. Ajay Khanna, Chief Financial Officer, and Mr. Sachin Kumar Gupta, Company Secretary, are the Key Managerial Personnel of the Company.

**AUDITORS**

**STATUTORY AUDITORS**

The members of the Company in their 26th Annual General Meeting (AGM) held on 26-09-2019 approved the appointment of M/s. Walker Chandiok& Co LLP, Chartered Accountants, (Firms Registration No. 001076N/N500013),as Statutory Auditors of the Company to hold office for a period of five consecutive years from the conclusion of 26th AGM, till the conclusion of 31st AGM of the Company.

**AUDITORS` OBSERVATION**

The observations of Auditors are explained, where necessary, in the appropriate Notes to Accounts.

**COST AUDITORS**

A resolution for appointment of and payment of remuneration to M/s. Yogesh Gupta & Associates, Cost Accountants for the financial year 2022-23 has been proposed for the approval of the members in the forthcoming Annual General Meeting.

**COST RECORDS**

The Cost Records of the Company as specified by the Central Government under sub-section (1) of section 148 of the Companies Act, 2013 are made and maintained by the Company.

**SECRETARIAL AUDITORS**

The report of M/s. Pragnya Pradhan & Associates, Company Secretaries, (PCS Registration No. 12030), Secretarial Auditors is annexed as **Annexure-4** to this report.

**DEPOSITS**

During the year the Company has not invited or accepted any deposit as per the provisions of the Companies Act, 2013. The details relating to deposits, covered under Chapter V of the Act are as follows:

a) Accepted during the year: Nil

b) Remained unpaid or unclaimed as at the end of the year: Nil

c) Whether there has been any default in repayment of deposits or payment of interest thereon during the year and if so, number of such cases and the total amount is involved- Not applicable

   I. at the beginning of the year: Not applicable

   II. maximum during the year: Not applicable

   III. at the end of the year : Not applicable

d) The details of deposits which are not in compliance with the requirements of Chapter V of the Act: Nil

**COMMITTEES**

**A. AUDIT COMMITTEE**

The Audit Committee of the Company presently, consists of four Directors viz., Mr. Yash Gupta, Mr. Karan Singh Thakral, Mr. Yuv Bharat Ram and Mrs. Chitra Gouri Lal.

The Committee met four times for discussing the internal audit report and other matters as per mandate given to it.

Your Company has a Vigil Mechanism in terms of section 177 of the Companies Act, 2013 which is overseen by the Audit Committee. There have been no complaints during the year.

**B. CORPORATE SOCIAL RESPONSIBILITY**

In terms of the provisions of section 135 of the Act, your Company is not statutorily required to contribute any amount towards Corporate Social Responsibility (CSR) since the Company has incurred losses during the three immediately preceding financial years.

However, being a good corporate citizen,your Company has contributed Rs.49.02 lacs (previous year Rs. 42.55lacs) towards two Sr. Secondary Schools on its CSR initiative.

The Corporate Social Responsibility (CSR) Committee of the Company presently consists of two Directors viz., Mr. Yash Gupta and Mr. Sumant Bharat Ram.

The initiatives taken by the Company in performance of its Corporate Social Responsibility during the year are annexed as **Annexure-3** to the Directors' Report.

**C. NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee presently comprises of three Directors viz., - Mr. Yash Gupta, Mr. Karan Singh Thakral and Mr. Sumant Bharat Ram.

The Copy of the Nomination and Remuneration Policy for Directors, Key Managerial Personnel and Senior Management in terms of Section 178(3) of the Companies Act, 2013 is available for inspection during business hours at the registered office of the Company.

**RISK MANAGEMENT POLICY**

Your Company is engaged in the development of real estate and has, over the years, developed proper system for identification of risks. Apart from general industry specific business risks, there are no identified elements of risk which in the opinion of the Board may threaten the existence of the Company.

**PREVENTION OF SEXUAL HARASSMENT POLICY**

The Company has a well defined policy by the name of "Prevention of Sexual Harassment Policy" for its employees in terms of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

During the year, no complaint of sexual harassment was received. The Company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

**DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the requirement of section 134 (3) of the Companies Act, 2013, it is hereby confirmed:

i. that in the preparation of the annual accounts, the applicable accounting standards have been followed alongwith proper explanation relating to material departures, if any;

ii. that the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that were reasonable and prudent so as to give a true and fair view of the state-of-affairs of the Company at the end of financial year and of the Profit & Loss of the Company for that period;

iii. that the Directors have taken a proper and sufficient care, for the maintenance of adequate accounting records in accordance with the provisions of this Act, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

iv. that the Directors have prepared the annual accounts for the year ended 31.03.2022 on a "going concern basis".

v. that the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws including applicable Secretarial Standards and that such systems are adequate and operating effectively.

**DISCLOSURES**

**EMPLOYEES' STOCK OPTION SCHEME (ESOP)**

There is no ESOP Plan(s) in force presently.

**a. Particulars of Employees**

Particulars of employees in terms of the provisions of Rule 5(2) of the Companies (Appointment and

Remuneration of Managerial Personnel) Rules, 2014 of the Companies Act, 2013: Not Applicable.

**(A) Conservation of Energy**

I. The steps taken or impact on conservation of energy;

Some of the measures taken by your Company for energy conservation are building designs to ensure adequate day time lighting, use of AAC Blocks, energy efficient VFD motors, CFL with electronic chokes,LED Lamps,PLC controlled DG Sets etc.

II. The steps taken by the company for utilizing alternate sources of energy - Solar Roof Top Panel System of 50kWp has been installed and commissioned during the year.

III. The capital investment on energy conservation equipments during the year was Rs. 21.81 Lakhs.

**(B) Technology absorption**

The Company is engaged in development of real estate and there is no technology import /absorption. However, the Company insists on deployment of latest construction/development techniques.

I. The efforts made towards technology absorption; N.A.

II. The benefits derived like product improvement, cost reduction, product development or import substitution; - NA

III. In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-

a) The details of technology imported: N.A.
b) The year of import: N.A.
c) Whether the technology been fully absorbed: N.A
d) If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: N.A. and

IV. The expenditure incurred on Research and Development: N.A.

**FOREIGN EXCHANGE**

Foreign Exchange earnings in terms of actual inflows and outgo in terms of actual outflows during the year are as follows:

(₹ in lacs)

| Particulars | **for the year ended 31.03.2022** | for the year ended 31.03.2021 |
|---|---|---|
| Earnings | **Nil** | Nil |
| Outgo | **101.77** | 3.00 |

**DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016**

The Company has not filed any application with Insolvency and Bankruptcy Code, 2016 and there is no proceeding pending under the Insolvency and Bankruptcy Code, 2016 during the year.

**DETAILS OF DIFFERENCE BETWEEN THE AMOUNT OF THE VALUATION DONE AT THE TIME OF ONE TIME SETTLEMENT AND THE VALUATION DONE WHILE TAKING LOAN FROM THE BANKS OR FINANCIAL INSTITUTIONS**

During the year under review, there has been no one time settlement of loans taken from Banks & Financial Institutions.

**EXTRACT OF ANNUAL RETURN**

The annual return in Form No. MGT-7 for the financial year 2020-21 is available on the website of the Company (www.purearth.in). The due date for filing annual return for the financial year 2021-22 is within a period of sixty days from the date of annual general meeting. Accordingly, the Company shall file the same with the Ministry of Corporate Affairs within prescribed time and a copy of the same shall be made available on the website of the Company (www. purearth.in) as is required in terms of Section 92(3) of the Companies Act, 2013.

**PARTICULARS OF CONTRACTS OR ARRANGMENTS WITH RELATED PARTIES**

Particulars of contracts or arrangements with related parties referred to in sub-section (1) of Section 188 of the Companies Act, 2013 are attached herewith in Form AOC-2 as **Annexure - 2** to the Directors' Report. However, particulars of contracts or arrangements with related parties are provided in the financial statement of the Company.

### ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has adequate internal financial controls with reference to the financial statement prepared as at 31st March, 2022 and are being followed regularly.

### SUBSIDIARIES/JOINT VENTURES / ASSOCIATE COMPANIES

The details of subsidiary Companies are given in Form No. AOC-1 as **Annexure-1** to this report. The Company has no joint venture / associate Companies. There is no change in the status of the subsidiary's Companies of the Company during the year. However, the Company is jointly developing a Group Housing Project in Central Delhi.

Section 186 is not applicable to the Company being engaged in the business of providing infrastructural facilities. However, particulars of loans, guarantees or investments are provided in the financial statement of the Company.

There is no order passed by the regulators or courts or tribunals impacting the going concern status and Company's operation in future.

### ACKNOWLEDGEMENTS

The Directors acknowledge the active co-operation and help received from the Financial Institutions, Banks and Government agencies. Your Directors further wish to acknowledge the support of all the customers to the Project.

The Directors wish to place on record their appreciation of the contribution made by the employees at all levels.

For and on behalf of the Board

(Sat Pal Khattar)
Chairman
(DIN: 00307293)

Place: Singapore
Date: 26th May 2022

**Independent Auditor's Report**
**To the Members of Purearth Infrastructure Limited**

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

**Opinion**

1. We have audited the accompanying standalone financial statements of Purearth Infrastructure Limited ('the Company'), which comprise the Balance Sheet as at 31 March 2022, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Cash Flow and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2022, and its profit (including other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

**Basis for Opinion**

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

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

4. The Company's Board of Directors are responsible for the other information. Other information does not include the standalone financial statements and our auditor's report thereon.

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

   In connection with our audit of the standalone financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   The Director's report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

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

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

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

7. Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

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

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

9. As part of an audit in accordance with Standards on Auditing, specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

   - Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control;
   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system with reference to standalone financial statements in place and the operating effectiveness of such controls;
   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;
   - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern and
   - Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

**Report on Other Legal and Regulatory Requirements**

11. As required by section 197(16) of the Act based on our audit, we report that the Company has paid remuneration to its directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act.

12. As required by the Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act we give in the Annexure A a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

13. Further to our comments in Annexure A, as required by section 143(3) of the Act based on our audit, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the accompanying standalone financial statements;

    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 standalone financial statements dealt with by this report are in agreement with the books of account;

    d) in our opinion, the aforesaid standalone financial statements comply with Ind AS specified under section 133 of the Act;

    e) On the basis of the written representations received from the directors and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of section 164(2) of the Act;

f) With respect to the adequacy of the internal financial controls with reference to standalone financial statements of the Company as on 31 March 2022 and the operating effectiveness of such controls, refer to our separate Report in Annexure B wherein we have expressed an unmodified opinion; and

g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us:

   i. the Company, as detailed in note 36 to the standalone financial statements, has disclosed the impact of pending litigations on its financial position as at 31 March 2022;

   ii. the Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2022;

   iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended 31 March 2022;

   iv. a) The management has represented that, to the best of its knowledge and belief as disclosed in note 50(vii) to the standalone financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Company to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

   b) The management has represented that, to the best of its knowledge and belief, as disclosed in note 50(viii) to the standalone financial statements, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

   c) Based on such audit procedures performed as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

   v. The Company has not declared or paid any dividend during the year ended 31 March 2022.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

**Manish Agrawal**
Partner
Membership No.: 507000

**UDIN:** 22507000AJQXLG1932

**Place:** New Delhi
**Date:** 26 May 2022

**Annexure A referred to in Paragraph 12 of the Independent Auditor's Report of even date to the members of Purearth Infrastructure Limited on the standalone financial statements for the year ended 31 March 2022**

In terms of the information and explanations sought by us and given by the Company and the books of account and records examined by us in the normal course of audit, and to the best of our knowledge and belief, we report that:

(i) a) (A) The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment and right of use assets.

(B) The Company does not have any intangible assets and accordingly, reporting under clause 3(i)(a)(B) of the Order is not applicable to the Company.

b) The property, plant and equipment and right of use assets have been physically verified by the management during the year and no material discrepancies were noticed on such verification. In our opinion, the frequency of physical verification program adopted by the Company, is reasonable having regard to the size of the Company and the nature of its assets.

c) The Company does not own any immovable property (in the nature of 'property, plant and equipment') other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee. Accordingly, reporting under clause 3(i)(c) of the Order is not applicable to the Company.

d) The Company has not revalued its Property, Plant and Equipment and Right of Use assets during the year. Further, the Company does not hold any intangible assets.

e) No proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Accordingly, reporting under clause 3(i)(e) of the Order is not applicable to the Company.

(ii) a) The management has conducted physical verification of inventory at reasonable intervals during the year. In our opinion, the coverage and procedure of such verification by the management is appropriate and no discrepancies of 10% or more in the aggregate for each class of inventory were noticed

b) The Company has not been sanctioned working capital limits/ working capital limits in excess of five crore rupees by banks or financial institutions on the basis of security of current assets during any point of time of the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.

(iii) a) The Company has provided loans to Others as per details given below:

**(INR in lakhs)**

| **Particulars** | **Loans** |
|---|---|
| Aggregate amount provided/ granted during the year:<br>- Others | 289.81 |
| Balance outstanding as at balance sheet date in respect of above cases:<br>- Others | 1,766.39 |

b) In our opinion, and according to the information and explanations given to us, the investments made, guarantees provided, security given and terms and conditions of the grant of all laons and advances in the nature of loans and guarantees provided area, prima facie, not prejudicial to the interest of the Company.

c) In respect of loans and advances in the nature of loans granted by the Company, the schedule of repayment of principal and payment of interest has been stipulated and principal amount is not due for repayment currently.

d) There is no overdue amount in respect of loans or advances in the nature of loans granted to such companies.

e) The Company has not granted any loan or advance in the nature of loan which has fallen due during the year. Further, no fresh loans were granted to any party to settle the overdue loans/advances in nature of loan.

f) The Company has not granted any loan or advance in the nature of loan, which is repayable on demand or without specifying any terms or period of repayment.

(iv) In our opinion, and according to the information and explanations given to us, the Company has complied with the provisions of section 185 of the Act in respect of loans, investments, guarantees and security, as applicable. As the Company is engaged in providing infrasrtructural facilities, as specified in Schedule VI of the Act, provisions of section 186 except sub-section (1) of the Act are not applicable to the Company. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of the sub-section (1) of section 186 in respect of investments, as applicable.

(v) In our opinion, and according to the information and explanations given to us, the Company has not accepted any deposits or there is no amount which has been considered as deemed deposit within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, reporting under clause 3(v) of the Order is not applicable to the Company.

(vi) The Central Government has specified maintenance of cost records under sub-section (1) of section 148 of the Act in respect of the products of the Company. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. However, we have not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.

(vii) a) In our opinion, and according to the information and explanations given to us, the Company is regular in depositing undisputed statutory dues including goods and services tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax,duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities. Further, no undisputed amounts payable in respect thereof were outstanding at the year-end for a period of more than six months from the date they became payable.

b) According to the information and explanations given to us, there are no statutory dues referred to in subclause (a) above that have not been deposited with the appropriate authorities on account of any dispute.

(viii) According to the information and explanations given to us, no transactions were surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961) which have not been recorded in the books of accounts

(ix) a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.

b) According to the information and explanations given to us including representation received from the management of the Company, and on the basis of our audit procedures, we report that the Company has not been declared a willful defaulter by any bank or financial institution or other lender.

c) In our opinion and according to the information and explanations given to us, money raised by way of term loans were applied for the purposes for which these were obtained.

d) In our opinion and according to the information and explanations given to us, the Company has not raised any funds on short term basis during the year or in any previous year. Accordingly, reporting under clause 3(ix) (d) of the Order is not applicable to the Company.

e) According to the information and explanations given to us and on an overall examination of the financial statements of the Company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries.

f) According to the information and explanations given to us, the Company has not raised any loans during the year on the pledge of securities held in its subsidiaries.

(x) a) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments), during the year. Accordingly, reporting under clause 3(x)(a) of the Order is not applicable to the Company.

b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or (fully, partially or optionally) convertible debentures during the year. Accordingly, reporting under clause 3(x)(b) of the Order is not applicable to the Company.

(xi) a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the period covered by our audit.

b) No report under section 143(12) of the Act has been filed with the Central Government for the period covered by our audit.

c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.

(xii) The Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it.Accordingly, reporting under clause 3(xii) of the Order is not applicable to the Company.

(xiii) In our opinion and according to the information and explanations given to us, all transactions entered into by the Company with the related parties are in compliance with sections 177 and 188 of the Act, where applicable. Further, the details of such related party transactions have been disclosed in the standalone financial statements, as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in Companies (Indian Accounting Standards) Rules 2015 as prescribed under section 133 of the Act.

(xiv) a) In our opinion and according to the information and explanations given to us, the Company has an internal audit system as required under section 138 of the Act which is commensurate with the size and nature of its business.

b) We have considered the reports issued by the Internal Auditors of the Company till date for the period under audit.

(xv) According to the information and explanation given to us, the Company has not entered into anynon-cash transactions with its directors or persons connected with them and accordingly, provisions of section 192 of the Act are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of IndiaAct, 1934. Accordingly, reporting under clauses 3(xvi) (a), (b) and (c) of the Order are not applicable to the Company.

(a) Based on the information and explanations given to us and as represented by the management of the Company, the Group (as defined in Core Investment Companies (Reserve Bank) Directions, 2016) has only one CICs as part of the Group.

(xvii) The Company has not incurred cash losses in the current financial year but had incurred cash losses amounting to Rs. 2,290.70 lakhs in the immediately preceding financial year.

(xviii) There has been no resignation of the statutory auditors during the year. Accordingly, reporting under clause 3(xviii) of the Order is not applicable to the Company.

(xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the standalone financial statements, our knowledge of the plans of the Board of Directors and management and based on our examination of the evidence supporting the assumptions , nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

(xx) According to the information and explanations given to us, the Company does not fulfill the criteria as specified under section 135(1) of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

(xxi) The reporting under clause 3(xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

**Manish Agrawal**
Partner
Membership No.: 507000

**UDIN:** 22507000AJQXLG1932

**Place:** New Delhi
**Date:** 26 May 2022

**Annexure B to the Independent Auditor's Report of even date to the members of Purearth Infrastructure Limited, on the standalone financial statements for the year ended 31 March 2022.**

**Annexure B**

**Independent Auditor's Report on the internal financial controls with reference to the standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the standalone financial statements of Purearth Infrastructure Limited ('the Company') as at and for the year ended 31 March 2022, we have audited the internal financial controls with reference to standalone financial statements of the Company as at that date.

**Responsibilities of Management and Those Charged with Governance for Internal Financial Controls**

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

**Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Standalone Financial Statements**

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

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

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

**Meaning of Internal Financial Controls with Reference to Standalone Financial Statements**

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

**Inherent Limitations of Internal Financial Controls with Reference to Standalone Financial Statements**

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

**Opinion**

8. In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such controls were operating effectively as at 31 March 2022, based on internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by ICAI.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

**Manish Agrawal**
Partner
Membership No.: 507000

**UDIN:** 22507000AJQXLG1932

**Place:** New Delhi
**Date:** 26 May 2022

## Standalone Balance Sheet as at 31 March 2022

**(All amounts in ₹ Lakhs unless otherwise stated)**



| Particulars | Note | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 5 | 125.71 | 29.09 |
| Right of use assets | 6 | 22.80 | 5.63 |
| Financial assets | | | |
| Investments | 7 | 20.00 | 20.00 |
| Other financial assets | 8 | 1,941.73 | 1,503.48 |
| Deferred tax assets | 35(d) | 3,386.40 | 4,489.92 |
| Non-current tax assets (net) | 9 | 141.41 | 28.59 |
| Other non-current assets | 10 | 89.10 | 96.75 |
| **Total non-current assets** | | **5,727.15** | **6,173.46** |
| **Current assets** | | | |
| Inventories | 11 | 47,227.46 | 54,282.95 |
| Financial assets | | | |
| Trade receivables | 12 | 1,299.83 | 2,114.58 |
| Cash and cash equivalents | 13 | 190.94 | 1,520.88 |
| Bank balances other than cash and cash equivalents above | 14 | 1,074.36 | 14.70 |
| Other financial assets | 15 | 216.14 | 121.95 |
| Other current assets | 16 | 575.65 | 507.72 |
| **Total current assets** | | **50,584.38** | **58,562.78** |
| **Total assets** | | **56,311.53** | **64,736.24** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity share capital | 17 | 10,780.00 | 10,780.00 |
| Other equity | 18 | (879.98) | (4,013.30) |
| **Total equity** | | **9,900.02** | **6,766.70** |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| Borrowings | 19 | 6,420.97 | 12,004.26 |
| Other financial liabilities | 21 | 2,606.02 | 2,347.26 |
| Provisions | 22 | 102.75 | 90.62 |
| Other non-current liabilities | 23 | 310.21 | 422.76 |
| **Total non- current liabilities** | | **9,439.95** | **14,864.90** |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| Borrowings | 19 | 4,852.01 | 2,880.71 |
| Lease liabilities | 20 | 23.17 | 5.91 |
| Trade payables | | | |
| total outstanding dues of micro enterprises and small enterprises; and | 24 | 29.40 | 33.03 |
| total outstanding dues of creditors other than micro enterprises and small enterprises | 24 | 10,834.92 | 8,359.01 |
| Other financial liabilities | 25 | 48.11 | 43.51 |
| Other current liabilities | 26 | 21,176.27 | 31,770.81 |
| Provisions | 27 | 7.68 | 11.66 |
| **Total current liabilities** | | **36,971.56** | **43,104.64** |
| **Total liabilities** | | **46,411.51** | **57,969.54** |
| **Total equity and liabilities** | | **56,311.53** | **64,736.24** |
| **Summary of significant accounting policies** | 4 | | |

**The accompanying notes are an integral part of these standalone financial statements**

This is the Standalone Balance Sheet referred to in our report of even date.

*For* **Walker Chandiok & Co. LLP**
*Chartered Accountants*
Firm's Registration No.: 001076N/N500013

**Manish Agrawal**
*Partner*
Membership No.: 507000
**Place:** New Delhi
**Date:** 26 May 2022

***For and on behalf of the Board of Directors of***
**Purearth Infrastructure Limited**

**Chitra Gouri Lal**
*Director*
DIN: 02823536
**Place:** Noida
**Date:** 26 May 2022

**Satpal Khattar**
*Chairman*
DIN: 00307293
**Place:** Singapore
**Date:** 26 May 2022

**Sachin Kumar Gupta**
*Company Secretary*
**Place:** New Delhi
**Date:** 26 May 2022

**Ajay Khanna**
*Chief Financial Officer*
**Place:** New Delhi
**Date:** 26 May 2022

## Standalone Statement of Profit and Loss for the year ended 31 March 2022

**(All amounts in ₹ Lakhs unless otherwise stated)**



| Particulars | Note | For the year ended 31 March, 2022 | For the year ended 31 March, 2021 |
|---|---|---|---|
| **Income** | | | |
| Revenue from operations | 28 | 22,167.84 | 848.15 |
| Other income | 29 | 351.39 | 821.05 |
| **Total income** | | **22,519.23** | **1,669.20** |
| **Expenses** | | | |
| Cost of revenue/ (reversal) | 30 | 14,625.43 | (997.53) |
| Employee benefits expense | 31 | 604.31 | 517.60 |
| Finance costs | 32 | 1,493.39 | 1,807.49 |
| Depreciation and amortisation expense | 33 | 43.98 | 45.87 |
| Other expenses | 34 | 1,520.50 | 841.72 |
| **Total expenses** | | **18,287.61** | **2,215.15** |
| **Profit/ (loss) before tax** | | **4,231.62** | **(545.95)** |
| **Tax expense** | 35 | | |
| Current tax | | - | - |
| Deferred tax | | 1,102.21 | - |
| **Net Profit/(loss) for the year** | | **3,129.41** | **(545.95)** |
| **Other comprehensive income** | | | |
| **Items that will not be reclassified to profit or loss** | | | |
| Re-measurement gain/(loss) of defined benefit obligation | | 5.22 | (0.66) |
| **Income tax relating to items that will not be reclassified to profit or loss** | | | |
| Income tax relating to remeasurement of defined benefit obligation | | (1.31) | 0.17 |
| **Total other comprehensive income, net of taxes** | | **3.91** | **(0.49)** |
| **Total comprehensive income for the year** | | **3,133.32** | **(546.44)** |
| **Earnings /(Loss) per equity share** | 38 | | |
| Basic and diluted Profit / (Loss) per equity share (amount in ₹) | | 2.90 | (0.51) |
| **Summary of significant accounting policies** | 4 | | |

**The accompanying notes are an integral part of these standalone financial statements**

This is the standalone Statement of Profit and Loss referred to in our report of even date.

*For* **Walker Chandiok & Co. LLP**
*Chartered Accountants*
Firm's Registration No.: 001076N/N500013

**Manish Agrawal**
*Partner*
Membership No.: 507000
**Place:** New Delhi
**Date:** 26 May 2022

***For and on behalf of the Board of Directors of***
**Purearth Infrastructure Limited**

**Chitra Gouri Lal**
*Director*
DIN: 02823536
**Place:** Noida
**Date:** 26 May 2022

**Satpal Khattar**
*Chairman*
DIN: 00307293
**Place:** Singapore
**Date:** 26 May 2022

**Sachin Kumar Gupta**
*Company Secretary*
**Place:** New Delhi
**Date:** 26 May 2022

**Ajay Khanna**
*Chief Financial Officer*
**Place:** New Delhi
**Date:** 26 May 2022

## Standalone Cash Flow Statement for the year ended 31 March 2022

(All amounts in ₹ Lakhs unless otherwise stated)



| Particulars | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|---|---|
| **Cash flow from operating activities:** | | |
| Profit/(loss) before taxation | 4,231.62 | (545.95) |
| Adjustments for : | | |
| Loss on disposal of property, plant and equipment | 0.34 | 0.18 |
| Loss allowance on doubtful receivables | 70.89 | 2.44 |
| Bad debts written off | 0.69 | 3.44 |
| Liabilities no longer required written back | - | (35.89) |
| Forfeiture income | (2.02) | (52.58) |
| Interest income on deposits with banks and financial institutions | (60.23) | (3.30) |
| Interest income - others | (166.74) | (5.46) |
| Amortisation of deferred income | (113.34) | (239.75) |
| Gain on modification of existing financials liability | - | (533.74) |
| Depreciation and amortisation expense | 43.98 | 45.87 |
| Interest expense on others | 232.57 | 322.28 |
| Interest expense on borrowings | 1,260.82 | 1,485.21 |
| Provision for employee benefits | 24.23 | 11.46 |
| Reversal of provision for loss on sale of units | (499.80) | (1,309.58) |
| **Operating profit/(loss) before working capital changes and other adjustments** | **5,023.01** | **(855.37)** |
| **Working capital changes and other adjustments:** | | |
| Non-current financial assets | (289.81) | (1,468.39) |
| Inventories | 7,555.29 | (1,926.93) |
| Trade receivables | 743.17 | 106.85 |
| Other current financial assets | (81.59) | (0.04) |
| Other current and non-current assets | (60.28) | (225.21) |
| Trade payables | 2,472.28 | 646.95 |
| Current and non-current financial liabilities | 30.42 | (523.95) |
| Current and non-current provisions | (10.86) | (16.02) |
| Other current and non-current liabilities | (10,591.73) | 5,573.03 |
| **Cash flow from operations activities post working capital changes** | **4,789.90** | **1,310.92** |
| Taxes paid (net) | (97.63) | (36.02) |
| **Net cash flow from operating activities (A)** | **4,692.27** | **1,274.90** |
| **Cash flow from investing activities** | | |
| Purchase of property, plant and equipment | (106.82) | (5.29) |
| Interest received | 65.93 | 6.53 |
| Proceeds from bank deposits | 7,940.92 | 13.86 |
| Investment in bank deposits | (9,000.58) | (14.70) |
| **Net cash (used in)/flow from investing activities (B)** | **(1,100.55)** | **0.40** |
| **Cash flow from financing activities** | | |
| Repayment of non-current borrowings | (833.50) | - |
| Repayment of current borrowings | (2,880.71) | (1,603.70) |
| Proceeds from non-current borrowings | 89.00 | 2,650.00 |
| Interest paid | (1,260.45) | (852.77) |
| Payment of lease laibilities | (36.00) | (36.00) |
| **Net cash (used in)/flow from financing activities (C)** | **(4,921.66)** | **157.53** |
| **Net (decrease)/ increase in cash and cash equivalents (A+B+C)** | (1,329.94) | 1,432.83 |
| Cash and cash equivalents at the beginning of the year | 1,520.88 | 88.05 |
| Cash and cash equivalents at the end of the year | 190.94 | 1,520.88 |

(All amounts in ₹ Lakhs unless otherwise stated)

| Particulars | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|---|---|
| **Notes to Cash flow statement** | | |
| **1. Components of cash and cash equivalents (refer note 13)** | | |
| Cash on hand | 3.09 | 4.69 |
| Balances with scheduled banks: | | |
| - Bank deposits with original maturity of less than three months | 120.00 | 1,380.00 |
| - Current accounts | 67.85 | 136.19 |
| **Cash and cash equivalents at the end of the year** | **190.94** | **1,520.88** |

**Note:** The above Standalone Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.

**The accompanying notes are an integral part of these standalone financial statements**

This is the Standalone Cash Flow Statement referred to in our report of even date

*For* **Walker Chandiok & Co. LLP**
*Chartered Accountants*
Firm's Registration No.: 001076N/N500013

**Manish Agrawal**
*Partner*
Membership No.: 507000
**Place:** New Delhi
**Date:** 26 May 2022

***For and on behalf of the Board of Directors of***
**Purearth Infrastructure Limited**

**Chitra Gouri Lal**
*Director*
DIN: 02823536
**Place:** Noida
**Date:** 26 May 2022

**Satpal Khattar**
*Chairman*
DIN: 00307293
**Place:** Singapore
**Date:** 26 May 2022

**Sachin Kumar Gupta**
*Company Secretary*
**Place:** New Delhi
**Date:** 26 May 2022

**Ajay Khanna**
*Chief Financial Officer*
**Place:** New Delhi
**Date:** 26 May 2022

(All amounts in ₹ Lakhs unless otherwise stated)

**A. Equity share capital***

| Particulars | Amount |
|---|---|
| **Balance as at 1 April 2020** | 10,780.00 |
| Changes in equity share capital during 2020-21 | - |
| **Balance as at 31 March 2021** | **10,780.00** |
| Changes in equity share capital during 2021-22 | - |
| **Balance as at 31 March 2022** | **10,780.00** |

**B. Other equity****

| Particulars | Reserve and surplus | | | Total |
|---|---|---|---|---|
| | Securities premium | Capital redemption reserve | Retained earnings | |
| **Balance as at 31 March 2020** | **5,720.00** | **96.60** | **(9,283.46)** | **(3,466.86)** |
| Loss for the year | - | - | (545.95) | (545.95) |
| Total other comprehensive loss (net of tax) | - | - | (0.49) | (0.49) |
| **Total comprehensive loss for the year** | **-** | **-** | **(546.44)** | **(546.44)** |
| **Balance as at 31 March 2021** | **5,720.00** | **96.60** | **(9,829.90)** | **(4,013.30)** |
| Profit for the year | - | - | 3,129.41 | 3,129.41 |
| Total other comprehensive income (net of tax) | - | - | 3.91 | 3.91 |
| **Total comprehensive income for the year** | **-** | **-** | **3,133.32** | **3,133.32** |
| **Balance as at 31 March 2022** | **5,720.00** | **96.60** | **(6,696.58)** | **(879.98)** |

*Refer note 17 for details
**Refer note 18 for details

**The accompanying notes are an integral part of these standalone financial statements**

This is the Standalone Statement of Changes in Equity referred to in our report of even date.

*For* **Walker Chandiok & Co. LLP**
*Chartered Accountants*
Firm's Registration No.: 001076N/N500013

**Manish Agrawal**
*Partner*
Membership No.: 507000
**Place:** New Delhi
**Date:** 26 May 2022

***For and on behalf of the Board of Directors of***
**Purearth Infrastructure Limited**

**Chitra Gouri Lal**
*Director*
DIN: 02823536
**Place:** Noida
**Date:** 26 May 2022

**Satpal Khattar**
*Chairman*
DIN: 00307293
**Place:** Singapore
**Date:** 26 May 2022

**Sachin Kumar Gupta**
*Company Secretary*
**Place:** New Delhi
**Date:** 26 May 2022

**Ajay Khanna**
*Chief Financial Officer*
**Place:** New Delhi
**Date:** 26 May 2022

1. **Company information**

Purearth Infrastructure Limited ('PIL' or 'the Company') is a Company domiciled in India, as a Public Limited Company with a registered office at Central Square, 20 Manohar Lal Khurana Marg, Bara Hindu Rao,Delhi, India. The Company is engaged in the business of real estate development. The operations of the Company span all aspects of real estate development, from the identification and acquisition of land, to planning, execution, construction and marketing of projects.

2. **General information and statement of compliance with Ind AS**

These financial statements of the Company have been prepared in accordance with the Indian Accounting Standards as notified under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules 2015 (by Ministry of Corporate Affairs ('MCA')), as amended and other relevant provisions of the Act. The Company has uniformly applied the accounting policies during the periods presented.

The financial statements are presented in Indian Rupees ('₹') which is also the functional currency of the Company.

The financial statements for the year ended 31 March 2022 were authorized and approved for issue by the Board of Directors on 26 May 2022. The revisions to the financial statements are permitted by the Board of Directors after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Act.

3. **Basis of preparation**

The financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities and share based payments which are measured at fair value as explained in relevant accounting policies. Fair valuations related to financial assets and financial liabilities are categorised into level 1, level 2 and level 3 based on the degree to which the inputs to the fair value measurements are observable

Amount in the financial statements are presented in ₹ lakhs, unless otherwise stated. Certain amounts that are required to be disclosed and do not appear due to rounding-off are expressed as 0.00 lakhs.

4. **Summary of significant accounting policies**

The financial statements have been prepared using the significant accounting policies and measurement bases summarised below. These were used throughout all periods presented in the financial statements.

**4.1 Current versus non-current classification**

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in Companies Act 2013. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities, as the case may be.

**4.2 Revenue recognition**

Revenue is recognised when control is transferred and is accounted net of rebate and taxes. The Company applies the revenue recognition criteria to each nature of the revenue transaction as set out below:

*Revenue from sale of properties and development rights*

Revenue from sale of properties and development rights is recognized when the performance obligations are essentially complete and credit risks have been significantly eliminated. The performance obligationsare considered to be completed when control over the property, associated risks has been transferred to the buyers and substantial sales consideration is also received from the buyers.

The Company considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Company expects to be entitled in exchange for transferring property to a customer, excluding amounts collected on behalf of third parties (for example, indirect taxes). The consideration promised in a contract with a customer may include fixed consideration, variable consideration (if reversal is less likely in future), or both.

For each performance obligation identified, the Company determines at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time. If an entity does not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time. A receivable is recognised by the Company when the control is transferred as this is the case of point in time recognition where consideration is unconditional because only the passage of time is required.

When either party to a contract has performed, an entity shall present the contract in the balance sheet as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment.

The costs estimates are reviewed periodically and effect of any change in such estimate is recognized in the period such changes are determined. However, when the total estimated cost exceeds total expected revenues from the contracts, the loss is recognized immediately.

*Interest income*

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

*Facility and Maintenance business income*

Revenue from facility and maintenance services is recognised on accrual basis, in accordance with the terms of respective maintenance agreement.

*Rental income*

Rental income is recognized on a straight-line basis over the terms of the lease.

*Others*

Interest due on delayed payments by customers, cancellation/forfeiture income and transfer fees/charges from customers are recognized on receipt basis due to uncertainty of recovery of the same.

**4.3 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the statement of profit and loss as incurred.

**4.4 Employee benefits**

*Defined contribution plan*

The Company's contribution to provident fund is charged to the statement of profit and loss or inventorized as a part of real estate project under development, as the case may be. The Company's contributions towards provident fund are deposited with the regional provident fund commissioner under a defined contribution plan.

*Defined benefit plan*

The Company has unfunded gratuity as defined benefit plan where the amount that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The liability recognised in the balance sheet for defined benefit plans as the present value of the defined benefit obligation (DBO) at the reporting date. Management estimates the DBO annually with the assistance of independent actuaries. Actuarial gains/losses resulting from re-measurements of the liability are included in other comprehensive income.

*Other long-term employee benefits*

The Company also provides benefit of compensated absences to its employees which are in the nature of long -term employee benefit plan. Liability in respect of compensated absences becoming due and expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the reporting date.

Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded in the statement of profit and loss in the year in which such gains or losses arise.

*Short-term employee benefits*

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

**4.5 Property, plant and equipment (PPE)**

*Recognition and initial measurement*

Property, plant and equipment are measured at their cost of acquisition, net of accumulated depreciation and impairment losses, if any. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Company. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

*Subsequent measurement (depreciation)*

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the Written Down Value ('WDV') method on the basis of rates derived as per the useful life specified in Part 'C' of Schedule II of the Act which represents useful lives of the assets, as estimated by the management taking into account the nature of the asset, the estimated usage of the asset and the operating conditions of the asset. Depreciation charged is recognised in the Statement of profit and loss.

*De-recognition*

An item of property, plant and equipment initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in statement of profit and loss when the asset is de-recognised.

**4.6 Lease:**

**Where the Company is the lessee**

**Right of use assets and lease liabilities**

For any new contracts entered into on or after 1 April 2019, the Company considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. The Company enters into leasing arrangements for various assets. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company obtains substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

*Recognition and initial measurement- right-of-use asset*

At lease commencement date, the Company recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Company, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

*Subsequent measurement-right-of-use asset*

The Company depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Company also assesses the right-of-use asset for impairment when such indicators exist.

*Recognition and initial measurement- lease liability*

At lease commencement date, the Company measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Company's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed) and variable payments based on an index or rate.

*Subsequent measurement- lease liability*

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Company has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in interim statement of profit and loss on a straight-line basis over the lease term.

**Where the Company is the lessor**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis or another systematic basis as per the terms of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

**4.7 Financial instruments**

**Financial assets**

*Recognition and initial measurement*

All financial assets are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

*Subsequent measurement*

**Financial assets at amortised cost** - A 'financial assets' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

**Investments in equity instruments of subsidiaries**

Investments in equity instruments of subsidiaries are accounted for at cost in accordance with Ind AS 27 'Separate Financial Statements'.

**Investments in other equity instruments**

Investments in equity instruments which are held for trading are classified as at fair value through profit or loss ('FVTPL'). For all other equity instruments, the Company makes an irrevocable choice upon initial recognition, on an instrument by instrument basis, to classify the same either as at fair value through other comprehensive income ('FVTOCI') or fair value through profit or loss ('FVTPL'). Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. However, the Company transfers the cumulative gain or loss within equity. Dividends on such investments are recognized in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

*De-recognition of financial assets*

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Company has transferred its rights to receive cash flows from the asset.

**Financial liabilities**

*Recognition and initial measurement*

All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted.

*Subsequent measurement - Amortised cost*

Subsequent to initial recognition, financial liabilities are measured at amortised cost using the effective interest method.

*Recognition, initial and subsequent measurement - fair value*

A financial liability is classified as fair value through profit and loss ('FVTPL') if it is designated as such upon initial recognition. Financial liabilities at FVTPL are measured at fair value and net gain/losses, including any interest expense are recognised in statement of profit and loss.

*De-recognition of financial liabilities*

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**Fair value measurement**

The Company measures financial instruments at fair value at each Standalone Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Company.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Company determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The management determines the policies and procedures for both recurring fair value measurement and unquoted financial assets measured at fair value and for non-recurring measurement.

**4.8 Impairment of financial assets**

In accordance with Ind AS 109 'Financial Instruments', the Company applies expected credit loss ('ECL') model for measurement and recognition of impairment loss for financial assets. ECL is the weighted-average of difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the Company expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Company is required to consider:

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets; and
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

*Trade receivables*

In respect of trade receivables, the Company applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

*Other financial assets*

In respect of its other financial assets, the Company assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Company measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses. The Company assumes that the credit risk on a financial asset has not increased significantly since initial recognition, if the financial asset is determined to have low credit risk at the balance sheet date.

**4.9 Impairment of non-financial assets**

At each reporting date, the Company assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the recoverable amount of the asset or the cash generating unit is estimated. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognised are accordingly reversed in the statement of profit and loss.

**4.10 Inventories**

Land other than that transferred to real estate properties under development is valued at lower of cost or net realizable value.

Real estate project (developed and under development) includes cost of land under development, development rights, internal and external development costs, construction costs, and development/construction materials, borrowing costs and related overhead costs and is valued at lower of cost or net realizable value.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs of necessary to make the sale.

### 4.11 Income taxes

Tax expense recognised in statement of profit and loss comprises the sum of deferred tax and current tax except the ones recognised in other comprehensive income or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets on unrealised tax loss are recognised to the extent that it is probable that the underlying tax loss will be utilised against future taxable income. This is assessed based on the Company's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity).

### 4.12 Cash and cash equivalents

Cash and cash equivalents comprise cash on hand, demand deposits and other short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

### 4.13 Provisions, contingent liabilities and contingent assets

Provisions are recognised only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Company; or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

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

### 4.14 Earnings per share

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**4.15 Significant management judgement in applying accounting policies and estimation uncertainty**

The preparation of the Company's financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the related disclosure.

*Significant management judgements*

**Recoverability of advances / receivables**

At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit losses on outstanding receivables and advances.

**Contingencies**

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Company, (refer note 36(a)). By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments by management and the use of estimates regarding the outcome of future events

**Recognition of deferred tax assets -** The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Company's future taxable income against which the deferred tax assets can be utilized.

**Impairment of non-financial assets -** The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

**Impairment of financial assets-** At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit losses on outstanding receivables and advances.

**Provisions -** At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Company assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

**Classification of leases -** The Company enters into leasing arrangements for premises. The assessment (including measurement) of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/terminate etc. After the commencement date, the Company reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend or to terminate.

*Significant estimates*

**Revenue and inventories -** The estimates around total budgeted cost i.e. outcomes of underlying construction and service contracts, which further require assessments and judgements to be made on changes in work scopes, claims and other payments to the extent they are probable and they are capable of being reliably measured. For the purpose of making estimates for claims, the Company used the available contractual and historical information. The estimates of the saleable area are also reviewed periodically and effect of any changes in such estimates is recognised in the period such changes are determined.

**Defined benefit obligation (DBO) -** Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

**Useful lives of depreciable/amortisable assets -** Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utilisation of assets.

**Fair value measurements -** Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

**4.16 Recent accounting pronouncements - Issued but not made effective**

**Amendment to Ind AS 16, Property, Plant and Equipment**

'The Ministry of Corporate Affairs ("MCA") vide notification dated 23 March 2022, has issued an amendment to Ind AS 16 which specifies that an entity shall deduct from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly).

**Amendment to Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets**

The Ministry of Corporate Affairs ("MCA") vide notification dated 23 March 2022, has issued an amendment to Ind AS 37 which specifies that the cost of fulfilling a contract comprises: the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

**Amendment to Ind AS 109, Financial Instruments**

The Ministry of Corporate Affairs ("MCA") vide notification dated 23 March 2022, has issued an amendment to Ind AS 109 which clarifies that which fees an entity should include when it applies the '10%' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

**Amendment to Ind AS 103, Business Combinations**

The Ministry of Corporate Affairs ("MCA") vide notification dated 23 March 2022, has issued an amendment to Ind AS 103 and has added a new exception in the standard for liabilities and contingent liabilities.

The amendments are extensive, and the Company will evaluate the same to give effect to them as required by law.

(This space is intentionally left blank)

(All amounts in ₹ Lakhs unless otherwise stated)

**5. Property, plant and equipment:**
**Reconciliation of carrying amount**

| Particulars | Computers | Office equipments | Vehicles | Furniture and fixtures | Air conditioners | Total |
|---|---|---|---|---|---|---|
| **Gross carrying value** | | | | | | |
| **Balance as at 1 April 2020** | **11.93** | **6.14** | **18.45** | **70.39** | **0.22** | **107.13** |
| Additions made during the year | 4.38 | 0.48 | 0.12 | 0.31 | - | 5.29 |
| Disposals / adjustments during the year | - | (0.23) | - | (0.06) | - | (0.29) |
| **Balance as at 31 March 2021** | **16.31** | **6.39** | **18.57** | **70.64** | **0.22** | **112.13** |
| Additions made during the year | 4.59 | 0.26 | 101.78 | 0.19 | - | 106.82 |
| Disposals / adjustments during the year | - | (1.05) | | - | - | (1.05) |
| **Balance as at 31 March 2022** | **20.90** | **5.60** | **120.35** | **70.83** | **0.22** | **217.90** |
| **Accumulated depreciation** | | | | | | |
| **Balance as at 1 April 2020** | **7.51** | **1.83** | **13.74** | **47.90** | **0.03** | **71.01** |
| Depreciation expense for the year | 4.24 | 0.87 | 1.48 | 5.55 | - | 12.14 |
| On disposals / adjustments during the year | - | (0.10) | - | (0.01) | - | (0.11) |
| **Balance as at 31 March 2021** | **11.75** | **2.60** | **15.22** | **53.44** | **0.03** | **83.04** |
| Depreciation expense for the year | 3.14 | 0.62 | 1.92 | 4.18 | - | 9.86 |
| On disposals / adjustments during the year | | (0.71) | | | - | (0.71) |
| **Balance as at 31 March 2022** | **14.89** | **2.51** | **17.14** | **57.62** | **0.03** | **92.19** |
| **Net carrying value** | | | | | | |
| As at 31 March 2022 | 6.01 | 3.09 | 103.21 | 13.21 | 0.19 | 125.71 |
| As at 31 March 2021 | 4.56 | 3.79 | 3.35 | 17.20 | 0.19 | 29.09 |

**6. Right of use assets (refer note 47)**

| Particulars | Building | Total |
|---|---|---|
| **Gross carrying value** | | |
| **Balance as at 1 April 2020** | **50.60** | **50.60** |
| Additions during the year | - | - |
| **Balance as at 31 March 2021** | **50.60** | **50.60** |
| Additions during the year | 51.29 | 51.29 |
| **Balance as at 31 March 2022** | **101.89** | **101.89** |
| **Accumulated depreciation** | | |
| **Balance as at 1 April 2020** | **11.24** | **11.24** |
| Charge for the year | 33.73 | 33.73 |
| **Balance as at 31 March 2021** | **44.97** | **44.97** |
| Charge for the year | 34.12 | 34.12 |
| **Balance as at 31 March 2022** | **79.09** | **79.09** |
| **Net block** | | |
| As at 31 March 2022 | **22.80** | **22.80** |
| As at 31 March 2021 | 5.63 | 5.63 |

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|
| **7. Non-current financial assets - Investments** | | |
| **Investment in equity instruments of subsidiaries (at cost)** | | |
| **Unquoted equity instruments** | | |
| Kalptru Realty Private Limited | | |
| 50,000 (31 March 2021: 50,000) equity shares of face value of ₹ 10 each, fully paid up | 5.00 | 5.00 |
| Kamayani Facility Management Private Limited | | |
| 50,000 (31 March 2021: 50,000) equity shares of face value of ₹ 10 each, fully paid up | 5.00 | 5.00 |
| Vighanharta Estates Private Limited | | |
| 100,000 (31 March 2021: 100,000) equity shares of face value of ₹ 10 each, fully paid up | 10.00 | 10.00 |
| **Total** | **20.00** | **20.00** |
| **Aggregate book value of unquoted investments in equity shares** | **20.00** | **20.00** |
| **8. Non-current other financials assets** | | |
| *(Secured, considered good)* | | |
| Receivables from related party* (Refer note 41) | | |
| - Receivables principal | 1,766.39 | 1,476.58 |
| - Interest Accrued but not due on above | 149.23 | 0.79 |
| Security deposits | 26.11 | 26.11 |
| **Total** | **1,941.73** | **1,503.48** |

* The Company had entered into agreements dated 27 March 2021 and 17 April 2021 with DCM Limited for acquisition by DCM limited of certain Company's units in its residential project namely "Amaryllis" for an aggregate consideration of ₹ 1,766.39 Lakhs (31 March 2021 - Rs. 1,487.74 Lakhs). These units have been made fully paid by the Company by allowing DCM Limited to make a deferred payment plan within a period of 3 years from the date of allotment and same has been recorded as a book debt receivable by the Company in accordance with the agreement. It also carries interest which is higher of 0.25% p.a over and above effective rate of interest charged by HDFC ltd from the Company or @ 10.50% p.a. upto 30 June 2021 and thereafter carries interest 0.25% p.a.over effective rate of interest charged by HDFC ltd from the Company. A charge has been created by deposit of title deeds of Industrial land at Hissar, Haryana admeasuring 43.644 acres owned by DCM limited for securing the said book debt.

**a) Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties**

| | As at 31 March 2022 | | As at 31 March 2021 | |
|---|---|---|---|---|
| **Type of Borrower** | **Advance in the nature of loan outstanding** | **Percentage to Advances in the nature of loans** | **Advance in the nature of loan outstanding** | **Percentage to Advances in the nature of loans** |
| Promoters | 1,915.62 | 100% | 1,477.37 | 100% |

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|
| **9. Non-current tax assets (net)** | | |
| Advance income tax including tax deducted at source | 141.41 | 28.59 |
| **Total** | **141.41** | **28.59** |
| **10. Other non-current assets** | | |
| *(Unsecured and considered good)* | | |
| Balances with statutory authorities | 80.91 | 80.91 |
| Loans to employees | 0.47 | 2.20 |
| Prepaid expenses | 7.72 | 13.64 |
| **Total** | **89.10** | **96.75** |
| **11. Inventories*** | | |
| **(Valued at lower of cost or net realisable value)* | | |
| **Construction materials in stock (at cost)** | 59.15 | 62.19 |
| Sub total | 59.15 | 62.19 |

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|
| **Real estate properties under development (at cost)** | | |
| Cost of properties under development (net off written off) | 49,802.87 | 57,355.12 |
| Less: Provision for expected loss** | (2,634.56) | (3,134.36) |
| Sub total | 47,168.31 | 54,220.76 |
| **Total** | **47,227.46** | **54,282.95** |

**The Company has recorded a provision for expected loss of ₹ 178.01 Lakhs( previous year ₹ 124.86 Lakhs) for sold units of Central Square (Plaza 4) based on updated budgeted cost and ₹ 466.01 Lakhs (previous year ₹ Nil) for units for which revenue has not been recognised in respect of Central Square (Plaza 1,2 & 3) other than already recorded. Further , the Company has reversed provision for expected losses of ₹ 1,143.82 Lakhs (previous year Nil) of old flat buyer units of Park Square (Phase – I) as actual cost and revenue have been recognised for these units in the current year.

## 12. Trade receivables

*(Unsecured and considered good, unless otherwise stated)*

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|
| Considered good* | 1,299.83 | 2,114.58 |
| Credit impaired | 122.44 | 51.55 |
| | 1,422.27 | 2,166.13 |
| Less: Loss allowance** | (122.44) | (51.55) |
| | 1,299.83 | 2,114.58 |
| **Total** | **1,299.83** | **2,114.58** |

*For amounts of trade receivables owing from related parties, refer note 41.
**The Company's exposure to credit and currency risks, and loss allowance related to trade receivables are disclosed in note 48.

**Ageing schedule of trade receivables as on 31 March 2022**

| As at 31 March 2022 | Oustanding from the due date of payment | | | | | Total |
|---|---|---|---|---|---|---|
| | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed trade receivables – considered good | 154.23 | 11.11 | 6.34 | - | 1,128.15 | 1,299.83 |
| Undisputed trade receivables – credit impaired | 60.86 | 7.92 | 13.41 | 17.20 | 23.05 | 122.44 |
| Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| Disputed trade receivables – considered good | - | - | - | - | - | - |
| Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| Disputed trade receivables – credit impaired | - | - | - | - | - | - |

**Ageing schedule of trade receivables as on 31 March 2021**

| As at 31 March 2021 | Oustanding from the due date of payment | | | | | Total |
|---|---|---|---|---|---|---|
| | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | |
| Undisputed trade receivables – considered good | 33.45 | 5.11 | 9.19 | 11.98 | 2,054.85 | 2,114.58 |
| Undisputed trade receivables – credit impaired | 8.04 | 10.27 | 15.83 | 11.91 | 5.50 | 51.55 |
| Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| Disputed trade receivables – considered good | - | - | - | - | - | - |
| Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| Disputed trade receivables – credit impaired | - | - | - | - | - | - |

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|
| **13. Cash and cash equivalents** | | |
| Balances with banks | | |
| - In current accounts | 67.85 | 136.19 |
| - Bank deposits with original maturity of less than three months | 120.00 | 1,380.00 |
| Cash on hand | 3.09 | 4.69 |
| **Total** | **190.94** | **1,520.88** |
| **14. Bank balances other than cash and cash equivalents above** | | |
| Bank deposits with original maturity of more than three months but upto twelve months* | 1,074.36 | 14.70 |
| **Total** | **1,074.36** | **14.70** |

* includes ₹ 15.37 lakhs (31 March 2021 ₹ 14.70 lakhs) pledged with Government Authorities as bank guarantee.

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|
| **15. Other current financial assets** | | |
| Security deposit | 8.49 | 8.84 |
| Interest accrued* | 14.04 | 1.44 |
| Advances to related party (refer note 41) | 193.61 | 111.67 |
| **Total** | **216.14** | **121.95** |

* includes ₹ 0.30 lakhs (31 March 2021 ₹ 0.30 lakhs) pledged with Government Authorities

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|
| **16. Other current assets** (Unsecured and considered good) | | |
| Advances to suppliers | 2.94 | 2.72 |
| Prepaid expenses | 31.57 | 19.66 |
| Balance with statutory/government authorities | 536.74 | 393.90 |
| Loans to employees | 1.64 | 4.61 |
| Others | 2.76 | 86.83 |
| **Total** | **575.65** | **507.72** |

| **17. Equity share capital** | **As at 31 March 2022** | **As at 31 March 2011** |
|---|---|---|
| **a) Authorised** | | |
| 110,799,000 (31 March 2021: 110,799,000) equity shares of ₹ 10 each | 11,079.90 | 11,079.90 |
| 100 (31 March 2021: 100) 13.5% redeemable cumulative preference shares of ₹ 100 each | 0.10 | 0.10 |
| **b) Issued, subscribed and fully paid-up** | | |
| 107,800,000 (31 March 2021: 107,800,000) equity shares of ₹ 10 each fully paid-up | 10,780.00 | 10,780.00 |
| Total issued, subscribed and fully paid-up share capital | 10,780.00 | 10,780.00 |

**c) Reconciliation of the shares outstanding at the beginning and at the end of reporting period:**

| | As at 31 March 2022 | | As at 31 March 2021 | |
|---|---|---|---|---|
| **Equity Shares** | **No. of Shares** | **Amount** | **No. of Shares** | **Amount** |
| At the beginning of the year | 10,78,00,000 | 10,780.00 | 10,78,00,000 | 10,780.00 |
| Add: Shares issued during the year | - | - | - | - |
| **At the end of the year** | **10,78,00,000** | **10,780.00** | **10,78,00,000** | **10,780.00** |

(All amounts in ₹ Lakhs unless otherwise stated)

**d) Rights, preferences and restrictions attached to equity shares:**

The Company issued one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share with a right to receive per share dividend declared by the Company. In the event of liquidation, the equity shareholders are entitled to receive remaining assets of the Company (after distribution of all preferential amounts, if any) in the proportion of equity shares held by the shareholders.

**e) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:**

| | As at 31 March 2022 | | As at 31 March 2021 | |
|---|---|---|---|---|
| | No. of Shares | % of holding | No. of Shares | % of holding |
| Tiara Investments Holdings Limited (Holding company) | 5,46,00,000 | 50.65% | 5,46,00,000 | 50.65% |
| Aggresar Leasing and Finance Private Limited | 1,79,89,455 | 16.69% | 1,79,89,455 | 16.69% |
| DCM Limited | 1,78,53,605 | 16.56% | 1,78,53,605 | 16.56% |
| Unison International IT Services Limited | 71,15,182 | 6.60% | 71,15,182 | 6.60% |
| Sumant Bharat Ram | 58,61,818 | 5.44% | 58,61,818 | 5.44% |

**f) Details of shares held by holding company or subsidiary of ultimate holding company:**

| | As at 31 March 2022 | | As at 31 March 2021 | |
|---|---|---|---|---|
| | No. of Shares | % of holding | No. of Shares | % of holding |
| Tiara Investments Holdings Limited (Holding company) | 5,46,00,000 | 50.65% | 5,46,00,000 | 50.65% |
| **Total** | **5,46,00,000** | **50.65%** | **5,46,00,000** | **50.65%** |

**g) Aggregate number of shares issued for consideration other than cash**

No shares have been issued for other than cash during the period of five years immediately preceding 31 March 2022

**h) Details of promoter shareholding**

| | As at 31 March 2022 | | | As at 31 March 2021 | | |
|---|---|---|---|---|---|---|
| | **Number of shares** | **% of total shares** | **% Change during the year** | **Number of shares** | **% of total shares** | **% Change during the year** |
| Tiara Investments Holdings Limited (Holding company) | 5,46,00,000 | 50.65% | - | 5,46,00,000 | 50.65% | - |
| Aggresar Leasing and Finance Private Limited | 1,79,89,455 | 16.69% | - | 1,79,89,455 | 16.69% | - |
| DCM Limited | 1,78,53,605 | 16.56% | - | 1,78,53,605 | 16.56% | - |
| Unison International IT Services Limited | 71,15,182 | 6.60% | - | 71,15,182 | 6.60% | - |
| Sumant Bharat Ram | 58,61,818 | 5.44% | - | 58,61,818 | 5.44% | - |
| Til Investment private limited | 32,04,500 | 2.97% | - | 32,04,500 | 2.97% | - |
| Atlantic Commercial company limited | 4,00,000 | 0.37% | - | 4,00,000 | 0.37% | - |
| Satpal Khattar | 2,94,100 | 0.27% | - | 2,94,100 | 0.27% | - |

**18. Other equity**

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|
| Reserves and surplus | | |
| Securities premium reserve | 5,720.00 | 5,720.00 |
| Capital redemption reserve | 96.60 | 96.60 |
| Retained earnings | (6,696.58) | (9,829.90) |
| **Total** | **(879.98)** | **(4,013.30)** |

**Nature and purpose of other reserves**

**a) Securities Premium reserve**

Securities premium reserve is used to record the premium on issue of shares. The reserve will be utilised in accordance with provisions of the Companies Act, 2013.

**b) Capital redemption reserve**

Capital redemption reserve was created on account of buyback of shares as per the requirements of Companies Act, 2013. The reserve will be utilised in accordance with provisions of the Companies Act, 2013

**c) Retained earnings**

Retained earnings is used to record balance of statement of profit and loss.

| **19. Borrowings** | **Non-current borrowing** | | **Current borrowing** | |
|---|---|---|---|---|
| | **As at 31 March 2022** | **As at 31 March 2021** | **As at 31 March 2022** | **As at 31 March 2021** |
| Term loan from banks* | 73.46 | - | 15.54 | - |
| Term loan from others** | 6,347.51 | 12,004.26 | 4,836.47 | 2,880.71 |
| | **6,420.97** | **12,004.26** | **4,852.01** | **2,880.71** |

**Repayment terms and security disclosure for the outstanding borrowings as at 31 March 2022 and 31 March 2021:**

***From banks :**
**Secured borrowings:**

During the year, the Company has availed Vehicle Loan of ₹ 89.00 (31 March 2021: ₹ nil ) from Axis Bank for official purposes which are secured by hypothecation of specific vehicle with first and exclusive charge and further secured by personal guarantee of Mr. Sumant Bharat Ram . The loans are carrying an interest rate of 7.10 % p.a. (31 March 2021: nil) .

****From others:**
**Secured borrowings:**

(i) Term loans amounting to ₹ 8,533.98 Lakhs (31 March 2021: ₹ 12,234.97 Lakhs) is secured by first pari-passu charge on the land admeasuring 118,823.90 sq. yards. situated at Bara Hindu Rao, Delhi, owned by DCM Limited and the flats/flatted factories, present and future constructed/to be constructed thereon excluding the flats/flatted factories constructed/to be constructed booked by the customers of erstwhile builders and on which lien has been specifically released. These term loans are further secured by first charge over the receivables of the Company from the project by the name and style of “Central Square”, first charge/lien on escrow accounts held singly/jointly by the Company and the Company’s revenue share from present and future built up space/FSI being developed under the “Joint Development Agreement” for its residential project named as "Park Square" (now known as "The Amaryllis"). These term loans are further secured by pledge of 100% shares of Juhi Developers Private Limited which are owned by Betterways Finance and Leasing Private Limited (merged with Aggresar Leasing and Finance Private Limited effective 26 August 2016), Dr. Vinay Bharat Ram and Mr. Sumant Bharat Ram and pledge of 100% shares of Teak Farms Private Limited which are owned by Shreshtha Real Estates Private Limited jointly with Mr. Sumant Bharat Ram. These loans are further secured by creating equitable mortgage on land owned by DCM Limited on Plot No. 4 and 11 admeasuring 1473.4 sq.yards and 1272.1 sq.yards both located at Block 67, W.E.A. New Rohtak Road, Karol Bagh, New Delhi. Further out of the above loan of ₹ 2,615.87 Lakhs (31 March 2021 ₹ 2,613.48 Lakhs) is additionally secured by first equitable mortgage of plot no 3 block 67, WEA Rohtak Road Karol Bagh, New Delhi and owned by DCM limited with first charge on entire sale proceeds/ receivables accruing from sold and unsold area at the mentioned land present and future.)

(i) (a) Out of Term Loan amounting to ₹ 5,918.11 Lakhs (31 March 2021: ₹ 9,621.49 Lakhs), an amount of ₹ 426.67 Lakhs (31 March 2021 ₹ 383.09 lakhs) is payable on 6 June 2022 and an amount of ₹ 5,000.00 lakhs (31 March 2021: ₹ 8,746.96 lakhs) is payable in 4 equal quarterly installments of ₹ 1,250 lakhs each commencing from 6th September, 2022 and balance ₹ 491.44 lakhs representing Mortarium interest (31 March 2021: ₹ 491.44) payable on September 2023 considering the Mortarium scheme of RBI.

(i) (b) Out of Term Loan amounting to ₹ 2,615.87 Lakhs (31 March 2021: ₹ 2,613.48 Lakhs), an amount of ₹ 2,493.02 lakhs (31 March 2021: ₹ 2,490.63 lakhs) is repayable in 6 quarterly installments commencing from 30 June 2024 and balance mortarium interest of ₹ 122.85 lakhs (31 March 2021: ₹ 122.85) will repaid in subsequent quarters considering the Mortarium scheme of RBI.

(i) (c) The above-mentioned term loans carry an interest CF PLR minus 0 Basis points of the lender w.e.f. 01 April 2020 to 30 November 2020 and interest CF PLR less 125 Basis points of the lender w.e.f. 01 December 2020 to 31 March 2021 and interest CF PLR ( 11.50% p.a.) less 200 basis points w.e.f 01 April 2021 to 31 December 2021 and interest CF PLR (11.50 % p.a.) less 250 basis points w.e.f 01 January 2022 to 31 January 2022 and interest CFPLR (11.60% p.a.) less 250 basis points w.e.f. 01 February 2022 to 28 February 2022 and interest CFPLR ( 11.70% p.a.) less 250 basis points w.e.f. 01 March 2022 to 31 March 2022 ( the present applicable rate is 9.20% p.a).

(ii) Term Loan of ₹ 2,650 lakhs (31 March 2021: Rs. 2,650 from HDFC limited by way of Guaranteed Emergency Credit Line (GECL) under ECLGS Scheme of National Credit Guarantee Trustee Company Limited (NCGTC) for general corporate purposes/ working capital/ expense to restart operations due to lockdown/ liquidity mismatch which is repayable in 48 EMIs post 12 months of moratorium and accordingly, the repayment to start from April 2022. The Loan shall be secured by way of second charge against the respective credit facilities as on 29th February 2020 provided by HDFC limited to the Company except pledge of 100% shares of Juhi Developers Private Limited. Further the loan shall be secured by First and Prime Charge in favour of the lender, on any assets acquired or created out of this facility and a second charge shall be extended as specified under the Scheme of NCGTC. This term loan carry interest rate linked to HDFC construction finance prime lending rate (CFPLR 11.50% p.a.) less 200 basis points w.e.f 12 March 2021 to 31 January 2022 and interest CFPLR (11.60% p.a.) less 200 basis points w.e.f. 01 February 2022 to 28 February 2022 and interest CFPLR ( 11.70% p.a.) less 200 basis points w.e.f. 01 March 2022 to 31 March 2022 (the present applicable rate is 9.70% p.a).

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|
| **20. Lease liabilities** | | |
| **Current** | | |
| Lease liability (refer note 47) | 23.17 | 5.91 |
| **Total** | **23.17** | **5.91** |
| **21. Other non-current financial liabilities** | | |
| Security deposits | 2,606.02 | 2,347.26 |
| **Total** | **2,606.02** | **2,347.26** |
| **22. Non-current provisions** | | |
| **Provision for employee benefits** | | |
| - Gratuity (refer note 40) | 60.28 | 55.01 |
| - Compensated absences | 42.47 | 35.61 |
| **Total** | **102.75** | **90.62** |
| **23. Other non-current liabilities** | | |
| Deferred income | 310.21 | 422.76 |
| **Total** | **310.21** | **422.76** |
| **24. Trade payables** | | |
| **Trade payables** | | |
| - total outstanding dues of micro enterprises and small enterprises; and (refer note 43) | 29.40 | 33.03 |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | 10,834.92 | 8,359.01 |
| **Total** | **10,864.32** | **8,392.04** |

(All amounts in ₹ Lakhs unless otherwise stated)

**Ageing schedule of trade payables as on 31 March 2022**

| As at 31 March 2022 | Unbilled dues | Outstanding from the due date of payment | | | | Total |
|---|---|---|---|---|---|---|
| | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Micro, small and medium exterprises | 24.83 | 4.57 | - | - | - | 29.40 |
| Others | 5,619.12 | 3,815.54 | 1,379.53 | - | 20.73 | 10,834.92 |
| Disputed Dues (MSME) | - | - | - | - | - | - |
| Disputed Dues (Others) | - | - | - | - | - | - |

**Ageing schedule of trade payables as on 31 March 2021**

| As at 31 March 2021 | Unbilled dues | Outstanding from the due date of payment | | | | Total |
|---|---|---|---|---|---|---|
| | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Micro, small and medium exterprises | 1.70 | 31.33 | - | - | - | 33.03 |
| Others | 1,070.28 | 2,660.13 | 2,538.75 | 1,980.15 | 109.70 | 8,359.01 |
| Disputed Dues (MSME) | - | - | - | - | - | - |
| Disputed Dues (Others) | - | - | - | - | - | - |

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|
| **25. Other current financial liabilities** | | |
| - Interest accrued on borrowing | 0.37 | - |
| - Employee related payables | 47.74 | 43.51 |
| **Total** | **48.11** | **43.51** |
| **26. Other current liabilities** | | |
| Statutory dues payable | 39.02 | 21.34 |
| Contract liability- Advance from customers | 21,024.70 | 31,636.92 |
| Deferred income | 112.55 | 112.55 |
| **Total** | **21,176.27** | **31,770.81** |

For terms and conditions of advances received from customers owing to related parties, refer note 41

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|
| **27. Current provisions** | | |
| **Provision for employee benefits** | | |
| - Gratuity (refer note 40) | 3.52 | 6.67 |
| - Compensated absences | 4.16 | 4.99 |
| **Total** | **7.68** | **11.66** |

(This space has been intentionally left blank)

(All amounts in ₹ Lakhs unless otherwise stated)

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|---|---|
| **28. Revenue from operations** | | |
| **Operating revenue** | | |
| Revenue from real estate operations | 21,869.58 | 669.95 |
| **Other operating revenue** | | |
| Maintenance service income | 289.12 | 121.23 |
| Transfer charges and forfeiture income | 9.14 | 56.97 |
| **Total** | **22,167.84** | **848.15** |
| **29. Other income** | | |
| **Interest income** | | |
| - Deposits with banks and financial institutions | 60.23 | 3.30 |
| - Others | 166.74 | 5.46 |
| Amortisation of deferred income | 113.34 | 239.75 |
| Gain on modification of existing financials liability | - | 533.74 |
| Liabilities no longer required written back | - | 35.89 |
| Miscellaneous income | 11.08 | 2.91 |
| **Total** | **351.39** | **821.05** |
| **30. Cost of revenue / (reversal)** | | |
| Cost incurred during the year | 7,569.94 | 2,238.98 |
| **Decrease/(increase) in real estate properties** | | |
| Opening stock | 54,282.95 | 51,046.44 |
| Closing stock | (47,227.46) | (54,282.95) |
| Net | 7,055.49 | (3,236.51) |
| **Total** | **14,625.43** | **(997.53)** |
| **31. Employee benefits expense** | | |
| Salaries, bonus and other allowances | 548.47 | 473.69 |
| Contribution to provident funds (refer note 40) | 23.74 | 28.54 |
| Gratuity and compensated absences (refer note 40) | 24.23 | 11.46 |
| Staff welfare expenses | 7.87 | 3.91 |
| **Total** | **604.31** | **517.60** |
| **32. Finance costs** | | |
| Interest expense on amortised cost | | |
| Term loan | 1,260.82 | 1,485.21 |
| Others | 232.57 | 322.28 |
| **Total** | **1,493.39** | **1,807.49** |
| **33. Depreciation and amortisation expense** | | |
| Depreciation of property, plant and equipments (refer note 5) | 9.86 | 12.14 |
| Depreciation of right to use leased assets (refer note 6) | 34.12 | 33.73 |
| **Total** | **43.98** | **45.87** |

(All amounts in ₹ Lakhs unless otherwise stated)

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|---|---|
| **34. Other expenses** | | |
| Travelling and conveyance | 77.31 | 25.88 |
| Communication | 8.19 | 9.84 |
| Repair and maintenance - others | 2.95 | 5.00 |
| Legal and professional fees (refer note (i) below) | 103.44 | 103.83 |
| Rates and taxes | 43.76 | 9.70 |
| Insurance | 21.81 | 16.62 |
| Property management expenses | 470.87 | 411.80 |
| Electricity and water charges | 127.15 | 147.30 |
| Commission to non executive Directors | 197.12 | - |
| Director sitting fees | 26.46 | 35.78 |
| Loss on disposal of property, plant and equipment | 0.34 | 0.18 |
| Printing and stationery | 5.39 | 3.29 |
| Expenditure on corporate social responsibility (refer note 44) | 49.02 | 42.55 |
| Bad debts written off | 0.69 | 3.44 |
| Loss allowance for doubtful receivables (refer note 12) | 70.89 | 2.44 |
| Brokerage and marketing | 259.13 | - |
| Compensation to customers | 36.48 | 14.78 |
| Miscellaneous expenses | 19.50 | 9.29 |
| **Total** | **1,520.50** | **841.72** |
| **(i) Includes auditors remuneration (excluding taxes)** | | |
| For audit | 19.00 | 15.50 |
| For limited review | 7.50 | 7.50 |
| For reimbursement of expenses | 1.77 | 1.07 |
| **Total** | **28.27** | **24.07** |

(This space has been intentionally left blank)

(All amounts in ₹ Lakhs unless otherwise stated)

**35. Tax expense**

**(a) Amounts recognised in profit and loss**

| Particulars | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|---|---|
| **Current tax (a)** | | |
| Current tax expense | - | - |
| **Deferred tax (b)** | 1,102.21 | - |
| **Tax expense for the year** | **1,102.21** | **-** |

**(b) Income tax recognised in other comprehensive income (OCI)**

| Particulars | For the year ended 31 March 2022 | | |
|---|---|---|---|
| | Before tax | Tax (expense)/benefit | Net of tax |
| **Items that will not be reclassified to profit or loss** | | | |
| Remeasurement of defined benefit obligation | 5.22 | (1.31) | 3.91 |
| | **5.22** | **(1.31)** | **3.91** |

| Particulars | For the year ended 31 March 2021 | | |
|---|---|---|---|
| | Before tax | Tax (expense)/benefit | Net of tax |
| **Items that will not be reclassified to profit or loss** | | | |
| Remeasurement of defined benefit obligation | (0.66) | 0.17 | (0.49) |
| | **(0.66)** | **0.17** | **(0.49)** |

**(c) Reconciliation of effective tax rate**

| Particulars | For the year ended 31 March 2022 | | For the year ended 31 March 2021 | |
|---|---|---|---|---|
| **Profit/ (Loss) before tax** | | **4,231.62** | | **(545.95)** |
| Tax using the Company's domestic tax rate | 25.168% | 1,065.01 | 25.168% | (137.40) |
| **Tax effect of:** | | | | |
| Non-deductible expenses/non-taxable income | | 12.34 | | (123.62) |
| Recognised in OCI during the year | | 1.31 | | (0.17) |
| Temporary timing differences on which deferred tax not created | | 60.01 | | 28.41 |
| Losses on which no deferred tax is created | | - | | 233.73 |
| Others | | (36.46) | | (0.95) |
| **Effective tax rate** | | **1,102.21** | | **-** |

Details of unused tax losses for which no deferred tax is recognised in balance sheet:

| | For the year ended 31 March 2022 | | | For the year ended 31 March 2021 | | |
|---|---|---|---|---|---|---|
| Particulars | Base amount | Deferred tax | Expiry date (Assessment year) | Base amount | Deferred tax | Expiry date (Assessment year) |
| **Tax Losses** | | | | | | |
| Assessment year 2021-22 | 946.82 | 238.30 | 31 March 2030 | 912.40 | 229.63 | 31 March 2030 |
| **Unabsorbed depriciation** | | | | | | |
| Assessment year 2021-22 | - | - | Not applicable | 16.28 | 4.10 | Not applicable |
| **Total** | **946.82** | **238.30** | | **928.68** | **233.73** | |

### (d) Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

| | Deferred tax (assets) | | Deferred tax liabilities | | Net deferred tax (assets) / liabilities | |
|---|---|---|---|---|---|---|
| **Particulars** | **As at 31 March 2022** | **As at 31 March 2021** | **As at 31 March 2022** | **As at 31 March 2021** | **As at 31 March 2022** | **As at 31 March 2021** |
| Property, plant and equipment | (15.84) | (10.00) | - | - | (15.84) | (10.00) |
| Right of use assets and lease liability | (0.09) | (0.27) | - | - | (0.09) | (0.27) |
| Provision for employee benefits | (26.65) | (27.06) | - | - | (26.65) | (27.06) |
| Amount to be claimed in future years as per Income-tax Act, 1961 | (676.62) | (676.62) | - | - | (676.62) | (676.62) |
| Carried forward of loss and unabsorbed depreciation | (2,571.16) | (3,763.61) | - | - | (2,571.16) | (3,763.61) |
| Allowance for doubtful receivables and provision for expenses | (96.04) | (12.36) | - | - | (96.04) | (12.36) |
| **Net deferred tax (assets) / liabilities** | **(3,386.40)** | **(4,489.92)** | **-** | **-** | **(3,386.40)** | **(4,489.92)** |

### (e) Movement in temporary differences:

| Particulars | Balance as at 1 April 2020 | Recognised in profit or loss during 2020-21 | Recognised in OCI during 2020-21 | Balance as at 31 March 2021 | Recognised in profit or loss during 2021-22 | Recognised in OCI during 2021-22 | Balance as at 31 March 2022 |
|---|---|---|---|---|---|---|---|
| Property, plant and equipment | (10.00) | - | - | (10.00) | (5.84) | - | (15.84) |
| Right of use assets and lease liability | (0.27) | - | - | (0.27) | 0.18 | - | (0.09) |
| Provision for employee benefits | (26.89) | - | (0.17) | (27.06) | (0.90) | 1.31 | (26.65) |
| Amount to be claimed in future years as per Income-tax Act, 1961 | (676.62) | - | - | (676.62) | - | - | (676.62) |
| Carried forward of loss and unabsorbed depreciation | (3,763.61) | - | - | (3,763.61) | 1,192.45 | - | (2,571.16) |
| Allowance for doubtful receivables and provision for expenses | (12.36) | - | - | (12.36) | (83.68) | - | (96.04) |
| | **(4,489.75)** | **-** | **(0.17)** | **(4,489.92)** | **1,102.21** | **1.31** | **(3,386.40)** |

**36. Contingent liabilities**

a) Claims against the company not acknowledged as debts:

Due to delays in real estate project activities, certain customers had lodged claims against the Company for compensation aggregating to ₹ 460.37 Lakhs (31 March 2021: ₹ 691.32 Lakhs) in lieu of non-materialization of agreement to sell for transfer of right in property entered with them. Based on the favorable decision in similar cases received by the Company/discussions with the solicitors etc., the Company believes that it has good cases in respect of items mentioned above and hence no provision against these cases is considered necessary.

b) The Company had given the Corporate Guarantee to TATA Power for its interim permanant Load of 1.5MVA for its immediate operation requirement at plot no. 20 manohar Lal Khurana Marg , Bara Hindu Rao, Delhi to the extent of ₹ 100 lacs towards prorated cost of 33/11 KV Grid station and now updated the validity till 31st December 2022.

**37.** The Supreme Court on 28 February 2019 has provided its judgment regarding inclusion of other allowances such as travel allowances, special allowances, etc within the expression 'basic wages' for the purpose of computation of contribution of provident fund under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 ('EPF Act'). There are interpretive challenges on the application of the Supreme Court Judgment including the period from which judgment would apply, consequential implications on resigned employees etc. Further, various stakeholders have also filed representations/ review petition with PF authorities and the Supreme Court respectively. All these factors raises significant uncertainty regarding the implementation of the Supreme Court Judgment.

Owing to the aforesaid uncertainty and pending clarification from regulatory authorities in this regard, the Company has recognized provision for the PF contribution on the basis of above mentioned order with effect from the order date. Further, the management believes that impact of aforementioned uncertainties before the order date on the financial statements of the Company should not be material.

**38. Earnings per equity share (EPS)**

| Particulars | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|---|---|
| Net profit/(loss) attributable to equity shareholders as per Statement of Profit and Loss (₹ Lakhs) | 3,129.41 | (545.95) |
| Weighted average number of equity shares in calculating Basic EPS | 10,78,00,000 | 10,78,00,000 |
| Weighted average number of equity shares in calculating Diluted EPS | 10,78,00,000 | 10,78,00,000 |
| Basic earning per share in rupees (face value per equity share ₹ 10 each) | 2.90 | (0.51) |
| Diluted earning per share in rupees (face value per equity share ₹ 10 each) | 2.90 | (0.51) |

**39. Operating segments**

**A. Basis for segmentation**

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company’s other components, and for which discrete financial information is available. The Company's Board of Directors have been identified as the Chief Operating Decision Maker ('CODM'), since they are responsible for all major decisions with respect to the preparation and execution of business plan, preparation of budget and planning. All operating segments’ operating results are reviewed regularly by the Company’s Board of Directors to assess the performance of resources and make decisions.

The Company is primarily engaged in the business of "Real Estate Development", which as per Indian Accounting Standard – 108 on ‘Operating Segments’ is considered to be the only reportable business segment. The Company is operating in India which is considered as a single geographical segment.

**B. Entity wide disclosures**

**(a) Information about products and services:** The Company primarily deals in one business namely "Real Estate Development", therefore product-wise revenue disclosure is not applicable.

**(b) Information about geographical areas:** The Company provides services to customers which are domiciled in India. All the assets of the Company are located in India and hence there are no separate geographical areas.

**C. Major customer**

The Company is primarily engaged in the business of "Real Estate Development" and sale real estate properties to retail customers. Further, there are no customers who are required to be disclosed under major customer category.

**40. Employee benefits**

**A. Defined contribution plans**

Contributions to defined contribution plans recognised as an expense and has been shown under Employee benefits expense in the Statement of Profit and Loss for the year are as under:

| Particulars | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|---|---|
| Company’s contribution to provident fund | 23.74 | 28.54 |

(All amounts in ₹ Lakhs unless otherwise stated)

**B. Description of Risk Exposures**

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such company is exposed to various risks as follow -

i) Salary Increases- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

ii) Discount Rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.

iii) Mortality & disability – Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

iv) Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

**C. Defined benefit plans**

The Group operates gratuity plan wherein every employee is entitled to the benefit equivalent to 15 days of total basic salary last drawn for each completed year of service. Gratuity is payable to all eligible employees of the Group on retirement, separation, death or permanent disablement, in terms of the provisions of the Payment of Gratuity Act, 1972.

**The following table sets out the status of the Gratuity as required under Ind-AS 19 - Employee Benefits:**

| **Particulars** | **31 March 2022** | **31 March 2021** |
|---|---|---|
| Defined benefit liability- Gratuity | 63.80 | 61.68 |
| **Total employee benefit liabilities** | | |
| Non-current | 60.28 | 55.01 |
| Current | 3.52 | 6.67 |
| **Total** | **63.80** | **61.68** |

***(i) Reconciliation of the defined benefit liability***

The following table shows a reconciliation from the opening balances to the closing balances for the defined benefit liability and its components

| **Particulars** | **31 March 2022** | **31 March 2021** |
|---|---|---|
| Balance at the beginning of the year | 61.68 | 55.88 |
| Current service cost | 9.23 | 9.31 |
| Interest cost | 3.82 | 3.64 |
| Actuarial (gain) / loss recognised in other comprehensive income | | |
| changes in financial assumptions | (1.75) | 1.18 |
| experience adjustments | (3.47) | (0.52) |
| Benefits paid | (5.71) | (7.81) |
| **Balance at the end of the year** | **63.80** | **61.68** |

***ii) Expense recognised in profit or loss***

| **Particulars** | **31 March 2022** | **31 March 2021** |
|---|---|---|
| Current service cost | 9.23 | 9.31 |
| Interest cost | 3.82 | 3.64 |
| **Total** | **13.05** | **12.95** |

***iii) Remeasurements recognised in other comprehensive income***

| **Particulars** | **31 March 2022** | **31 March 2021** |
|---|---|---|
| Actuarial (gain) / loss on defined benefit obligation | (5.22) | 0.66 |
| **Total** | **(5.22)** | **0.66** |

***iv) Actuarial assumptions***

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

| Particulars | 31 March 2022 | 31 March 2021 |
|---|---|---|
| **Financial assumptions** | | |
| Discount rate | 6.90% | 6.55% |
| Future salary growth | 6.00% | 6.00% |
| Average remaining working lives of employees (years) | 17.25 | 16.11 |
| **Demographic assumptions** | | |
| Mortality rate | IALM (2012-14) Ultimate | IALM (2012-14) Ultimate |
| Withdrawal rate | | |
| Up to 25 years | 3.00% | 3.00% |
| 26 to 45 years | 2.00% | 2.00% |
| Above 45 years | 1.00% | 1.00% |
| Retirement age | 58 years | 58 years |

As at 31 March 2022, the average outstanding terms of the obligtions as at valuation date is 7.85 years (31 March 2021: 7.89 years)

As the Company does not have any plan assets, the movement of present value of defined benefit obligation and fair value of plan assets has not been presented.

***v) Sensitivity analysis***

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

| Particulars | 31 March 2022 | | 31 March 2021 | |
|---|---|---|---|---|
| | Increase | Decrease | Increase | Decrease |
| Discount rate (0.50%) | (2.37) | 2.52 | (2.33) | 2.48 |
| Future salary growth (0.50%) | 2.25 | (2.40) | 2.31 | (2.19) |

Sensitivities due to mortality and withdrawal are not material and hence impact of change not calculated.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

***vi) Maturity profile***

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date:

| Year | 31 March 2022 | Year | 31 March 2021 |
|---|---|---|---|
| April 2022 – March 2023 | 3.52 | April 2021 – March 2022 | 6.67 |
| April 2023 – March 2024 | 2.02 | April 2022 – March 2023 | 3.18 |
| April 2024 – March 2025 | 2.69 | April 2023 – March 2024 | 1.74 |
| April 2025 – March 2026 | 26.07 | April 2024 – March 2025 | 2.35 |
| April 2026 – March 2027 | 0.85 | April 2025 – March 2026 | 23.66 |
| April 2027 onwards | 30.10 | April 2026 onwards | 25.56 |

***vii) Other long-term benefits***

An amount of ₹ 11.18 lakhs (31 March 2021: ₹ (1.49) lakhs) pertaining to compensated absences is recognised /(reversed) as an expense and included in "Employee Benefits".

(All amounts in ₹ Lakhs unless otherwise stated)

**41. Related party disclosures:**

In accordance with the requirements of Ind AS 24 on Related Party Disclosures, the names of the related parties where control exists and/or with whom transactions have taken place during the year and description of relationships, as identified and certified by the management are:

**A. Name and description of relationship of the related party**

a) **Holding company**
Tiara Investments Holdings Limited, Mauritius

b) **Subsidiaries**
Kalptru Realty Private Limited
Kamayani Facility Management Private Limited
Vighanharta Estates Private Limited

c) **Entities exercising significant influence (where transaction have taken place during the year)**
DCM Limited, India - Investing Company

d) **Key Management Personnel (KMPs), their relatives and other enterprises under the control of the Key Managerial Personnel and their relatives:**

| Name of Key Management Personnel | Designation |
|---|---|
| Mr. Sumant Bharat Ram | Whole-time Director |
| Mrs. Chitra Gouri Lal | Whole-time Director (till 20 August 2020) Director (w.e.f 21 August 2020) |
| Mr. Ajay Khanna | Chief Financial Officer |
| Mr. Sachin Kumar Gupta | Company Secretary |
| Mr. Karan Singh Thakral | Director |
| Mr. Yash Gupta | Independent Director |
| Mr. Satpal Khattar | Director |
| Mr. Kartar Singh Thakral | Director |
| Mr. Satveer Singh Thakral | Alternate Director to Mr. Kartar Singh Thakral |
| Mr. Yuv Bharat Ram | Director (w.e.f 25 September 2020) |
| Mr. Rahil Bharat Ram | Additional Director (w.e.f 24 August 2020 to 24 September 2020) Director (w.e.f 25 September 2020) |
| Mr. Navin Khattar | Additional Director (w.e.f 10 February 2020 to 24 September 2020) Director (w.e.f 25 September 2020) |

e) **Other enterprises under the control of Key Management Personnel and their relatives with whom there were transactions during the year.**

**Name of Entity**
Aggresar Leasing & Finance Pvt. Ltd.
Shreshtha Real Estates Private Limited
DCM Nouvelle Limited
Khattar Estates Private Limited
Atlantic Commercial Company Limited

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(All amounts in ₹ Lakhs unless otherwise stated)

**B. The following transactions were carried out with related parties in the ordinary course of business:**

| Particulars | Amount | |
|---|---|---|
| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
| **Expense reimbursement from** | | |
| DCM Limited | 3.08 | 2.23 |
| Aggresar Leasing & Finance Pvt. Ltd. | 0.39 | 0.30 |
| **Maintenance income** | | |
| DCM Limited | 6.59 | 6.25 |
| Shreshtha Real Estates Pvt. Ltd. | 0.03 | - |
| Mr. Sumant Bharat Ram | 0.41 | - |
| Khattar Estates Pvt. Ltd | 0.14 | - |
| Mr. Satpal Khattar | 1.01 | - |
| Mr. Yuv Bharat Ram | 1.86 | - |
| Mr. Rahil Bharat Ram | 3.22 | - |
| Aggresar Leasing & Finance Pvt. Ltd. | 2.95 | 2.56 |
| **Income of transfer charges from** | | |
| Sumant Bharat Ram | 0.14 | 0.24 |
| Yuv Bharat Ram | 0.23 | 0.08 |
| Aggresar Leasing and Finance Pvt Ltd | 0.16 | - |
| Rahil Bharat Ram | 0.37 | 0.16 |
| DCM Limited | 2.22 | - |
| Kalptru Realty Private Limited | 0.26 | 0.90 |
| **Interest income** | | |
| DCM Limited | 164.96 | 0.85 |
| **Acquisition of residential units of Company by** | | |
| DCM Limited | 289.81 | 1,487.74 |
| **Amount received/(adjusted or refunded) during the year from sale of constructed properties** | | |
| Mr. Sumant Bharat Ram | 17.32 | (18.66) |
| Mr. Rahil Bharat Ram | 41.72 | 18.66 |
| Mr. Yuv Bharat Ram | 63.26 | - |
| Mr. Ajay Khanna | (68.73) | - |
| Kalptru Realty Private Limited | (20.11) | 107.07 |
| DCM Limited | (1,029.07) | 1,359.16 |
| Khattar Estates Private Limited | 30.37 | - |
| Aggresar Leasing & Finance Pvt. Ltd. | (25.23) | (10.60) |
| DCM Nouville Limited | (134.65) | 7.64 |
| Atlantic Commercial Company Limited | (12.08) | - |
| **Trade receivables** | | |
| Mr. Sumant Bharat Ram | 0.95 | 6.55 |
| Mr. Yuv Bharat Ram | (0.03) | (2.91) |
| Mr. Satpal Khattar | (95.85) | 0.65 |
| DCM Limited | (4.91) | (14.45) |
| Aggresar Leasing & Finance Pvt. Ltd. | (10.25) | 12.81 |
| Khattar Estates Private Limited | (7.64) | 0.05 |
| Atlantic Commercial Company Limited | (0.19) | 0.07 |
| Shreshtha Real Estates Private Limited | (0.19) | 0.07 |
| **Advances given** | | |
| Kalptru Realty Private Limited | 61.83 | 118.25 |

(All amounts in ₹ Lakhs unless otherwise stated)

**Transactions with key management personnel**

| Particulars | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|---|---|
| **Remuneration*** | | |
| Mr. Sumant Bharat Ram | 200.58 | 160.77 |
| Mrs. Chitra Gouri Lal | - | 6.20 |
| Mr. Ajay Khanna | 33.83 | 26.19 |
| Mr. Sachin Kumar Gupta | 11.77 | 10.26 |
| **Commission** | | |
| Mr. Sat Pal Khattar | 98.56 | - |
| Mr. Karan Singh Thakral | 98.56 | - |
| **Post-employment defined benefit plan**** | | |
| Gratuity | | |
| Mr. Sumant Bharat Ram | 4.33 | 3.62 |
| Mr. Sachin Kumar Gupta | 0.25 | 0.23 |
| **Other long term defined benefit plan**** | | |
| Compensated absences | | |
| Mr. Sumant Bharat Ram | 5.07 | 2.92 |
| Mr. Sachin Kumar Gupta | 0.17 | 0.15 |
| **Director sitting fees***** | | |
| Mr. Yash Gupta | 6.62 | 7.26 |
| Mr. Satveer Singh Thakral | 2.76 | 3.11 |
| Mr. Sat Pal Khattar | 0.55 | 3.11 |
| Mr. Karan Singh Thakral | 1.10 | 6.74 |
| Mrs. Chitra Gouri Lal | 4.96 | 4.15 |
| Mr. Yuv Bharat Ram | 4.96 | 6.22 |
| Mr. Rahil Bharat Ram | 2.76 | 2.07 |
| Mr. Naveen Khattar | 2.76 | 3.11 |
| **Total compensation of key management personnel** | **479.59** | **246.11** |

* Remuneration include salary and othe employee benfits (including provident fund, lease rent and other expenses).
** Provision for gratuity and compensated absences are determined on the basis of actuarial valuation for the Company.
*** Including Goods and Service Tax, as applicable.

**Balances with related parties**

| Particulars | Amount | |
|---|---|---|
| | As at 31 March 2022 | As at 31 March 2021 |
| **Advances to** | | |
| Kalptru Realty Private Limited* | 193.61 | 111.67 |
| | **193.61** | **111.67** |
| **Investment in equity shares** | | |
| Kalptru Realty Private Limited | 5.00 | 5.00 |
| Kamayani Facility Management Private Limited | 5.00 | 5.00 |
| Vighanharta Estates Private Limited | 10.00 | 10.00 |
| **Total** | **20.00** | **20.00** |

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|
| **Receivables from DCM Limited** | | |
| - Receivables principal | 1,766.39 | 1,476.58 |
| - Interest Accrued but not due on above | 149.23 | 0.79 |
| | **1,915.62** | **1,477.37** |
| **Trade receivables** | | |
| Mr. Sumant Bharat Ram | 13.66 | 12.71 |
| Mr. Yuv Bharat Ram | - | 0.03 |
| Mr. Satpal Khattar | - | 95.85 |
| DCM Limited | - | 4.91 |
| Aggresar Leasing & Finance Pvt. Ltd. | 11.10 | 21.35 |
| Khattar Estates Private Limited | 0.17 | 7.81 |
| Atlantic Commercial Company Limited | - | 0.19 |
| Shreshtha Real Estates Private Limited | - | 0.19 |
| | **24.93** | **143.03** |
| **Contact liability (Other current liability)** | | |
| Mr. Sumant Bharat Ram | 65.95 | 48.63 |
| Mr. Ajay Khanna | - | 68.73 |
| Mr. Rahil Bharat Ram | 60.38 | 18.66 |
| Mr. Yuv Bharat Ram | 70.87 | 7.61 |
| DCM Limited | 330.08 | 1,359.16 |
| Aggresar Leasing & Finance Pvt. Ltd. | - | 25.23 |
| DCM Nouville Limited | - | 134.65 |
| Khattar Estates Private Limited | 37.07 | 6.70 |
| Atlantic Commercial Company Limited | 9.05 | 21.13 |
| | **573.40** | **1,690.49** |
| **Trade payables/ Amount payables to** | | |
| Mr. Sumant Bharat Ram | 6.98 | 6.76 |
| Mr. Sachin Kumar Gupta | 0.89 | 0.80 |
| Mr. Ajay Khanna | 3.83 | 3.66 |
| | **11.70** | **11.22** |

* after set off customers advances of ₹ 569.77 lakhs (31 March 2021: ₹ 589.89 lakhs) for units held by it in the Company.

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

I Transactions with the related parties are made on normal commercial terms and conditions and at market rates.

II The Company has advanced ₹ 193.61 Lakhs (31 March 2021: ₹ 111.67 Lakhs) to one of its wholly owned subsidiary for acquiring certain real estate projects/units. The subsidiary has acquired from the market certain units in Central Square and Park Square project. The Company has not recognized any revenue in these financial statements in respect of the units sold by the Company and are acquired by the subsidiary later on. Amount represents net advance appearing as at year end after adjusting advance from customers received for units booked by Kalptru Realty Private Limited.

**42.** a) The Company has project "Central Square" for which construction work on different Plazas, i.e. on Plaza 1, 2 and 3, has commenced in earlier years. Completion certificates of Plazas 1,2 and 3 of Central Square have been received from the appropriate authority in the earlier years and are now operational. The Company has been recognising the revenue for the plazas 1,2 and 3. The Company had started development activities in Plaza 4 in earlier years but no revenue is being recognized as per the related accounting policy.

b) The Company has another project "Amaryllis" (also known as "Park Square") at Kishanganj, Delhi for which entered into a Joint Development Agreement (JDA) including addendums thereto, with M/s Basant Projects Limited (Unity) for joint development of the project, during the earlier years. As per the JDA, the Company has appointed Unity as the construction contractor for development/construction of the specified area on behalf of the Company, for a specified consideration. The Company has received Occupation Certificate for phase I of park square during the year and started recognising revenue as per the related accounting policy.

**43.** Details of dues to micro and small enterprises as defined under the MSMED Act, 2006:

| **Particulars** | **As at 31 March 2022** | **As at 31 March 2021** |
|---|---|---|
| (a) The amounts remaining unpaid to micro, small and medium enterprises as at the end of the period<br>- Principal<br>- Interest | <br><br>29.40<br>- | <br><br>33.03<br>- |
| (b) The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 | - | - |
| (c) The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting period. | - | - |
| (d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under Micro Small and Medium Enterprises Development Act, 2006. | - | - |
| (e) The amount of interest accrued and remaining unpaid at the end of each accounting period. | - | - |
| (f) The amount of further interest remaining due and payable even in the succeeding periods, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the Micro Small and Medium Enterprises Development Act, 2006. | - | - |

**44. Corporate Social Responsibility (CSR)**

During the year ended 31 March 2015, as per section 135 of the Companies Act, 2013, a CSR committee was formed by the Company. The Company's CSR activities are instrumental in providing education to children. The funds were utilized as financial contribution towards Senior Secondary Schools being run by the DCM Educational Society at Kishanganj, Delhi viz., DCM Boys' Senior Secondary School and DCM Girls' Senior Secondary School. During the current year, the Company was required to spend an amount of ₹ Nil (31 March 2021: ₹ Nil) on CSR activities, against which the Company has actually incurred a sum of ₹ 49.02 Lakhs (31 March 2021: ₹ 42.55 Lakhs) out of which ₹ Nil (31 March 2021: ₹ Nil) remains payable at the end of the year.

(All amounts in ₹ Lakhs unless otherwise stated)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|
| (i) Amount required to be spent by the company during the year | - | - |
| (ii) Amount of expenditure incurred | 49.02 | 42.55 |
| (iii) Shortfall at the end of the year | - | - |
| (iv) Total of previous years shortfall | - | - |
| (v) Reason for shortfall | NA | NA |
| (vi) Nature of CSR activities | Financial contribution to School for providing education | |
| (vii) Details of related party transactions, e.g., contribution to a trust controlled by the company in relation to CSR expenditure as per relevant Accounting Standard | - | - |
| (viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately. | NA | NA |

**45. Disclosures on revenue pursuant to Ind AS 115 - Revenue from contracts with customers**

**A. Disaggregation of revenue**

Set out below is the disaggregation of the Company's revenue from contracts with customers:

| Particulars | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|---|---|
| **Revenue from contracts with customers** | | |
| Revenue from operations | 21,869.58 | 669.95 |
| Other operating revenue (Maintenance service income, transfer charges and forfieture income) | 298.26 | 178.20 |
| **Total revenue covered under Ind AS 115** | **22,167.84** | **848.15** |

**B. Contract balances**

The following table provides information about receivables and contract liabilities from contract with customers:

| Particulars | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|---|---|
| **Receivables** | | |
| Trade receivables | 1,422.27 | 2,166.13 |
| Less: Loss allowance | (122.44) | (51.55) |
| **Net receivables** | **1,299.83** | **2,114.58** |
| | | |
| **Contract liabilities** | | |
| Advance from customers | 21,024.70 | 31,636.92 |
| **Total contract liabilities** | **21,024.70** | **31,636.92** |

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liabilities are recognised as and when the performance obligation is satisfied.

**C. Significant changes in the contract liabilities (advances from customers) during the year are as follows:**

| Particulars | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|---|---|
| Opening balance | 31,636.92 | 26,640.99 |
| Addition during the year | 11,257.36 | 5,665.88 |
| Performance obligation satisfied in current year | (21,869.58) | (669.95) |
| Closing balance | **21,024.70** | **31,636.92** |

(All amounts in ₹ Lakhs unless otherwise stated)

**46.** Reconciliation of liabilities arising from financing activities pursuant to Ind AS 7 - Cash flows.

The changes in the Company's liabilities arising from financing activities can be classified as follows:

| **Particulars** | **Non-current borrowings** | **Current borrowings** | **Interest accrued** | **Total** |
|---|---|---|---|---|
| **Net debt as at 1 April 2020** | **11,226.74** | **1,959.89** | **-** | **13,186.63** |
| Proceeds from non-current borrowings | 2,650.00 | - | - | 2,650.00 |
| Repayment of current/non-current borrowings | - | (1,603.70) | - | (1,603.70) |
| Non-cash movement arising on account of amortisation of upfront fees and others | - | 17.91 | - | 17.91 |
| Transfer to short term borrowing (current maturity) | (2,506.61) | 2,506.61 | - | - |
| Interest expense | - | - | 1,485.21 | 1,485.21 |
| Interest paid | - | - | (851.08) | (851.08) |
| Interest accrued converted into borrowings* | 634.13 | - | (634.13) | - |
| **Net debt as at 31 March 2021** | **12,004.26** | **2,880.71** | **-** | **14,884.97** |

*The Company had applied and obtained approval from bank for a moratorium of 3 months, due to which the interest accrued during the moratorium period will be repaid as per the repayment schedule agreement with the lender.

| **Particulars** | **Non-current borrowings** | **Current borrowings** | **Interest accrued** | **Total** |
|---|---|---|---|---|
| **Net debt as at 1 April 2021** | **12,004.26** | **2,880.71** | **-** | **14,884.97** |
| Proceeds from non-current borrowings | 89.00 | - | - | 89.00 |
| Repayment of current/non-current borrowings | (833.50) | (2,880.71) | - | (3,714.21) |
| Non-cash movement arising on account of amortisation of upfront fees and others | - | 13.22 | - | 13.22 |
| Transfer to short term borrowing (current maturity) | (4,838.79) | 4,838.79 | - | - |
| Interest expense | | - | 1,260.82 | 1,260.82 |
| Interest paid | - | - | (1,260.45) | (1,260.45) |
| **Net debt as at 31 March 2022** | **6,420.97** | **4,852.01** | **0.37** | **11,273.35** |

(This space has been intentionally left blank)

**47. Information on lease transactions pursuant to Ind AS 116 - Leases**

**Assets taken on lease**

The Company has taken leases for director residence in previous years and reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right of use assets. The Company classifies its right-of-use assets in a consistent manner to its property, plant and equipment. The Company is prohibited from selling or pledging the underlying leased assets as security and further under obligation to keep the properties in a good state of repair and return the properties in their original condition at the end of the lease.

**A. Lease payments not included in measurement of lease liability**

The expense relating to payments not included in the measurement of the lease liability is as follows:

| Particulars | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Short-term leases | - | - |

**B.** Total cash outflow for leases for the year ended 31 March 2022 was ₹ 36 lakhs (31 March 2021 : ₹ 36 Lakhs)

**C. Total expense recognised during the year**

| Particulars | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Interest on lease liabilities | 3.11 | 2.90 |
| Depreciation on right of use asset | 34.12 | 33.73 |

**D. Maturity of lease liabilities**

The lease liabilities are secured by the related underlying assets. Future minimum lease payments were as follows:

| | Minimum lease payments due as on 31 March 2022 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Within 1 year | 1-2 years | 2-3 years | 3-4 years | 4-5 years | More than 5 years | Total |
| Lease payments | 24.00 | - | - | - | - | - | 24.00 |
| Interest expense | (0.83) | - | - | - | - | - | (0.83) |
| **Net present values** | **23.17** | **-** | **-** | **-** | **-** | **-** | **23.17** |

| | Minimum lease payments due as on 31 March 2021 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Within 1 year | 1-2 years | 2-3 years | 3-4 years | 4-5 years | More than 5 years | Total |
| Lease payments | 6.00 | - | - | - | - | - | 6.00 |
| Interest expense | (0.09) | - | - | - | - | - | (0.09) |
| **Net present values** | **5.19** | **-** | **-** | **-** | **-** | **-** | **5.19** |

**E. Information about extension and termination options**

| Right of use assets | Number of leases | Range of remaining term | Average remaining lease term | Number of leases with extension option | Number of leases with purchase option | Number of leases with termination option |
|---|---|---|---|---|---|---|
| Residential premises | 1 | 0.67 years or 8 months | 0.67 years or 8 months | - | - | 1 |

**F. Bifurcation of lease liabilities at the end of the year in current and non-current**

| Particulars | 31 March 2022 | 31 March 2021 |
|---|---|---|
| a) Current liability (amount due within one year) | 23.17 | 5.91 |
| b) Non-current liability (amount due over one year) | - | - |
| **Total lease liabilities at the end of the year** | **23.17** | **5.91** |

(All amounts in ₹ Lakhs unless otherwise stated)

**48. Fair value measurement and financial instruments**

**a. Financial instruments – by category and fair values hierarchy**

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy.

For amortised cost instruments, carrying value represents the best estimate of fair value

**i. As on 31 March 2022**

| Particulars | Note | Carrying value | | | | Fair value measurement using | | |
|---|---|---|---|---|---|---|---|---|
| | | FVTPL | FVOCI | Amortised Cost | Total | Level 1 | Level 2 | Level 3 |
| **Financial assets** | | | | | | | | |
| **Non-current** | | | | | | | | |
| Other financial assets | 8 | - | - | 1,941.73 | **1,941.73** | - | - | 1,941.73 |
| **Current** | | | | | | | | |
| Trade receivables | 12 | - | - | 1,299.83 | **1,299.83** | - | - | 1,299.83 |
| Cash and cash equivalents | 13 | - | - | 190.94 | **190.94** | - | - | 190.94 |
| Bank balances other than cash and cash equivalents | 14 | - | - | 1,074.36 | **1,074.36** | - | - | 1,074.36 |
| Other financial assets | 15 | - | - | 216.14 | **216.14** | - | - | 216.14 |
| **Total** | | **-** | **-** | **4,723.00** | **4,723.00** | **-** | **-** | **4,723.00** |
| **Financial liabilities** | | | | | | | | |
| **Non-current** | | | | | | | | |
| Borrowings# (current and non-current borrowing) | 19 | - | - | 11,272.98 | **11,272.98** | - | - | 11,272.98 |
| Other financial liabilities | 21 | - | - | 2,606.02 | **2,606.02** | - | - | 2,606.02 |
| **Current** | | | | | | | | |
| Trade payables | 24 | - | - | 10,864.32 | **10,864.32** | - | - | 10,864.32 |
| Lease liabilities | 20 | - | - | 23.17 | **23.17** | - | - | 23.17 |
| Other financial liabilities | 25 | - | - | 48.11 | **48.11** | - | - | 48.11 |
| **Total** | | **-** | **-** | **24,814.60** | **24,814.60** | **-** | **-** | **24,814.60** |

**ii. As on 31 March 2021**

| Particulars | Note | Carrying value | | | | Fair value measurement using | | |
|---|---|---|---|---|---|---|---|---|
| | | FVTPL | FVOCI | Amortised Cost | Total | Level 1 | Level 2 | Level 3 |
| **Financial assets** | | | | | | | | |
| **Non-current** | | | | | | | | |
| Other financial assets | 8 | - | - | 1,503.48 | **1,503.48** | - | - | 1,503.48 |
| **Current** | | | | | | | | |
| Trade receivables | 12 | - | - | 2,114.58 | **2,114.58** | - | - | 2,114.58 |
| Cash and cash equivalents | 13 | - | - | 1,520.88 | **1,520.88** | - | - | 1,520.88 |
| Bank balances other than cash and cash equivalents | 14 | - | - | 14.70 | **14.70** | - | - | 14.70 |
| Other financial assets | 15 | - | - | 121.95 | **121.95** | - | - | 121.95 |
| **Total** | | **-** | **-** | **5,275.59** | **5,275.59** | **-** | **-** | **5,275.59** |
| **Financial liabilities** | | | | | | | | |
| **Non-current** | | | | | | | | |
| Borrowings# (current and non-current borrowing) | 19 | - | - | 14,884.97 | **14,884.97** | - | - | 14,884.97 |
| Other financial liabilities | 21 | - | - | 2,347.26 | **2,347.26** | - | - | 2,347.26 |
| **Current** | | | | | | | | |
| Trade payables | 24 | - | - | 8,392.04 | **8,392.04** | - | - | 8,392.04 |
| Lease liabilities | 20 | - | - | 5.91 | **5.91** | - | - | 5.91 |
| Other financial liabilities | 25 | - | - | 43.51 | **43.51** | - | - | 43.51 |
| **Total** | | **-** | **-** | **25,673.69** | **25,673.69** | **-** | **-** | **25,673.69** |

#The Company's borrowings have been contracted at floating rates of interest. Accordingly, the carrying value of such borrowings (including interest accrued but not due) approximates fair value.

(All amounts in ₹ Lakhs unless otherwise stated)

**b. Financial risk management (continued)**

**(i) Credit risk**

Credit risk is the risk that a counterparty fails to discharge its obligation to the Company. The Company's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Company continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

**a) Credit risk management**
***Credit risk rating***

'The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A: Low credit risk
B: Moderate credit risk
C: High credit risk

| Asset group | Basis of categorisation | Provision for expenses credit loss |
|---|---|---|
| A: Low credit risk | Cash and cash equivalents, other bank balances, loans | 12 month expected credit loss/Life time expected credit loss |
| C: High credit risk | Trade receivables, other financial assets | 12 month expected credit loss/Life time expected credit loss/fully provided for |

**Assets under credit risk –**

| Credit rating | Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|---|
| A: Low credit risk | Cash and cash equivalents, other bank balances | 1,265.30 | 1,535.58 |
| C: High credit risk | Trade receivables, other financial assets | 3,457.70 | 3,740.01 |

**b. Credit risk exposure**

**The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the balance sheet**

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|
| Trade receivables | 1,299.83 | 2,114.58 |
| Cash and cash equivalents | 190.94 | 1,520.88 |
| Balances other than cash and cash equivalents | 1,074.36 | 14.70 |
| Other financial assets - current | 216.14 | 121.95 |
| Other financial assets - non-current | 1,941.73 | 1,503.48 |

**Trade receivable**

The Company’s exposure to credit risk is influenced mainly by the individual characteristics of each customer. Trade receivables are unsecured and are derived from revenue earned from customers primarily located in India. The Company monitors the economic environment in which it operates. The credit risk with regards to trade receivable and unbilled receivable (i.e Income accrued) is almost negligible in case of its property sale business as the same is due to the fact that in case of its property sale business it does not handover possession till entire outstanding is received.

During the year, the Company has recognised impairment provision against trade receivables of ₹ 70.89 lakhs (31 March 2021: ₹ 2.44 lakhs).

Credit risk on cash and cash equivalents is limited as the Company generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies.

The Company establishes an allowance for impairment that represents its expected credit losses in respect of trade receivable and other financial assets. The management uses a simplified approach (i.e. based on lifetime ECL) for the purpose of impairment loss allowance. The Company estimates amounts based on the business environment in which the Company operates, and management considers that the trade receivables are in default (credit impaired) when the counterparty fails to make payments for receivable more than 3 years past due. However the Company based upon historical experience, determine an impairment allowance for loss on receivables.

**b. Financial risk management (continued)**

**(ii) Liquidity risk**

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company believes that its liquidity position, including total cash and cash equivalent and bank balances other than cash and cash equivalent of ₹ 1,265.30 Lakhs as at 31 March 2022 (31 March 2021: ₹ 1535.58 Lakhs), anticipated future internally generated funds from operations will enable it to meet its future known obligations in the ordinary course of business. However, if a liquidity needs were to arise, the Company believes it has access to value of unencumbered assets, which should enable it to meet its ongoing capital, operating, and other liquidity requirements. The Company will continue to consider various borrowing or leasing options to maximize liquidity and supplement cash requirements as necessary.

The Company's liquidity management process as monitored by management, includes the following:

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining rolling forecasts of the Company's liquidity position on the basis of expected cash flows.
- Maintaining diversified credit lines.

**I. Financing arrangements**

The Company doesn't have access to any undrawn borrowing facilities at the end of the reporting period:

**II. Maturities of financial liabilities**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted:

| As at 31 March 2022 | Contractual cash flows | | | |
|---|---|---|---|---|
| | Less than one year | Between one year and five years | More than 5 years | Total |
| **Non-current liabilities** | | | | |
| Borrowings | 5,730.61 | 7,223.13 | - | 12,953.74 |
| Other financial liabilities | - | 2,606.02 | - | 2,606.02 |
| **Current liabilities** | | | | |
| Trade payables | 10,864.32 | - | - | 10,864.32 |
| Lease liabilities | 24.00 | - | - | 24.00 |
| Other financial liabilities | 48.11 | - | - | 48.11 |
| **Total** | **16,667.04** | **9,829.15** | **-** | **26,496.19** |

(All amounts in ₹ Lakhs unless otherwise stated)

| As at 31 March 2021 | Contractual cash flows | | | |
|---|---|---|---|---|
| | Less than one year | Between one year and five years | More than 5 years | Total |
| **Non-current liabilities** | | | | |
| Borrowings | 4,141.16 | 13,650.15 | - | 17,791.32 |
| Other financial liabilities | - | 2,347.26 | - | 2,347.26 |
| **Current liabilities** | | | | |
| Trade payables | 8,392.04 | - | - | 8,392.04 |
| Lease liabilities | 6.00 | - | - | 6.00 |
| Other financial liabilities | 43.51 | - | - | 43.51 |
| **Total** | **12,582.71** | **15,997.41** | **-** | **28,580.13** |

**b. Financial risk management**

**(iii) Market risk**

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

**Currency risk**

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company is not exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. There is no exposure which arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Company's operating, investing and financing activities.

**Interest rate risk**

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's main interest rate risk arises from long-term borrowings with variable rates, which expose the Company to cash flow interest rate risk.

**Exposure to interest rate risk**

The Company's interest rate risk arises majorly from the term loans from banks carrying floating rate of interest. These obligations exposes the Company to cash flow interest rate risk. The exposure of the Company's borrowing to interest rate changes as reported to the management at the end of the reporting period are as follows:

| Variable-rate instruments | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|
| Term loans from others | 11,183.98 | 14,884.97 |
| **Total** | **11,183.98** | **14,884.97** |

**Cash flow sensitivity analysis for variable-rate instruments**

A reasonably possible change of 100 basis points (bps) in interest rates at the reporting date would have increased/ (decreased) the loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

| Particulars | Profit or (loss) | |
|---|---|---|
| | 100 bps increase | 100 bps decrease |
| **Interest on term loans** | | |
| For the year ended 31 March 2022 | 111.84 | (111.84) |
| For the year ended 31 March 2021 | 148.85 | (148.85) |

(All amounts in ₹ Lakhs unless otherwise stated)

## 49. Financial ratios

| Analytical ratios /financials ratio | Numerator | Denominator | As at 31 March 2022 | As at 31 March 2021 | changes % | Remarks* |
|---|---|---|---|---|---|---|
| (a) Current ratio | Current Assets | Current Liabilities | 1.37 | 1.36 | 1% | |
| (b) Debt-equity ratio | Total debt | Shareholders equity | 1.14 | 2.20 | -48% | Note 2 below |
| (c) Debt service coverage ratio | Profit after tax + depreciation+ finance costs | {Finance costs + Principal repayment for Non-current borrowings (including current maturities of non-current borrowings)} | 1.16 | 0.53 | 118% | Note 1 below |
| (d) Return on equity ratio | Profit after tax | Average of shareholders equity | 0.09 | (0.02) | 584% | Note 1 below |
| (e) Inventory turnover ratio | Cost of Revenues | Average inventories | 0.07 | (0.00) | 1621% | Note 1 below |
| (f) Trade receivables turnover ratio | Revenue from operations | Average trade receivables | 3.25 | 0.10 | 3224% | Note 1 below |
| (g) Trade payables turnover ratio | Credit Purchases + other expenses= cost incurred during the year | Average trade payables | 53% | 22% | 140% | Note 1 below |
| (h) Net capital turnover ratio | Revenue from operations | Working capital | 1.63 | 0.05 | 2868% | Note 1 below |
| (i) Net profit ratio | Profit after tax | Revenue from operations | 14.12% | -64.37% | 122% | Note 1 below |
| (j) Return on capital employed | Earning before interest and taxes | Capital employed [Tangible net worth (Total equity - other intangible assets) + Total borrowings + Total lease liabilities + Deferred tax liability] | 27.01% | 5.82% | 364% | Note 1 below |
| (k) Return on investment | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | |

*if exceeded more than 25%

**NOTE**

1. The company has recognised revenue as per accounting policy which has resulted in increase in turnover and profit during the year.

2. The ratio has decreased due to higher debts repayments made and increased in profit during the current year .

(All amounts in ₹ Lakhs unless otherwise stated)

**50. Other Statutory Information:**

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property

(ii) The Company does not have any transactions with companies struck off.

(iii) The Company do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The company has not been declared as wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India

(v) The Company has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(vi) There is no Scheme of Arrangements that has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013,

(vii) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or,

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(viii) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or ,

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(ix) The Company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.

**51. Capital management**

For the purpose of the Company's capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders of the parent company. The primary objective of the management of the Company's capital structure is to maintain an efficient mix of debt and equity in order to achieve a low cost of capital, while taking into account the desirability of retaining financial flexibility to pursue business opportunities and adequate access to liquidity to mitigate the effect of unforeseen events on cash flows.

The Company manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may return capital to shareholders, raise new debt or issue new shares.

The Company monitors capital on the basis of the debt to equity ratio, which is calculated as interest-bearing debts divided by total equity.

| **Particulars** | **As at 31 March 2022** | **As at 31 March 2021** |
|---|---|---|
| Borrowings | 11,272.98 | 14,884.97 |
| Less : Cash and cash equivalents | 190.94 | 1,520.88 |
| **Adjusted net debt (A)** | 11,082.04 | 13,364.09 |
| **Total equity (B)** | 9,900.02 | 6,766.70 |
| **Adjusted net debt to adjusted equity ratio (A/B)** | **1.12** | **1.97** |

**52.** The management of the Company has assessed the impact of COVID-19 on its operations as well on its financial statement and considered the possible effects that may result from the pandemic on the recoverability/ carrying value of the assets, which does not have any significant impact on carrying value of its assets. The impact of COVID-19 in the future may be different from that estimated as at the date of approval of these standalone financial statement and the management of the Company will continue to closely monitor any material changes to future economic conditions.

**53.** Previous year's figures have been regrouped/reclassified wherever necessary to conform current year classification.

*For* **Walker Chandiok & Co. LLP**
*Chartered Accountants*
Firm's Registration No.: 001076N/N500013

**Manish Agrawal**
*Partner*
Membership No.: 507000
**Place:** New Delhi
**Date:** 26 May 2022

***For and on behalf of the Board of Directors of***
**Purearth Infrastructure Limited**

**Chitra Gouri Lal**
*Director*
DIN: 02823536
**Place:** Noida
**Date:** 26 May 2022

**Satpal Khattar**
*Chairman*
DIN: 00307293
**Place:** Singapore
**Date:** 26 May 2022

**Sachin Kumar Gupta**
*Company Secretary*
**Place:** New Delhi
**Date:** 26 May 2022

**Ajay Khanna**
*Chief Financial Officer*
**Place:** New Delhi
**Date:** 26 May 2022

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**Independent Auditor's Report**
**To the Members of Purearth Infrastructure Limited**

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

**Opinion**

1. We have audited the accompanying consolidated financial statements of Purearth Infrastructure Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as listed in Annexure 1, which comprise the Consolidated Balance Sheet as at 31 March 2022, the Consolidated Statement of Profit and Loss (including Other Comprehensive Income), the Consolidated Cash Flow Statement and the Consolidated Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

2. In our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the reports of the other auditors on separate financial statements and on the other financial information of the subsidiaries, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards ('Ind AS') specified under section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India of the consolidated state of affairs of the Group, as at 31 March 2022, and their consolidated profit (including other comprehensive income), consolidated cash flows and the consolidated changes in equity for the year ended on that date.

**Basis for Opinion**

3. We conducted our audit in accordance with the Standards on Auditing specified under section 143(10) of the Act. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the consolidated financial statements under the provisions of the Act and the rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained together with the audit evidence obtained by the other auditors in terms of their reports referred to in paragraph 11 of the Other Matter section below, is sufficient and appropriate to provide a basis for our opinion.

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

4. The Holding Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Director's Report, but does not include the consolidated financial statements and our auditor's report thereon.

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

   In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

   The Director's report is not made available to us at the date of this auditor's report. We have nothing to report in this regard.

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

5. The accompanying consolidated financial statements have been approved by the Holding Company's Board of Directors. The Holding Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation and presentation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance including other comprehensive income, consolidated changes in equity and consolidated cash flows of the Group in accordance with the Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, and other accounting principles generally accepted in India. The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the

accuracy and completeness of the accounting records, relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Board of Directors of the Holding Company, as aforesaid.

6. In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group are responsible for assessing the ability of the Group to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intend to liquidate the Group or to cease operations, or has no realistic alternative but to do so.

7. Those respective Board of Directors are also responsible for overseeing the financial reporting process of the companies included in the Group.

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

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

9. As part of an audit in accordance with Standards on Auditing specified under section 143(10) of the Act we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

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

   - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act we are also responsible for expressing our opinion on whether the Holding Company has adequate internal financial controls system with reference to consolidated financial statements in place and the operating effectiveness of such controls;

   - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management;

   - Conclude on the appropriateness of Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern

   - Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation and

   - Obtain sufficient appropriate audit evidence regarding the financial information/ financial statements of the entities or business activities within the Group, to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of financial statements of such entities included in the consolidated financial statements, of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by the other auditors, such other auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

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

**Other Matters**

11. We did not audit the financial statements of three subsidiaries, whose financial statements reflects total assets of ₹ 1,120.09 lakhs as at 31 March 2022 and net assets of ₹ 62.53 lakhs as at 31 March 2022, total revenues of ₹ 16.97 lakhs and net cash inflows amounting to ₹ 7.74 lakhs for the year ended on that date, as considered in the consolidated financial statements. These financial statements have been audited by other auditors whose reports have been furnished to us by the management and our opinion on the consolidated financial statements, in so far as it relates to the amounts and disclosures included in respect of these subsidiaries, and our report in terms of sub-section (3) of section 143 of the Act in so far as it relates to the aforesaid subsidiaries, are based solely on the reports of the other auditors.

    Our opinion above on the consolidated financial statements, and our report on other legal and regulatory requirements below, are not modified in respect of the above matters with respect to our reliance on the work done by and the reports of the other auditors.

**Report on Other Legal and Regulatory Requirements**

12. As required by section 197(16) of the Act based on our audit and on the consideration of the reports of the other auditors, referred to in paragraph 11, on separate financial statements of the subsidiaries, we report that the Holding Company have paid remuneration to their respective directors during the year in accordance with the provisions of and limits laid down under section 197 read with Schedule V to the Act. Further, we report that all subsidiary companies incorporated in India whose financial statements have been audited under the Act have not paid or provided for any managerial remuneration during the year. Accordingly, reporting under section 197(16) of the Act is not applicable in respect of such subsidiary companies.

13. As required by clause (xxi) of paragraph 3 of Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of section 143(11) of the Act based on the consideration of the Order reports issued by us and by the respective other auditors as mentioned in paragraph 11 above, of companies included in the consolidated financial statements and covered under the Act we report that there are no qualifications or adverse remarks reported in the respective Order reports of such companies.

14. As required by section 143(3) of the Act, based on our audit and on the consideration of the reports of the other auditors on separate financial statements and other financial information of the subsidiaries incorporated in India whose financial statements have been audited under the Act, we report, to the extent applicable, that:

    a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit of the aforesaid consolidated financial statements;

    b) In our opinion, proper books of account as required by law relating to preparation of the aforesaid consolidated financial statements have been kept so far as it appears from our examination of those books and the reports of the other auditors;

    c) The consolidated financial statements dealt with by this report are in agreement with the relevant books of account maintained for the purpose of preparation of the consolidated financial statements;

    d) in our opinion, the aforesaid consolidated financial statements comply with Ind AS specified under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015;

    e) On the basis of the written representations received from the directors of the Holding Company and taken on record by the Board of Directors of the Holding Company and the reports of the statutory auditors of its subsidiary companies, covered under the Act, none of the directors of the Group companies are disqualified as on 31 March 2022 from being appointed as a director in terms of section 164(2) of the Act;

    f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Holding Company, and its subsidiary companies covered under the Act, and the operating effectiveness of such controls, refer to our separate report in 'Annexure A' wherein we have expressed an unmodified opinion; and

    g) With respect to the other matters to be included in the Auditor's Report in accordance with rule 11 of the Companies (Audit and Auditors) Rules, 2014 (as amended), in our opinion and to the best of our information and according to the explanations given to us and based on the consideration of the report of the other auditors on separate financial statements and other financial information of the subsidiaries incorporated in India whose financial statement have been audited under the Act:

i. The consolidated financial statements disclose the impact of pending litigations on the consolidated financial position of the Group as detailed in Note 35 to the consolidated financial statements;

ii. The Holding Company and its subsidiary companies did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses as at 31 March 2022;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Holding Company and its subsidiary companies covered under the Act, during the year ended 31 March 2022;

iv. a. The respective managements of the Holding Company and its subsidiary companies have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in note 51(vii) to the consolidated financial statements, no funds have been advanced or loaned or invested (either from borrowed funds or securities premium or any other sources or kind of funds) by the Holding Company or its subsidiary companies to or in any person(s) or entity(ies), including foreign entities ('the intermediaries'), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Holding Company, or any such subsidiary companies ('the Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf the Ultimate Beneficiaries;

b. The respective managements of the Holding Company and its subsidiary companies have represented to us and the other auditors of such subsidiaries respectively that, to the best of their knowledge and belief, as disclosed in the note 51(viii) to the accompanying consolidated financial statements, no funds have been received by the Holding Company or its subsidiary companies from any person(s) or entity(ies), including foreign entities ('the Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Holding Company, or any such subsidiary companies shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

c. Based on such audit procedures performed by us and that performed by the auditors of the subsidiaries, as considered reasonable and appropriate in the circumstances, nothing has come to our or the other auditor's notice that has caused us to believe that the management representations under sub-clauses (a) and (b) above contain any material misstatement.

v. The Holding Company, its subsidiary companies have not declared or paid any dividend during the year ended 31 March 2022

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

**Manish Agrawal**
Partner
Membership No.: 507000

**UDIN:** 22507000AJQXVE7004

**Place:** New Delhi
**Date:** 26 May 2022

**Annexure-1**

**List of entities included in the Consolidated Financial Statements (in addition to the Holding Company)**

| S. No. | Name | Relation |
|---|---|---|
| 1 | Kalptru Realty Private Limited | Subsidiary |
| 2 | Kamayani Facility Management Private Limited | Subsidiary |
| 3 | Vighanharta Estates Private Limited | Subsidiary |

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**Annexure A to the Independent Auditor's Report of even date to the members of Purearth Infrastructure Limited, on the consolidated financial statements for the year ended 31 March 2022**

**Annexure A**

**Independent Auditor's Report on the internal financial controls with reference to consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

1. In conjunction with our audit of the consolidated financial statements of Purearth Infrastructure Limited ('the Holding Company') and its subsidiaries (the Holding Company and its subsidiaries together referred to as 'the Group'), as at and for the year ended 31 March 2022, we have audited the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, which are companies covered under the Act, as at that date.

**Responsibilities of Management and Those Charged with Governancefor Internal Financial Controls**

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

**Auditor's Responsibility for the Audit of the Internal Financial Controls with Reference to Consolidated Financial Statements**

3. Our responsibility is to express an opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies, as aforesaid, based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the ICAI prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to consolidated financial statements,and the Guidance Note issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

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

5. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports referred to in the Other Matter paragraph below, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls with reference to financial statements of the Holding Company and its subsidiary companies,as aforesaid.

**Meaning of Internal Financial Controls with Reference to Consolidated Financial Statements**

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

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

**Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements**

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

**Opinion**

8. In our opinion and based on the consideration of the reports of the other auditors on internal financial controls with reference to financial statements of the subsidiary companies, the Holding Company and its subsidiary companies, which are companies covered under the Act, have in all material respects, adequate internal financial controls with reference to consolidated financial statements and such controls were operating effectively as at 31 March 2022, based on internal control over financial reporting criteria established by the Company considering the essential components of the internal control stated in the Guidance note issued by ICAI.

**Other Matter**

9. We did not audit the internal financial controls with reference to financial statements insofar as it relates to three subsidiary companies, which are companies covered under the Act, whose financial statements reflect total assets of ₹ 1,120.09 lakhs as at 31 March 2022 and net assets of ₹ 62.53 lakhs as at 31 March 2022, total revenues of ₹ 16.97 lakhs and net cash inflowsamounting to ₹ 7.74 lakhs for the year ended on that date, as considered in the consolidated financial statements. The internal financial controls with reference to financial statements in so far as it relates to such subsidiary companies have been audited by other auditors whose reports have been furnished to us by the management and our report on the adequacy and operating effectiveness of the internal financial controls with reference to financial statements for the Holding Company and its subsidiary companies, as aforesaid, under Section 143(3)(i) of the Act in so far as it relates to such subsidiary companies is based solely on the reports of the auditors of such companies. Our opinion is not modified in respect of this matter with respect to our reliance on the work done by and on the reports of the other auditors.

For **Walker Chandiok & Co LLP**
Chartered Accountants
Firm's Registration No.: 001076N/N500013

**Manish Agrawal**
Partner
Membership No.:507000
UDIN: 22507000AJQXVE7004

**Place:** New Delhi
**Date:** 26 May 2022

## Consolidated Balance Sheet as at 31 March 2022

**(All amounts in ₹ lakhs unless otherwise stated)**



| Particulars | Note | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|---|
| **ASSETS** | | | |
| **Non-current assets** | | | |
| Property, plant and equipment | 5 | 125.84 | 29.22 |
| Right of use assets | 6 | 22.80 | 5.63 |
| Financial assets | | | |
| Other financial assets | 7 | 1,941.73 | 1,503.48 |
| Deferred tax assets (net) | 34(d) | 3,386.53 | 4,490.06 |
| Non-current tax assets (net) | 8 | 143.73 | 29.40 |
| Other non-current assets | 9 | 89.10 | 96.75 |
| **Total non-current assets** | | **5,709.73** | **6,154.54** |
| **Current assets** | | | |
| Inventories | 10 | 47,341.06 | 54,330.02 |
| Financial assets | | | |
| Trade receivables | 11 | 1,321.81 | 2,136.56 |
| Cash and cash equivalents | 12 | 207.95 | 1,530.14 |
| Bank balances other than cash and cash equivalents above | 13 | 1,381.36 | 323.70 |
| Other financial assets | 14 | 28.53 | 19.06 |
| Other current assets | 15 | 575.65 | 507.72 |
| **Total current assets** | | **50,856.36** | **58,847.20** |
| **Total assets** | | **56,566.09** | **65,001.74** |
| **EQUITY AND LIABILITIES** | | | |
| **Equity** | | | |
| Equity share capital | 16 | 10,780.00 | 10,780.00 |
| Other equity | 17 | (919.59) | (4,045.38) |
| **Total equity** | | **9,860.41** | **6,734.62** |
| **Liabilities** | | | |
| **Non-current liabilities** | | | |
| Financial liabilities | | | |
| Borrowings | 18 | 6,420.97 | 12,004.26 |
| Other financial liabilities | 20 | 2,606.02 | 2,347.26 |
| Provisions | 21 | 102.75 | 90.62 |
| Other non-current liabilities | 22 | 310.21 | 422.76 |
| **Total non- current liabilities** | | **9,439.95** | **14,864.90** |
| **Current liabilities** | | | |
| Financial liabilities | | | |
| Borrowings | 18 | 4,852.01 | 2,880.71 |
| Lease liabilities | 19 | 23.17 | 5.91 |
| Trade payables | | | |
| total outstanding dues of micro enterprises and small enterprises; and | 23 | 29.40 | 33.03 |
| total outstanding dues of creditors other than micro enterprises and small companies | 23 | 10,835.37 | 8,360.74 |
| Other financial liabilities | 24 | 341.83 | 339.36 |
| Other current liabilities | 25 | 21,176.27 | 31,770.81 |
| Provisions | 26 | 7.68 | 11.66 |
| **Total current liabilities** | | **37,265.73** | **43,402.22** |
| **Total liabilities** | | **46,705.68** | **58,267.12** |
| **Total equity and liabilities** | | **56,566.09** | **65,001.74** |
| **Summary of significant accounting policies** | 4 | | |

**The accompanying notes are an integral part of these consolidated financial statements**

This is the consolidated Balance Sheet referred to in our report of even date.

*For* **Walker Chandiok & Co. LLP**
*Chartered Accountants*
Firm's Registration No.: 001076N/N500013

***For and on behalf of the Board of Directors of***
**Purearth Infrastructure Limited**

**Manish Agrawal**
*Partner*
Membership No.: 507000
**Place:** New Delhi
**Date:** 26 May 2022

**Chitra Gouri Lal**
*Director*
DIN: 02823536
**Place:** Noida
**Date:** 26 May 2022

**Satpal Khattar**
*Chairman*
DIN: 00307293
**Place:** Singapore
**Date:** 26 May 2022

**Sachin Kumar Gupta**
*Company Secretary*
**Place:** New Delhi
**Date:** 26 May 2022

**Ajay Khanna**
*Chief Financial Officer*
**Place:** New Delhi
**Date:** 26 May 2022

## Consolidated Statement of Profit and Loss for the year ended 31 March 2022

**(All amounts in ₹ lakhs unless otherwise stated)**



| Particulars | Note | For the year ended 31 March, 2022 | For the year ended 31 March, 2021 |
|---|---|---|---|
| **Income** | | | |
| Revenue from operations | 27 | 22,167.58 | 847.25 |
| Other income | 28 | 368.36 | 838.21 |
| **Total income** | | **22,535.94** | **1,685.46** |
| **Expenses** | | | |
| Cost of revenue/ (reversal) | 29 | 14,625.43 | (997.53) |
| Employee benefits expense | 30 | 627.45 | 535.29 |
| Finance costs | 31 | 1,493.39 | 1,807.49 |
| Depreciation and amortisation expense | 32 | 43.98 | 45.87 |
| Other expenses | 33 | 1,521.54 | 842.68 |
| **Total expenses** | | **18,311.79** | **2,233.80** |
| **Profit/ (loss) before tax** | | **4,224.15** | **(548.34)** |
| **Tax expense** | 34 | | |
| Current tax | | 0.05 | 0.37 |
| Deferred tax | | 1,102.23 | 0.03 |
| **Net Profit/(loss) for the year** | | **3,121.87** | **(548.74)** |
| **Other comprehensive income, net of taxes** | | | |
| **Items that will not be reclassified to profit or loss** | | | |
| Re-measurement gain /(loss) of defined benefit obligation | | 5.22 | (0.66) |
| **Income tax relating to items that will not be reclassified to profit or loss** | | | |
| Income tax relating to remeasurement of defined benefit obligation | | (1.31) | 0.17 |
| **Total other comprehensive income, net of taxes** | | **3.91** | **(0.49)** |
| **Total comprehensive income for the year** | | **3,125.78** | **(549.23)** |
| **Profit/(loss) attributable to:** | | | |
| Owner of the Holding Company | | 3,121.87 | (548.74) |
| Non-controlling interest | | - | - |
| **Other comprehensive income attributable to:** | | | |
| Owner of the Holding Company | | 3.91 | (0.49) |
| Non-controlling interest | | - | - |
| **Total comprehensive income attributable to:** | | | |
| Owner of the Holding Company | | 3,125.78 | (549.23) |
| Non-controlling interest | | - | - |
| **Earnings / (Loss) per equity share** | 37 | | |
| Basic and diluted loss per equity share (amount in ₹) | | 2.90 | (0.51) |
| **Summary of significant accounting policies** | 4 | | |

**The accompanying notes are an integral part of these consolidated financial statements**

This is the consolidated Statement of Profit and Loss referred to in our report of even date.

*For* **Walker Chandiok & Co. LLP**
*Chartered Accountants*
Firm's Registration No.: 001076N/N500013

**Manish Agrawal**
*Partner*
Membership No.: 507000
**Place:** New Delhi
**Date:** 26 May 2022

***For and on behalf of the Board of Directors of***
**Purearth Infrastructure Limited**

**Chitra Gouri Lal**
*Director*
DIN: 02823536
**Place:** Noida
**Date:** 26 May 2022

**Satpal Khattar**
*Chairman*
DIN: 00307293
**Place:** Singapore
**Date:** 26 May 2022

**Sachin Kumar Gupta**
*Company Secretary*
**Place:** New Delhi
**Date:** 26 May 2022

**Ajay Khanna**
*Chief Financial Officer*
**Place:** New Delhi
**Date:** 26 May 2022

## Consolidated Cash flow statement for the year ended 31 March 2022

(All amounts in ₹ lakhs unless otherwise stated)



| Particulars | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|---|---|
| **Cash flow from operating activities:** | | |
| Profit/(Loss) before taxation | 4,224.15 | (548.34) |
| Adjustments for : | | |
| Loss on disposal of property, plant and equipment | 0.34 | 0.18 |
| Loss allowance on doubtful receivables | 70.89 | 2.44 |
| Bad debts written off | 0.69 | 3.44 |
| Liabilities no longer required written back | - | (35.89) |
| Forfeiture income | (2.02) | (52.58) |
| Interest income on deposits with banks and financial institutions | (75.93) | (19.14) |
| Interest income - others | (166.74) | (5.66) |
| Amortisation of deferred income | (113.34) | (239.75) |
| Gain on modification of existing financials liability | - | (533.74) |
| Depreciation and amortisation expense | 43.98 | 45.87 |
| Interest expense on others | 232.57 | 322.28 |
| Interest expense on borrowings | 1,260.82 | 1,485.21 |
| Provision for employee benefits | 24.23 | 11.46 |
| Reversal of provision for loss on sale of units | (499.80) | (1,309.58) |
| **Operating profit/(loss) before working capital changes and other adjustments** | **4,999.84** | **(873.80)** |
| **Working capital changes and other adjustments:** | | |
| Non-current financial assets | (289.81) | (1,469.18) |
| Inventories | 7,488.76 | (1,931.86) |
| Trade receivables | 743.17 | 108.58 |
| Other current financial assets | 0.35 | 28.99 |
| Other current and non-current assets | (60.28) | (224.85) |
| Trade payables | 2,471.00 | 646.98 |
| Current and non-current financial liabilities | 28.29 | (523.54) |
| Current and non-current provisions | (10.86) | (16.02) |
| Other current and non-current liabilities | (10,591.73) | 5,568.03 |
| **Cash flow from operations activities post working capital changes** | **4,778.73** | **1,313.33** |
| Taxes paid (net) | (99.19) | (34.14) |
| **Net cash flow from operating activities (A)** | **4,679.54** | **1,279.19** |
| **Cash flow from investing activities** | | |
| Purchase of property, plant and equipment | (106.82) | (5.29) |
| Interest received | 84.41 | 13.79 |
| Proceeds from bank deposits | 7,940.92 | 50.26 |
| Investment in bank deposits | (8,998.58) | (64.70) |
| **Net cash used in investing activities (B)** | **(1,080.07)** | **(5.94)** |
| **Cash flow from financing activities** | | |
| Repayment of non-current borrowings | (833.50) | - |
| Repayment of current borrowings | (2,880.71) | (1,603.70) |
| Proceeds from non-current borrowings | 89.00 | 2,650.00 |
| Interest paid | (1,260.45) | (852.77) |
| Payment of lease laibilities | (36.00) | (36.00) |
| **Net cash (used in)/flow from financing activities (C)** | **(4,921.66)** | **157.53** |

(All amounts in ₹ lakhs unless otherwise stated)

| Particulars | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|---|---|
| **Net (decrease)/ increase in cash and cash equivalents (A+B+C)** | **(1,322.19)** | **1,430.78** |
| Cash and cash equivalents at the beginning of the year | 1,530.14 | 99.36 |
| Cash and cash equivalents at the end of the year | **207.95** | **1,530.14** |

**Notes to Cash flow statement**

**1. Components of cash and cash equivalents (refer note 12)**

| | | |
|---|---|---|
| Cash on hand | 4.11 | 6.40 |
| Balances with scheduled banks: | | |
| - Bank deposits with original maturity of less than three months | 123.50 | 1,380.00 |
| - Current accounts | 80.34 | 143.74 |
| **Cash and cash equivalents at the end of the year** | **207.95** | **1,530.14** |

**Note: The above Consolidated Statement of Cash Flows has been prepared under the 'Indirect Method' as set out in Ind AS 7, 'Statement of Cash Flows'.**

**The accompanying notes are an integral part of these consolidated financial statements**

This is the Consolidated Cash Flow Statement referred to in our report of even date

*For* **Walker Chandiok & Co. LLP**
*Chartered Accountants*
Firm's Registration No.: 001076N/N500013

**Manish Agrawal**
*Partner*
Membership No.: 507000
**Place:** New Delhi
**Date:** 26 May 2022

***For and on behalf of the Board of Directors of***
**Purearth Infrastructure Limited**

**Chitra Gouri Lal**
*Director*
DIN: 02823536
**Place:** Noida
**Date:** 26 May 2022

**Satpal Khattar**
*Chairman*
DIN: 00307293
**Place:** Singapore
**Date:** 26 May 2022

**Sachin Kumar Gupta**
*Company Secretary*
**Place:** New Delhi
**Date:** 26 May 2022

**Ajay Khanna**
*Chief Financial Officer*
**Place:** New Delhi
**Date:** 26 May 2022

(This space has been intentionally left blank)

(All amounts in ₹ lakhs unless otherwise stated)

**A. Equity share capital***

| Particulars | Amount |
|---|---|
| **Balance as at 1 April 2020** | 10,780.00 |
| Changes in equity share capital during 2020-21 | - |
| **Balance as at 31 March 2021** | **10,780.00** |
| Changes in equity share capital during 2021-22 | - |
| **Balance as at 31 March 2022** | **10,780.00** |

**B. Other equity****

| Particulars | Reserve and surplus | | | Total |
|---|---|---|---|---|
| | Securities premium | Capital redemption reserve | Retained earnings | |
| **Balance as at 31 March 2020** | **5,720.00** | **96.60** | **(9,312.75)** | **(3,496.15)** |
| Loss for the year | - | - | (548.74) | (548.74) |
| Total other comprehensive income (net of tax) | - | - | (0.49) | (0.49) |
| **Total comprehensive income for the year** | **-** | **-** | **(549.23)** | **(549.23)** |
| **Balance as at 31 March 2021** | **5,720.00** | **96.60** | **(9,861.98)** | **(4,045.38)** |
| Profit for the year | - | - | 3,121.87 | 3,121.87 |
| Total other comprehensive income (net of tax) | - | - | 3.91 | 3.91 |
| **Total comprehensive income for the year** | **-** | **-** | **3,125.78** | **3,125.78** |
| **Balance as at 31 March 2022** | **5,720.00** | **96.60** | **(6,736.19)** | **(919.59)** |

*Refer note 16 for details
**Refer note 17 for details

**The accompanying notes are an integral part of these Consolidated financial statements**

This is the Consolidated Statement of Changes in Equity referred to in our report of even date.

*For* **Walker Chandiok & Co. LLP**
*Chartered Accountants*
Firm's Registration No.: 001076N/N500013

**Manish Agrawal**
*Partner*
Membership No.: 507000
**Place:** New Delhi
**Date:** 26 May 2022

***For and on behalf of the Board of Directors of***
**Purearth Infrastructure Limited**

**Chitra Gouri Lal**
*Director*
DIN: 02823536
**Place:** Noida
**Date:** 26 May 2022

**Satpal Khattar**
*Chairman*
DIN: 00307293
**Place:** Singapore
**Date:** 26 May 2022

**Sachin Kumar Gupta**
*Company Secretary*
**Place:** New Delhi
**Date:** 26 May 2022

**Ajay Khanna**
*Chief Financial Officer*
**Place:** New Delhi
**Date:** 26 May 2022

**1. Nature of principal activities**

Purearth Infrastructure Limited ('the Holding Company') is a Company domiciled in India, as a Public Limited Company with a registered office at Central Square, 20 Manohar Lal Khurana Marg, Bara Hindu Rao, Delhi, India. The Holding Company is engaged in the business of real estate development.The operations of the Holding Company span all aspects of real estate development, from the identification and acquisition of land, to planning, execution, construction and marketing of projects.

The consolidated financial statements comprise the financial statements of the Holding Company, and its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") in the following notes.

**2. General information and statement of compliance with Ind AS**

The consolidated financial statements of the Group have been prepared in accordance with the Indian Accounting Standards as notified under section 133 of the Companies Act 2013 read with the Companies (Indian Accounting Standards) Rules 2015 (by Ministry of Corporate Affairs ('MCA')), as amended and other relevant provisions of the Act. The Group has uniformly applied the accounting policies during the periods presented.

The consolidated financial statements are presented in Indian Rupees ('₹') which is also the functional currency of the Holding Company.

These consolidated financial statements for the year ended 31 March 2022 were authorized and approved for issue by the Board of Directors on 26 May 2022. The revisions to the consolidated financial statements is permitted by the Board of Directors of the Holding Company after obtaining necessary approvals or at the instance of regulatory authorities as per provisions of the Act.

**3. Basis of preparation**

The consolidated financial statements have been prepared on going concern basis in accordance with accounting principles generally accepted in India. Further, the financial statements have been prepared on historical cost basis except for certain financial assets and financial liabilities and share based payments which are measured at fair values as explained in relevant accounting policies. Fair valuations related to financial assets and financial liabilities are categorised into level 1, level 2 and level 3 based on the degree to which the inputs to the fair value measurements are observable.

Amount in the financial statements are presented in ₹ lakhs, unless otherwise stated. Certain amounts that are required to be disclosed and do not appear due to rounding-off are expressed as 0.00 lakhs.

**4. Summary of significant accounting policies**

The consolidated financial statements have been prepared using the significant accounting policies and measurement bases summarised below. These were used throughout all periods presented in the consolidated financial statements.

**4.1 Basis of consolidation**

***Subsidiaries***

Subsidiaries are all entities (including structured entities) over which the Group has control. The Group controls an entity when the Group has power over the investee and is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power to direct the relevant activities of the entity. Subsidiaries are fully consolidated from the date on which control is transferred to the Group. They are deconsolidated from the date when control ceases. Statement of profit and loss (including other comprehensive income ('OCI')) of subsidiaries acquired or disposed of during the period are recognised from the effective date of acquisition, or up to the effective date of disposal, as applicable. All the consolidated subsidiaries have a consistent reporting date of 31 March 2022.

The Group combines the financial statements of the parent and its subsidiaries line by line adding together like items of assets, liabilities, equity, income and expenses. Intercompany transactions, balances and unrealised gains/(losses) on transactions between group companies are eliminated. The accounting principles and policies have been consistently applied by the Group.

Statement of profit and loss balance (including each component of OCI) is attributed to the equity holders of the Holding Company.

**4.2 Current versus non-current classification**

All assets and liabilities have been classified as current or non-current as per the Holding Company's normal operating cycle and other criteria set out in Companies Act 2013. Deferred tax assets and liabilities are classified as non-current assets and non-current liabilities, as the case may be.

**4.3 Revenue recognition**

Revenue is recognised when control is transferred and is accounted net of rebate and taxes. The Group applies the revenue recognition criteria to each nature of the revenue transaction as set out below:

*Revenue from sale of properties and development rights*

Revenue from sale of properties and development rights is recognized when the performance obligations are essentially complete and credit risks have been significantly eliminated. The performance obligations are considered to be completed when control over the property, associated risks has been transferred to the buyers and substantial sales consideration is also received from the buyers.

The Group considers the terms of the contract and its customary business practices to determine the transaction price. The transaction price is the amount of consideration to which the Group expects to be entitled in exchange for transferring property to a customer, excluding amounts collected on behalf of third parties (for example, indirect taxes). The consideration promised in a contract with a customer may include fixed consideration, variable consideration (if reversal is less likely in future), or both.

For each performance obligation identified, the Group determines at contract inception whether it satisfies the performance obligation over time or satisfies the performance obligation at a point in time. If an entity does not satisfy a performance obligation over time, the performance obligation is satisfied at a point in time. A receivable is recognised by the Group when the control is transferred as this is the case of point in time recognition where consideration is unconditional because only the passage of time is required.

When either party to a contract has performed, an entity shall present the contract in the balance sheet as a contract asset or a contract liability, depending on the relationship between the entity's performance and the customer's payment.

The costs estimates are reviewed periodically and effect of any change in such estimate is recognized in the period such changes are determined. However, when the total estimated cost exceeds total expected revenues from the contracts, the loss is recognized immediately.

*Interest income*

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

*Facility and Maintenance business income*

Revenue from facility and maintenance services is recognised on accrual basis, in accordance with the terms of respective maintenance agreement.

*Rental income*

Rental income is recognized on a straight-line basis over the terms of the lease.

*Others*

Interest due on delayed payments by customers, cancellation/forfeiture income and transfer fees/charges from customers are recognized on receipt basis due to uncertainty of recovery of the same.

**4.4 Borrowing costs**

Borrowing costs directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is necessary to complete and prepare the asset for its intended use or sale. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use. All other borrowing costs are charged to the statement of profit and loss as incurred.

**4.5 Employee benefits**

*Defined contribution plan*

The Group's contribution to provident fund is charged to the statement of profit and loss or inventorized as a part of real estate project under development, as the case may be. The Group's contributions towards provident fund are deposited with the regional provident fund commissioner under a defined contribution plan.

*Defined benefit plan*

The Group has unfunded gratuity as defined benefit plan where the amount that an employee will receive on retirement is defined by reference to the employee's length of service and final salary. The liability recognised in the balance sheet for defined benefit plans as the present value of the defined benefit obligation (DBO) at the reporting date. Management estimates the DBO annually with the assistance of independent actuaries. Actuarial gains/losses resulting from re-measurements of the liability are included in other comprehensive income.

*Other long-term employee benefits*

The Group also provides benefit of compensated absences to its employees which are in the nature of long -term employee benefit plan. Liability in respect of compensated absences becoming due and expected to be availed more than one year after the balance sheet date is estimated on the basis of an actuarial valuation performed by an independent actuary using the projected unit credit method as on the reporting date. Actuarial gains and losses arising from experience adjustments and changes in actuarial assumptions are recorded in the statement of profit and loss in the year in which such gains or losses arise.

*Short-term employee benefits*

Short-term employee benefits comprise of employee costs such as salaries, bonus etc. is recognised on the basis of the amount paid or payable for the period during which services are rendered by the employee.

**4.6 Property, plant and equipment (PPE)**

*Recognition and initial measurement*

Property, plant and equipment are measured at their cost of acquisition, net of accumulated depreciation and impairment losses, if any. The cost comprises purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for the intended use. Any trade discount and rebates are deducted in arriving at the purchase price. Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group. All other repair and maintenance costs are recognised in statement of profit and loss as incurred.

*Subsequent measurement (depreciation)*

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the Written Down Value ('WDV') method on the basis of rates derived as per the useful life specified in Part 'C' of Schedule II of the Act which represents useful lives of the assets, as estimated by the management taking into account the nature of the asset, the estimated usage of the asset and the operating conditions of the asset. Depreciation charged is recognised in the Statement of profit and loss.

*De-recognition*

An item of property, plant and equipment initially recognised is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on de-recognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is recognised in statement of profit and loss when the asset is de-recognised.

**4.7 Lease**

**Where the Group is the lessee**

**Right of use assets and lease liabilities**

For any new contracts entered into on or after 1 April 2019, the Group considers whether a contract is, or contains a lease. A lease is defined as 'a contract, or part of a contract, that conveys the right to use an asset (the underlying asset) for a period of time in exchange for consideration'. The Group enters into leasing arrangements for various assets. To assess whether a contract conveys the right to control the use of an identified asset, the Group assesses whether: (i) the contract involves the use of an identified asset (ii) the Group obtains substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Group has the right to direct the use of the asset.

*Recognition and initial measurement- right-of-use asset*

At lease commencement date, the Group recognises a right-of-use asset and a lease liability on the balance sheet. The right-of-use asset is measured at cost, which is made up of the initial measurement of the lease liability, any initial direct costs incurred by the Group, an estimate of any costs to dismantle and remove the asset at the end of the lease (if any), and any lease payments made in advance of the lease commencement date (net of any incentives received).

*Subsequent measurement-right-of-use asset*

The Group depreciates the right-of-use assets on a straight-line basis from the lease commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The Group also assesses the right-of-use asset for impairment when such indicators exist.

*Recognition and initial measurement- lease liability*

At lease commencement date, the Group measures the lease liability at the present value of the lease payments unpaid at that date, discounted using the interest rate implicit in the lease if that rate is readily available or the Group's incremental borrowing rate. Lease payments included in the measurement of the lease liability are made up of fixed payments (including in substance fixed) and variable payments based on an index or rate.

*Subsequent measurement- lease liability*

Subsequent to initial measurement, the liability will be reduced for payments made and increased for interest. It is re-measured to reflect any reassessment or modification, or if there are changes in in-substance fixed payments. When the lease liability is re-measured, the corresponding adjustment is reflected in the right-of-use asset.

The Group has elected to account for short-term leases and leases of low-value assets using the practical expedients. Instead of recognising a right-of-use asset and lease liability, the payments in relation to these are recognised as an expense in interim statement of profit and loss on a straight-line basis over the lease term.

**Where the Group is the lessor**

Leases in which the Group does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from operating lease is recognized on a straight-line basis or another systematic basis as per the terms of the relevant lease. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognized over the lease term on the same basis as rental income. Contingent rents are recognized as revenue in the period in which they are earned.

**4.8 Financial instruments**

**Financial assets**

*Recognition and initial measurement*

All financial assets are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial asset is also adjusted.

*Subsequent measurement*

**Financial assets at amortised cost** - A 'financial assets' is measured at the amortised cost if both the following conditions are met:

- The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows; and
- Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

**Investments in equity instruments of subsidiaries**

Investments in equity instruments of subsidiaries are accounted for at cost in accordance with Ind AS 27 'Separate Financial Statements'.

**Investments in other equity instruments**

Investments in equity instruments which are held for trading are classified as at fair value through profit or loss ('FVTPL'). For all other equity instruments, the Group makes an irrevocable choice upon initial recognition, on an instrument by instrument basis, to classify the same either as at fair value through other comprehensive income ('FVTOCI') or fair value through profit or loss ('FVTPL'). Amounts presented in other comprehensive income are not subsequently transferred to profit or loss. However, the Group transfers the cumulative gain or loss within equity. Dividends on such investments are recognized in profit or loss unless the dividend clearly represents a recovery of part of the cost of the investment.

*De-recognition of financial assets*

A financial asset is primarily de-recognised when the rights to receive cash flows from the asset have expired or the Group has transferred its rights to receive cash flows from the asset.

**Financial liabilities**

*Recognition and initial measurement*

All financial liabilities are recognised initially at fair value and transaction cost that is attributable to the acquisition of the financial liabilities is also adjusted.

*Subsequent measurement - Amortised cost*

Subsequent to initial recognition, financial liabilities are measured at amortised cost using the effective interest method.

*Recognition, initial and subsequent measurement - fair value*

A financial liability is classified as fair value through profit and loss ('FVTPL') if it is designated as such upon initial recognition. Financial liabilities at FVTPL are measured at fair value and net gain/losses, including any interest expense are recognised in statement of profit and loss.

*De-recognition of financial liabilities*

A financial liability is de-recognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the de-recognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit and loss.

**Offsetting of financial instruments**

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

**Fair value measurement**

The Group measures financial instruments at fair value at each Consolidated Balance Sheet date.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability; or
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible by the Group.

The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The Group uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 - Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 - Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

For assets and liabilities that are recognized in the financial statements on a recurring basis, the Group determines whether transfers have occurred between levels in the hierarchy by re-assessing categorization (based on the lowest level input that is significant to the fair value measurement as a whole) at the end of each reporting period.

The management determines the policies and procedures for both recurring fair value measurement and unquoted financial assets measured at fair value and for non-recurring measurement.

**4.9 Impairment of financial assets**

In accordance with Ind AS 109 'Financial Instruments', the Group applies expected credit loss ('ECL') model for measurement and recognition of impairment loss for financial assets. ECL is the weighted-average of difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate, with the respective risks of default occurring as the weights. When estimating the cash flows, the Group is required to consider:

- All contractual terms of the financial assets (including prepayment and extension) over the expected life of the assets; and
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

*Trade receivables*

In respect of trade receivables, the Group applies the simplified approach of Ind AS 109, which requires measurement of loss allowance at an amount equal to lifetime expected credit losses. Lifetime expected credit losses are the expected credit losses that result from all possible default events over the expected life of a financial instrument.

*Other financial assets*

In respect of its other financial assets, the Group assesses if the credit risk on those financial assets has increased significantly since initial recognition. If the credit risk has not increased significantly since initial recognition, the Group measures the loss allowance at an amount equal to 12-month expected credit losses, else at an amount equal to the lifetime expected credit losses. The Group assumes that the credit risk on a financial asset has not increased significantly since initial recognition, if the financial asset is determined to have low credit risk at the balance sheet date.

**4.10 Impairment of non-financial assets**

At each reporting date, the Group assesses whether there is any indication that an asset may be impaired, based on internal or external factors. If any such indication exists, the recoverable amount of the asset or the cash generating unit is estimated. If such recoverable amount of the asset or cash generating unit to which the asset belongs is less than it's carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognised in the statement of profit and loss. If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognised are accordingly reversed in the statement of profit and loss.

**4.11 Inventories**

Land other than that transferred to real estate properties under development is valued at lower of cost or net realizable value.

Real estate project (developed and under development) includes cost of land under development, development rights, internal and external development costs, construction costs, and development/construction materials, borrowing costs and related overhead costs and is valued at lower of cost or net realizable value.

Net realisable value is the estimated selling price in the ordinary course of business less estimated costs of completion and estimated costs of necessary to make the sale.

**4.12 Income taxes**

Tax expense recognised in statement of profit and loss comprises the sum of deferred tax and current tax except the ones recognised in other comprehensive income or directly in equity.

Current tax is determined as the tax payable in respect of taxable income for the year and is computed in accordance with relevant tax regulations. Current income tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity).

Deferred tax is recognised in respect of temporary differences between carrying amount of assets and liabilities for financial reporting purposes and corresponding amount used for taxation purposes. Deferred tax assets on unrealised tax loss are recognised to the extent that it is probable that the underlying tax loss will be utilised against future taxable income. This is assessed based on the Group's forecast of future operating results, adjusted for significant non-taxable income and expenses and specific limits on the use of any unused tax loss. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the reporting date. Deferred tax relating to items recognised outside statement of profit and loss is recognised outside statement of profit or loss (either in other comprehensive income or in equity).

**4.13 Cash and cash equivalents**

Cash and cash equivalents comprise cash on hand, demand deposits and other short-term highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value.

**4.14 Provisions, contingent liabilities and contingent assets**

Provisions are recognised only when there is a present obligation, as a result of past events, and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

Contingent liability is disclosed for:

- Possible obligations which will be confirmed only by future events not wholly within the control of the Group; or
- Present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

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

**4.15 Earnings per share**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted average number of equity shares outstanding during the period. The weighted average number of equity shares outstanding during the period is adjusted for events including a bonus issue.

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**4.16 Significant management judgement in applying accounting policies and estimation uncertainty**

The preparation of the Group's consolidated financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities and the related disclosures.

*Significant management judgements*

**Recoverability of advances / receivables**

At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit losses on outstanding receivables and advances.

**Contingencies**

Contingent liabilities may arise from the ordinary course of business in relation to claims against the Group, (refer note 35(a)). By their nature, contingencies will be resolved only when one or more uncertain future events occur or fail to occur. The assessment of the existence, and potential quantum, of contingencies inherently involves the exercise of significant judgments by management and the use of estimates regarding the outcome of future events.

**Recognition of deferred tax assets -** The extent to which deferred tax assets can be recognized is based on an assessment of the probability of the Group's future taxable income against which the deferred tax assets can be utilized.

**Impairment of non-financial assets -** The evaluation of applicability of indicators of impairment of assets requires assessment of several external and internal factors which could result in deterioration of recoverable amount of the assets.

**Impairment of financial assets -** At each balance sheet date, based on historical default rates observed over expected life, the management assesses the expected credit losses on outstanding receivables and advances.

**Provisions -** At each balance sheet date basis the management judgment, changes in facts and legal aspects, the Group assesses the requirement of provisions against the outstanding contingent liabilities. However, the actual future outcome may be different from this judgement.

**Classification of leases -** The Group enters into leasing arrangements for premises. The assessment (including measurement) of the lease is based on several factors, including, but not limited to, transfer of ownership of leased asset at end of lease term, lessee's option to extend/terminate etc. After the commencement date, the Group reassesses the lease term if there is a significant event or change in circumstances that is within its control and affects its ability to exercise or not to exercise the option to extend or to terminate.

*Significant estimates*

**Revenue and inventories -** The estimates around total budgeted cost i.e. outcomes of underlying construction and service contracts, which further require assessments and judgements to be made on changes in work scopes, claims and other payments to the extent they are probable and they are capable of being reliably measured. For the purpose of making estimates for claims, the Group used the available contractual and historical information. The estimates of the saleable area are also reviewed periodically and effect of any changes in such estimates is recognised in the period such changes are determined.

**Defined benefit obligation (DBO) -** Management's estimate of the DBO is based on a number of underlying assumptions such as standard rates of inflation, mortality, discount rate and anticipation of future salary increases. Variation in these assumptions may significantly impact the DBO amount and the annual defined benefit expenses.

**Useful lives of depreciable/amortisable assets -** Management reviews its estimate of the useful lives of depreciable/ amortisable assets at each reporting date, based on the expected utility of the assets. Uncertainties in these estimates relate to technical and economic obsolescence that may change the utilisation of assets.

**Fair value measurements -** Management applies valuation techniques to determine the fair value of financial instruments (where active market quotes are not available). This involves developing estimates and assumptions consistent with how market participants would price the instrument.

**4.17 Recent accounting pronouncements- Issued but not made effective**

**Amendment to Ind AS 16, Property, Plant and Equipment**

The Ministry of Corporate Affairs ("MCA") vide notification dated 23 March 2022, has issued an amendment to Ind AS 16 which specifies that an entity shall deduct from the cost of an item of property, plant and equipment any proceeds received from selling items produced while the entity is preparing the asset for its intended use (for example, the proceeds from selling samples produced when testing a machine to see if it is functioning properly).

**Amendment to Ind AS 37, Provisions, Contingent Liabilities and Contingent Assets**

The Ministry of Corporate Affairs ("MCA") vide notification dated 23 March 2022, has issued an amendment to Ind AS 37 which specifies that the cost of fulfilling a contract comprises: the incremental costs of fulfilling that contract and an allocation of other costs that relate directly to fulfilling contracts.

**Amendment to Ind AS 109, Financial Instruments**

The Ministry of Corporate Affairs ("MCA") vide notification dated 23 March 2022, has issued an amendment to Ind AS 109 which clarifies that which fees an entity should include when it applies the '10%' test in assessing whether to derecognise a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf.

**Amendment to Ind AS 103, Business Combinations**

The Ministry of Corporate Affairs ("MCA") vide notification dated 23 March 2022, has issued an amendment to Ind AS 103 and has added a new exception in the standard for liabilities and contingent liabilities.

The amendments are extensive, and the Group will evaluate the same to give effect to them as required by law.

(All amounts in ₹ lakhs unless otherwise stated)

## 5. Property, plant and equipment:

**Reconciliation of carrying amount**

| Particulars | Computers | Office equipments | Vehicles | Furniture and fixtures | Air conditioners | Total |
|---|---|---|---|---|---|---|
| **Gross carrying value** | | | | | | |
| **Balance as at 1 April 2020** | **11.96** | **7.33** | **18.45** | **70.44** | **0.22** | **108.40** |
| Additions made during the year | 4.38 | 0.48 | 0.12 | 0.31 | - | 5.29 |
| Disposals / adjustments during the year | - | (0.23) | - | (0.06) | - | (0.29) |
| **Balance as at 31 March 2021** | **16.34** | **7.58** | **18.57** | **70.69** | **0.22** | **113.40** |
| Additions made during the year | 4.59 | 0.26 | 101.78 | 0.19 | - | 106.82 |
| Disposals / adjustments during the year | - | (1.05) | - | - | - | (1.05) |
| **Balance as at 31 March 2022** | **20.93** | **6.79** | **120.35** | **70.88** | **0.22** | **219.17** |
| **Accumulated depreciation** | | | | | | |
| **Balance as at 1 April 2020** | **7.55** | **2.93** | **13.74** | **47.90** | **0.03** | **72.15** |
| Depreciation expense for the year | 4.24 | 0.87 | 1.48 | 5.55 | - | 12.14 |
| On disposals / adjustments during the year | - | (0.10) | - | (0.01) | - | (0.11) |
| **Balance as at 31 March 2021** | **11.79** | **3.70** | **15.22** | **53.44** | **0.03** | **84.18** |
| Depreciation expense for the year | 3.14 | 0.62 | 1.92 | 4.18 | - | 9.86 |
| On disposals / adjustments during the year | - | (0.71) | - | - | - | (0.71) |
| **Balance as at 31 March 2022** | **14.93** | **3.61** | **17.14** | **57.62** | **0.03** | **93.33** |
| **Net carrying value** | | | | | | |
| As at 31 March 2022 | 6.00 | 3.18 | 103.21 | 13.26 | 0.19 | 125.84 |
| As at 31 March 2021 | 4.55 | 3.88 | 3.35 | 17.25 | 0.19 | 29.22 |

## 6. Right of use assets (refer note 46)

| Particulars | Building | Total |
|---|---|---|
| **Gross carrying value** | | |
| **Balance as at 1 April 2020** | **50.60** | **50.60** |
| Additions during the year | - | - |
| **Balance as at 31 March 2021** | **50.60** | **50.60** |
| Additions during the year | 51.29 | 51.29 |
| **Balance as at 31 March 2022** | **101.89** | **101.89** |
| **Accumulated depreciation** | | |
| **Balance as at 1 April 2020** | 11.24 | 11.24 |
| Charge for the year | 33.73 | 33.73 |
| **Balance as at 31 March 2021** | **44.97** | **44.97** |
| Charge for the year | 34.12 | 34.12 |
| **Balance as at 31 March 2022** | **79.09** | **79.09** |
| **Net block** | | |
| As at 31 March 2022 | 22.80 | 22.80 |
| As at 31 March 2021 | 5.63 | 5.63 |

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|
| **7. Non-current other financials assets** | | |
| *(Secured, considered good)* | | |
| Receivables from related party* (Refer note 40) | | |
| - Receivables principal | 1,766.39 | 1,476.58 |
| - Interest accrued but not due on above | 149.23 | 0.79 |
| Security deposits | 26.11 | 26.11 |
| **Total** | **1,941.73** | **1,503.48** |

* The Holding Company had entered into agreements dated 27 March 2021 and 17 April 2021 with DCM Limited for acquisition by DCM limited of certain Holding Company's units in its residential project namely "Amaryllis" for an aggregate consideration of ₹ 1,766.39 Lakhs (31 March 2021 - Rs. 1,487.74 Lakhs) .These units have been made fully paid by the Holding Company by allowing DCM Limited to make a deferred payment plan within a period of 3 years from the date of allotment and same has been recorded as a book debt receivable by the Holding Company in accordance with the agreement. It also carries interest which is higher of 0.25% p.a over and above effective rate of interest charged by HDFC ltd from the Holding Company or @ 10.50% p.a. upto 30 June 2021 and thereafter carries interest 0.25% p.a. over effective rate of interest charged by HDFC ltd from the Holding Company. A charge has been created by deposit of title deeds of Industrial land at Hissar, Haryana admeasuring 43.644 acres owned by DCM limited for securing the said book debts.

**a) Loans or Advances in the nature of loans are granted to promoters, directors, KMPs and the related parties**

| Type of Borrower | As at 31 March 2022 | | As at 31 March 2021 | |
|---|---|---|---|---|
| | Advance in the nature of loan outstanding | Percentage to Advances in the nature of loans | Advance in the nature of loan outstanding | Percentage to Advances in the nature of loans |
| Promoters | 1,915.62 | 100% | 1,477.37 | 100% |

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|
| **8. Non-current tax assets (net)** | | |
| Advance income tax including tax deducted at source | 143.73 | 29.40 |
| **Total** | **143.73** | **29.40** |
| **9. Other non-current assets** | | |
| *(Unsecured and considered good)* | | |
| Balances with statutory authorities | 80.91 | 80.91 |
| Loans to employees | 0.47 | 2.20 |
| Prepaid expenses | 7.72 | 13.64 |
| **Total** | **89.10** | **96.75** |
| **10. Inventories*** | | |
| *(Valued at lower of cost or net realisable value) | | |
| **Construction materials in stock (at cost)** | 59.15 | 62.19 |
| Sub total | 59.15 | 62.19 |
| **Real estate properties under development (at cost)** | | |
| Cost of properties under development (net off written off) | 49,916.47 | 57,402.19 |
| Less: Provision for expected loss** | (2,634.56) | (3,134.36) |
| Sub total | 47,281.91 | 54,267.83 |
| **Total** | **47,341.06** | **54,330.02** |

** The Holding Company has recorded a provision for expected loss of ₹ 178.01 Lakhs( previous year ₹ 124.86 Lakhs) for sold units of Central Square (Plaza 4) based on updated budgeted cost and ₹ 466.01 Lakhs (previous year ₹ Nil) for units for which revenue has not been recognised in respect of Central Square (Plaza 1,2 & 3) other than already recorded. Further, the Holding Company has reversed provision for expected losses of ₹ 1,143.82 Lakhs (previous year Nil) of old flat buyer units of Park Square (Phase – I) as actual cost and revenue have been recognised for these units in the current year.

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|
| **11. Trade receivables** | | |
| *(Unsecured and considered good, unless otherwise stated)* | | |
| Considered good* | 1,321.81 | 2,136.56 |
| Credit impaired | 122.44 | 51.55 |
| | 1,444.25 | 2,188.11 |
| Less: Loss allowance** | (122.44) | (51.55) |
| | 1,321.81 | 2,136.56 |
| **Total** | **1,321.81** | **2,136.56** |

*For amounts of trade receivables owing from related parties, refer note 40.
**The Group's exposure to credit and currency risks, and loss allowance related to trade receivables are disclosed in note 47.

**Ageing schedule of trade receivables as on 31 March 2022**

| As at 31 March 2022 | Outstanding from the due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Undisputed trade receivables – considered good | 154.23 | 11.11 | 6.34 | - | 1,150.13 | 1,321.81 |
| Undisputed trade receivables – credit impaired | 60.86 | 7.92 | 13.41 | 17.20 | 23.05 | 122.44 |
| Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| Disputed trade receivables – considered good | - | - | - | - | - | - |
| Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| Disputed trade receivables – credit impaired | - | - | - | - | - | - |

**Ageing schedule of trade receivables as on 31 March 2021**

| As at 31 March 2021 | Outstanding from the due date of payment | | | | | |
|---|---|---|---|---|---|---|
| | Less than 6 months | 6 months -1 year | 1-2 years | 2-3 years | More than 3 years | Total |
| Undisputed trade receivables – considered good | 33.45 | 5.11 | 9.19 | 11.98 | 2,076.83 | 2,136.56 |
| Undisputed trade receivables – credit impaired | 8.04 | 10.27 | 15.83 | 11.91 | 5.50 | 51.55 |
| Undisputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| Disputed trade receivables – considered good | - | - | - | - | - | - |
| Disputed Trade Receivables – which have significant increase in credit risk | - | - | - | - | - | - |
| Disputed trade receivables – credit impaired | - | - | - | - | - | - |

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|
| **12. Cash and cash equivalents** | | |
| Balances with banks | | |
| - In current accounts | 80.34 | 143.74 |
| - Bank deposits with original maturity of less than three months | 123.50 | 1,380.00 |
| Cash on hand | 4.11 | 6.40 |
| **Total** | **207.95** | **1,530.14** |
| **13. Bank balances other than cash and cash equivalents above** | | |
| Bank deposits with original maturity of more than three months but upto twelve months* | 1,381.36 | 323.70 |
| **Total** | **1,381.36** | **323.70** |

* includes ₹ 15.37 lakhs (31 March 2021 ₹ 14.70 lakhs) pledged with Government Authorities as bank guarantee.

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|
| **14. Other current financial assets** | | |
| Security deposit | 8.49 | 8.84 |
| Interest accrued* | 20.04 | 10.22 |
| **Total** | **28.53** | **19.06** |

* includes ₹ 0.30 lakhs (31 March 2021 ₹ 0.30 lakhs) pledged with Government Authorities

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|
| **15. Other current assets** *(Unsecured and considered good)* | | |
| Advances to suppliers | 2.94 | 2.72 |
| Prepaid expenses | 31.57 | 19.66 |
| Balance with statutory/government authorities | 536.74 | 393.90 |
| Loans to employees | 1.64 | 4.61 |
| Others | 2.76 | 86.83 |
| **Total** | **575.65** | **507.72** |
| **16. Equity share capital** | | |
| **a) Authorised** | | |
| 110,799,000 (31 March 2021: 110,799,000) equity shares of ₹ 10 each | 11,079.90 | 11,079.90 |
| 100 (31 March 2021: 100) 13.5% redeemable cumulative preference shares of ₹ 100 each | 0.10 | 0.10 |
| **b) Issued, subscribed and fully paid-up** | | |
| 107,800,000 (31 March 2021: 107,800,000) equity shares of ₹ 10 each fully paid-up | 10,780.00 | 10,780.00 |
| **Total issued, subscribed and fully paid-up share capital** | **10,780.00** | **10,780.00** |

**c) Reconciliation of the shares outstanding at the beginning and at the end of reporting period:**

| | As at 31 March 2022 | | As at 31 March 2021 | |
|---|---|---|---|---|
| **Equity Shares** | **No. of Shares** | **Amount** | **No. of Shares** | **Amount** |
| At the beginning of the year | 10,78,00,000 | 10,780.00 | 10,78,00,000 | 10,780.00 |
| Add: Shares issued during the year | - | - | - | - |
| **At the end of the year** | **10,78,00,000** | **10,780.00** | **10,78,00,000** | **10,780.00** |

(All amounts in ₹ lakhs unless otherwise stated)

**d) Rights, preferences and restrictions attached to equity shares:**

The Holding Company has one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share with a right to receive per share dividend declared by the Holding Company. In the event of liquidation, the equity shareholders are entitled to receive remaining assets of the Holding Company (after distribution of all preferential amounts, if any) in the proportion of equity shares held by the shareholders.

**e) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Holding Company:**

| | As at 31 March 2022 | | As at 31 March 2021 | |
|---|---|---|---|---|
| | No. of Shares | % of holding | No. of Shares | % of holding |
| Tiara Investments Holdings Limited (Holding company) | 5,46,00,000 | 50.65% | 5,46,00,000 | 50.65% |
| Aggresar Leasing and Finance Private Limited | 1,79,89,455 | 16.69% | 1,79,89,455 | 16.69% |
| DCM Limited | 1,78,53,605 | 16.56% | 1,78,53,605 | 16.56% |
| Unison International IT Services Limited | 71,15,182 | 6.60% | 71,15,182 | 6.60% |
| Sumant Bharat Ram | 58,61,818 | 5.44% | 58,61,818 | 5.44% |

**f) Details of shares held by holding company:**

| | As at 31 March 2022 | | As at 31 March 2021 | |
|---|---|---|---|---|
| | No. of Shares | % of holding | No. of Shares | % of holding |
| Tiara Investments Holdings Limited (Holding company) | 5,46,00,000 | 50.65% | 5,46,00,000 | 50.65% |
| **Total** | **5,46,00,000** | **50.65%** | **5,46,00,000** | **50.65%** |

**g) Aggregate number of shares issued for consideration other than cash**

No shares have been issued for other than cash during the period of five years immediately preceding 31 March 2022

**h) Details of promoter shareholding**

| | As at 31 March 2022 | | | As at 31 March 2021 | | |
|---|---|---|---|---|---|---|
| | Number of shares | % of total shares | % Change during the year | Number of shares | % of total shares | % Change during the year |
| Tiara Investments Holdings Limited (Holding company) | 5,46,00,000 | 50.65% | - | 5,46,00,000 | 50.65% | - |
| Aggresar Leasing and Finance Private Limited | 1,79,89,455 | 16.69% | - | 1,79,89,455 | 16.69% | - |
| DCM Limited | 1,78,53,605 | 16.56% | - | 1,78,53,605 | 16.56% | - |
| Unison International IT Services Limited | 71,15,182 | 6.60% | - | 71,15,182 | 6.60% | - |
| Sumant Bharat Ram | 58,61,818 | 5.44% | - | 58,61,818 | 5.44% | - |
| Til Investment private limited | 32,04,500 | 2.97% | - | 32,04,500 | 2.97% | - |
| Atlantic Commercial company limited | 4,00,000 | 0.37% | - | 4,00,000 | 0.37% | - |
| Satpal Khattar | 2,94,100 | 0.27% | - | 2,94,100 | 0.27% | - |

**17. Other equity**

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|
| Reserves and surplus | | |
| Securities premium reserve | 5,720.00 | 5,720.00 |
| Capital redemption reserve | 96.60 | 96.60 |
| Retained earnings | (6,736.19) | (9,861.98) |
| **Total** | **(919.59)** | **(4,045.38)** |

**Nature and purpose of other reserves**

**a) Securities Premium reserve**

Securities premium reserve is used to record the premium on issue of shares. The reserve will be utilised in accordance with provisions of the Companies Act, 2013.

**b) Capital redemption reserve**

Capital redemption reserve was created on account of buyback of shares as per the requirements of Companies Act, 2013. The reserve will be utilised in accordance with provisions of the Companies Act, 2013

**c) Retained earnings**

Retained earnings is used to record balance of statement of profit and loss.

| 18. Borrowings | Non-current borrowing | | Current borrowing | |
|---|---|---|---|---|
| | As at 31 March 2022 | As at 31 March 2021 | As at 31 March 2022 | As at 31 March 2021 |
| Term loan from banks* | 73.46 | - | 15.54 | - |
| Term loan from others** | 6,347.51 | 12,004.26 | 4,836.47 | 2,880.71 |
| | **6,420.97** | **12,004.26** | **4,852.01** | **2,880.71** |

**Repayment terms and security disclosure for the outstanding borrowings as at 31 March 2022 and 31 March 2021:**

***From banks :**

**Secured borrowings:**

During the year, the Holding Company has availed Vehicle Loan of ₹ 89.00 (31 March 2021: ₹ nil ) from Axis Bank for official purposes which are secured by hypothecation of specific vehicle with first and exclusive charge and further secured by personal guarantee of Mr. Sumant Bharat Ram . The loans are carrying an interest rate of 7.10 % p.a. (31 March 2021: nil).

****From others:**

**Secured borrowings:**

(i) Term loans amounting to ₹ 8,533.98 Lakhs (31 March 2021: ₹ 12,234.97 Lakhs) is secured by first pari-passu charge on the land admeasuring 118,823.90 sq. yards. situated at Bara Hindu Rao, Delhi, owned by DCM Limited and the flats/flatted factories, present and future constructed/to be constructed thereon excluding the flats/flatted factories constructed/to be constructed booked by the customers of erstwhile builders and on which lien has been specifically released. These term loans are further secured by first charge over the receivables of the Group from the project by the name and style of “Central Square”, first charge/lien on escrow accounts held singly/jointly by the Group and the Group’s revenue share from present and future built up space/FSI being developed under the “Joint Development Agreement” for its residential project named as "Park Square" (now known as "The Amaryllis"). These term loans are further secured by pledge of 100% shares of Juhi Developers Private Limited which are owned by Betterways Finance and Leasing Private Limited (merged with Aggresar Leasing and Finance Private Limited effective 26 August 2016), Dr. Vinay Bharat Ram and Mr. Sumant Bharat Ram and pledge of 100% shares of Teak Farms Private Limited which are owned by Shreshtha Real Estates Private Limited jointly with Mr. Sumant Bharat Ram. These loans are further secured by creating equitable mortgage on land owned by DCM Limited on Plot No. 4 and 11 admeasuring 1473.4 sq.yards and 1272.1 sq.yards both located at Block 67, W.E.A. New Rohtak Road, Karol Bagh, New Delhi. Further out of the above loan of ₹ 2,615.87 Lakhs (31 March 2021 ₹ 2,613.48Lakhs) is additionally secured by first equitable mortgage of plot no 3 block 67, WEA Rohtak Road Karol Bagh, New Delhi and owned by DCM limited with first charge on entire sale proceeds/ receivables accruing from sold and unsold area at the mentioned land present and future.)

(i) (a) Out of Term Loan amounting to ₹ 5,918.11 Lakhs (31 March 2021: ₹ 9,621.49 Lakhs), an amount of ₹ 426.67 Lakhs (31 March 2021 ₹ 383.09 lakhs) is payable on 6 June 2022 and an amount of ₹ 5,000.00 lakhs (31 March 2021: ₹ 8,746.96 lakhs) is payable in 4 equal quarterly installments of ₹ 1,250 lakhs each commencing from 6th September, 2022 and balance ₹ 491.44 lakhs representing Mortarium interest (31 March 2021: ₹ 491.44) payable on September 2023 considering the Mortarium scheme of RBI.

(i) (b) Out of Term Loan amounting to ₹ 2,615.87 Lakhs (31 March 2021: ₹ 2,613.48 Lakhs), an amount of ₹ 2,493.02 lakhs (31 March 2021: ₹ 2,490.63 lakhs) is repayable in 6 quarterly installments commencing from 30 June 2024 and balance mortarium interest of ₹ 122.85 lakhs (31 March 2021: ₹ 122.85) will repaid in subsequent quarters considering the Mortarium scheme of RBI.

(i) (c)The above-mentioned term loans carry an interest CF PLR minus 0 Basis points of the lender w.e.f. 01 April 2020 to 30 November 2020 and interest CF PLR less 125 Basis points of the lender w.e.f. 01 December 2020 to 31 March 2021 and interest CF PLR (11.50% p.a.) less 200 basis points w.e.f 01 April 2021 to 31 December 2021 and interest CF PLR (11.50 % p.a.) less 250 basis points w.e.f 01 January 2022 to 31 January 2022 and interest CFPLR (11.60% p.a.) less 250 basis points w.e.f. 01 February 2022 to 28 February 2022 and interest CFPLR (11.70% p.a.) less 250 basis points w.e.f. 01 March 2022 to 31 March 2022 (the present applicable rate is 9.20% p.a).

(ii) Term Loan of ₹ 2,650 lakhs (31 March 2021: Rs. 2,650 from HDFC limited by way of Guaranteed Emergency Credit Line (GECL) under ECLGS Scheme of National Credit Guarantee Trustee Company Limited (NCGTC) for general corporate purposes/ working capital/ expense to restart operations due to lockdown/ liquidity mismatch which is repayable in 48 EMIs post 12 months of moratorium and accordingly, the repayment to start from April 2022. The Loan shall be secured by way of second charge against the respective credit facilities as on 29th February 2020 provided by HDFC limited to the Group except pledge of 100% shares of Juhi Developers Private Limited. Further the loan shall be secured by First and Prime Charge in favour of the lender, on any assets acquired or created out of this facility and a second charge shall be extended as specified under the Scheme of NCGTC. This term loan carry interest rate linked to HDFC construction finance prime lending rate (CFPLR 11.50% p.a.) less 200 basis points w.e.f 12 March 2021 to 31 January 2022 and interest CFPLR (11.60% p.a.) less 200 basis points w.e.f. 01 February 2022 to 28 February 2022 and interest CFPLR (11.70% p.a.) less 200 basis points w.e.f. 01 March 2022 to 31 March 2022 (the present applicable rate is 9.70% p.a).

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|
| **19. Lease liabilities** | | |
| **Current** | | |
| Lease liability (refer note 46) | 23.17 | 5.91 |
| **Total** | **23.17** | **5.91** |
| **20. Other non-current financial liabilities** | | |
| Security deposits | 2,606.02 | 2,347.26 |
| **Total** | **2,606.02** | **2,347.26** |
| **21. Non-current provisions** | | |
| **Provision for employee benefits** | | |
| - Gratuity (refer note 39) | 60.28 | 55.01 |
| - Compensated absences | 42.47 | 35.61 |
| **Total** | **102.75** | **90.62** |
| **22. Other non-current liabilities** | | |
| Deferred income | 310.21 | 422.76 |
| **Total** | **310.21** | **422.76** |
| **23. Trade payables** | | |
| **Trade payables** | | |
| - total outstanding dues of micro enterprises and small enterprises; and (refer note 42) | 29.40 | 33.03 |
| - total outstanding dues of creditors other than micro enterprises and small enterprises | 10,835.37 | 8,360.74 |
| **Total** | **10,864.77** | **8,393.77** |

(All amounts in ₹ lakhs unless otherwise stated)

**Ageing schedule of trade payables as on 31 March 2022**

| As at 31 March 2022 | Unbilled dues | Outstanding from the due date of payment | | | | Total |
|---|---|---|---|---|---|---|
| | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Micro, small and medium exterprises | 24.83 | 4.57 | - | - | - | 29.40 |
| Others | 5,619.57 | 3,815.54 | 1,379.53 | - | 20.73 | 10,835.37 |
| Disputed Dues (MSME) | - | - | - | - | - | - |
| Disputed Dues (Others) | - | - | - | - | - | - |

**Ageing schedule of trade payables as on 31 March 2021**

| As at 31 March 2021 | Unbilled dues | Outstanding from the due date of payment | | | | Total |
|---|---|---|---|---|---|---|
| | | Less than 1 year | 1-2 years | 2-3 years | More than 3 years | |
| Micro, small and medium exterprises | 1.70 | 31.33 | - | - | - | 33.03 |
| Others | 1,070.73 | 2,660.14 | 2,538.75 | 1,980.15 | 110.97 | 8,360.74 |
| Disputed Dues (MSME) | - | - | - | - | - | - |
| Disputed Dues (Others) | - | - | - | - | - | - |

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|
| **24. Other current financial liabilities** | | |
| Interest accrued on borrowing | 0.37 | - |
| Security deposit | 291.63 | 293.79 |
| Employee related payables | 49.83 | 45.57 |
| **Total** | **341.83** | **339.36** |
| **25. Other current liabilities** | | |
| Statutory dues payable | 39.02 | 21.34 |
| Contract liability- Advance from customers | 21,024.70 | 31,636.92 |
| Deferred income | 112.55 | 112.55 |
| **Total** | **21,176.27** | **31,770.81** |

For terms and conditions of advances received from customers owing to related parties, refer note 40

| | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|
| **26. Current provisions** | | |
| **Provision for employee benefits** | | |
| - Gratuity (refer note 39) | 3.52 | 6.67 |
| - Compensated absences | 4.16 | 4.99 |
| **Total** | **7.68** | **11.66** |

(This space has been intentionally left blank)

(All amounts in ₹ lakhs unless otherwise stated)

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|---|---|
| **27. Revenue from operations** | | |
| **Operating revenue** | | |
| Revenue from real estate operations | 21,869.58 | 669.95 |
| **Other operating revenue** | | |
| Maintenance service income | 289.13 | 121.23 |
| Transfer charges and forfeiture income | 8.87 | 56.07 |
| **Total** | **22,167.58** | **847.25** |
| **28. Other income** | | |
| **Interest income** | | |
| - Deposits with banks and financial institutions | 75.93 | 19.14 |
| - Others | 166.74 | 5.66 |
| Amortisation of deferred income | 113.34 | 239.75 |
| Gain on modification of existing financials liability | - | 533.74 |
| Liabilities no longer required written back | - | 35.89 |
| Miscellaneous income | 12.35 | 4.03 |
| **Total** | **368.36** | **838.21** |
| **29. Cost of revenue/(reversal)** | | |
| Cost incurred during the year | 7,636.47 | 2,240.68 |
| **Decrease/(increase) in real estate properties** | | |
| Opening stock | 54,330.02 | 51,091.81 |
| Closing stock | (47,341.06) | (54,330.02) |
| Net | 6,988.96 | (3,238.21) |
| **Total** | **14,625.43** | **(997.53)** |
| **30. Employee benefits expense** | | |
| Salaries, bonus and other allowances | 571.61 | 491.38 |
| Contribution to provident funds (refer note 39) | 23.74 | 28.54 |
| Gratuity and compensated absences (refer note 39) | 24.23 | 11.46 |
| Staff welfare expenses | 7.87 | 3.91 |
| **Total** | **627.45** | **535.29** |
| **31. Finance costs** | | |
| Interest expense on amortised cost | | |
| Term loan | 1,260.82 | 1,485.21 |
| Others | 232.57 | 322.28 |
| **Total** | **1,493.39** | **1,807.49** |
| **32. Depreciation and amortisation expense** | | |
| Depreciation of property, plant and equipments (refer note 5) | 9.86 | 12.14 |
| Depreciation of right to use leased assets (refer note 6) | 34.12 | 33.73 |
| **Total** | **43.98** | **45.87** |

**(All amounts in ₹ lakhs unless otherwise stated)**

| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|---|---|
| **33. Other expenses** | | |
| Travelling and conveyance | 77.33 | 25.88 |
| Communication | 8.19 | 9.84 |
| Repair and maintenance - others | 2.95 | 5.00 |
| Legal and professional fees | 104.35 | 104.64 |
| Rates and taxes | 43.82 | 9.81 |
| Insurance | 21.81 | 16.62 |
| Property management expenses | 470.87 | 411.80 |
| Electricity and water charges | 127.15 | 147.30 |
| Commission to non executive Directors | 197.12 | - |
| Director sitting fees | 26.46 | 35.78 |
| Loss on disposal of property, plant and equipment | 0.34 | 0.18 |
| Printing and stationery | 5.39 | 3.29 |
| Expenditure on corporate social responsibility (refer note 43) | 49.02 | 42.55 |
| Bad debts written off | 0.69 | 3.44 |
| Loss allowance for doubtful receivables (refer note 11) | 70.89 | 2.44 |
| Brokerage and marketing | 259.13 | - |
| Compensation to customers | 36.48 | 14.78 |
| Miscellaneous expenses | 19.55 | 9.33 |
| **Total** | **1,521.54** | **842.68** |

(This space has been intentionally left blank)

(All amounts in ₹ lakhs unless otherwise stated)

## 34. Tax expense

### (a) Amounts recognised in profit and loss

| Particulars | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|---|---|
| **Current tax (a)** | | |
| Current tax expense (including tax relating to prior years) | 0.05 | 0.37 |
| **Deferred tax (credit) (b)** | 1,102.23 | 0.03 |
| **Tax expense for the year** | **1,102.28** | **0.40** |

### (b) Income tax recognised in other comprehensive income (OCI)

| Particulars | For the year ended 31 March 2022 | | |
|---|---|---|---|
| | Before tax | Tax (expense)/benefit | Net of tax |
| **Items that will not be reclassified to profit or loss** | | | |
| Remeasurement of defined benefit obligation | 5.22 | (1.31) | 3.91 |
| | **5.22** | **(1.31)** | **3.91** |

| Particulars | For the year ended 31 March 2021 | | |
|---|---|---|---|
| | Before tax | Tax (expense)/benefit | Net of tax |
| **Items that will not be reclassified to profit or loss** | | | |
| Remeasurement of defined benefit obligation | (0.66) | 0.17 | (0.49) |
| | **(0.66)** | **0.17** | **(0.49)** |

### (c) Reconciliation of effective tax rate

| Particulars | For the year ended 31 March 2022 | | For the year ended 31 March 2021 | |
|---|---|---|---|---|
| **Profit/ (Loss) before tax** | | **4,224.15** | | **(548.34)** |
| Tax using the Group's domestic tax rate | 25.17% | 1,063.13 | 25.17% | (138.01) |
| Tax effect of: | | | | |
| Non-deductible expenses/non-taxable income | | 12.34 | | (123.62) |
| Recognised in OCI during the year | | 1.31 | | (0.17) |
| Change in tax rate | | - | | - |
| Tax adjustments relating to prior years | | 0.05 | | 0.37 |
| Temporary timing differences on which deferred tax not created | | 60.01 | | 28.41 |
| Losses on which no deferred tax is created | | - | | 234.33 |
| Others | | (34.56) | | (0.91) |
| **Effective tax rate** | | **1,102.28** | | **0.40** |

Details of unused tax losses for which no deferred tax is recognised in balance sheet:

| | For the year ended 31 March 2022 | | | For the year ended 31 March 2021 | | |
|---|---|---|---|---|---|---|
| Particulars | Base amount | Deferred tax | Expiry date (Assessment year) | Base amount | Deferred tax | Expiry date (Assessment year) |
| **Tax Losses** | | | | | | |
| Assessment year 2021-22 | 950.03 | 239.10 | 31 March 2030 | 914.78 | 230.23 | 31 March 2030 |
| **Unabsorbed depriciation** | | | | | | |
| Assessment year 2021-22 | - | - | Not applicable | 16.28 | 4.10 | Not applicable |
| **Total** | **950.03** | **239.10** | | **931.06** | **234.33** | |

### (d) Recognised deferred tax assets and liabilities

Deferred tax assets and liabilities are attributable to the following:

| | Deferred tax (assets) | | Deferred tax liabilities | | Net deferred tax (assets) / liabilities | |
|---|---|---|---|---|---|---|
| Particulars | As at 31 March 2022 | As at 31 March 2021 | As at 31 March 2022 | As at 31 March 2021 | As at 31 March 2022 | As at 31 March 2021 |
| Property, plant and equipment | (15.97) | (10.14) | - | - | (15.97) | (10.14) |
| Right of use assets and lease liability | (0.09) | (0.27) | - | - | (0.09) | (0.27) |
| Provision for employee benefits | (26.65) | (27.06) | - | - | (26.65) | (27.06) |
| Amount to be claimed in future years as per Income-tax Act, 1961 | (676.62) | (676.62) | - | - | (676.62) | (676.62) |
| Carried forward of loss and unabsorbed depreciation | (2,571.16) | (3,763.61) | - | - | (2,571.16) | (3,763.61) |
| Allowance for doubtful receivables and provision for expenses | (96.04) | (12.36) | - | - | (96.04) | (12.36) |
| **Net deferred tax (assets) / liabilities** | **(3,386.53)** | **(4,490.06)** | **-** | **-** | **(3,386.53)** | **(4,490.06)** |

### (e) Movement in temporary differences:

| Particulars | Balance as at 1 April 2020 | Recognised in profit or loss during 2020-21 | Recognised in OCI during 2020-21 | Balance as at 31 March 2021 | Recognised in profit or loss during 2021-22 | Recognised in OCI during 2021-22 | Balance as at 31 March 2022 |
|---|---|---|---|---|---|---|---|
| Property, plant and equipment | (10.17) | 0.03 | - | (10.14) | (5.83) | - | (15.97) |
| Right of use assets and lease liability | (0.27) | - | - | (0.27) | 0.18 | - | (0.09) |
| Provision for employee benefits | (26.89) | - | (0.17) | (27.06) | (0.90) | 1.31 | (26.65) |
| Amount to be claimed in future years as per Income-tax Act, 1961 | (676.62) | - | - | (676.62) | - | - | (676.62) |
| Carried forward of loss and unabsorbed depreciation | (3,763.61) | - | - | (3,763.61) | 1,192.45 | - | (2,571.16) |
| Allowance for doubtful receivables and provision for expenses | (12.36) | - | - | (12.36) | (83.68) | - | (96.04) |
| | **(4,489.92)** | **0.03** | **(0.17)** | **(4,490.06)** | **1,102.22** | **1.31** | **(3,386.53)** |

### 35. Contingent liabilities

a) Claims against the Group not acknowledged as debts:

Due to delays in real estate project activities, certain customers had lodged claims against the Group for compensation aggregating to ₹ 460.37 Lakhs (31 March 2021: ₹ 691.32 Lakhs) in lieu of non-materialization of agreement to sell for transfer of right in property entered with them. Based on the favorable decision in similar cases received by the Group/ discussions with the solicitors etc., the Group believes that it has good cases in respect of items mentioned above and hence no provision against these cases is considered necessary.

b) The Holding Company had given the Corporate Guarantee to TATA Power for its interim permanant Load of 1.5MVA for its immediate operation requirement at plot no. 20 manohar Lal Khurana Marg , Bara Hindu Rao, Delhi to the extent of ₹ 100 lacs towards prorated cost of 33/11 KV Grid station and now updated the validity till 31st December 2022.

**36.** The Supreme Court on 28 February 2019 has provided its judgment regarding inclusion of other allowances such as travel allowances, special allowances, etc within the expression 'basic wages' for the purpose of computation of contribution of provident fund under the Employees' Provident Fund and Miscellaneous Provisions Act, 1952 ('EPF Act'). There are interpretive challenges on the application of the Supreme Court Judgment including the period from which judgment would apply, consequential implications on resigned employees etc. Further, various stakeholders have also filed representations/ review petition with PF authorities and the Supreme Court respectively. All these factors raises significant uncertainty regarding the implementation of the Supreme Court Judgment.

Owing to the aforesaid uncertainty and pending clarification from regulatory authorities in this regard, the Group has recognized provision for the PF contribution on the basis of above mentioned order with effect from the order date. Further, the management believes that impact of aforementioned uncertainties before the order date on the financial statements of the Group should not be material.

**37. Earnings per equity share (EPS)**

| Particulars | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|---|---|
| Net profit/(loss) attributable to equity shareholders as per Statement of Profit and Loss (₹ Lakhs) | 3,121.87 | (548.74) |
| Weighted average number of equity shares in calculating Basic EPS | 10,78,00,000 | 10,78,00,000 |
| Weighted average number of equity shares in calculating Diluted EPS | 10,78,00,000 | 10,78,00,000 |
| Basic earning per share in rupees (face value per equity share ₹ 10 each) | 2.90 | (0.51) |
| Diluted earning per share in rupees (face value per equity share ₹ 10 each) | 2.90 | (0.51) |

**38. Operating segments**

**A. Basis for segmentation**

An operating segment is a component of the Group that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Group's other components, and for which discrete financial information is available. The Group's Board of Directors have been identified as the Chief Operating Decision Maker ('CODM'), since they are responsible for all major decisions with respect to the preparation and execution of business plan, preparation of budget and planning. All operating segments' operating results are reviewed regularly by the Group's Board of Directors to assess the performance of resources and make decisions.

The Holding Company is primarily engaged in the business of "Real Estate Development", which as per Indian Accounting Standard – 108 on 'Operating Segments' is considered to be the only reportable business segment. The Holding Company is operating in India which is considered as a single geographical segment.

**B. Entity wide disclosures**

**(a) Information about products and services:** The Holding Company primarily deals in one business namely "Real Estate Development", therefore product-wise revenue disclosure is not applicable.

**(b) Information about geographical areas:** The Holding Company provides services to customers which are domiciled in India. All the assets of the Holding Company are located in India and hence there are no separate geographical areas.

**C. Major customer**

The Holding Company is primarily engaged in the business of "Real Estate Development" and sale real estate properties to retail customers. Further, there are no customers who are required to be disclosed under major customer category.

**39. Employee benefits**

**A. Defined contribution plans**

Contributions to defined contribution plans recognised as an expense and has been shown under Employee benefits expense in the Statement of Profit and Loss for the year are as under:

| Particulars | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|---|---|
| Company's contribution to provident fund | 23.74 | 28.54 |

(All amounts in ₹ lakhs unless otherwise stated)

**B. Description of Risk Exposures**

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Holding company is exposed to various risks as follow -

i) Salary Increases- Actual salary increases will increase the Plan's liability. Increase in salary increase rate assumption in future valuations will also increase the liability.

ii) Discount Rate: Reduction in discount rate in subsequent valuations can increase the plan's liability.

iii) Mortality & disability – Actual deaths and disability cases proving lower or higher than assumed in the valuation can impact the liabilities.

iv) Withdrawals – Actual withdrawals proving higher or lower than assumed withdrawals and change of withdrawal rates at subsequent valuations can impact Plan's liability.

**C. Defined benefit plans**

The Group operates gratuity plan wherein every employee is entitled to the benefit equivalent to 15 days of total basic salary last drawn for each completed year of service. Gratuity is payable to all eligible employees of the Group on retirement, separation, death or permanent disablement, in terms of the provisions of the Payment of Gratuity Act, 1972.

**The following table sets out the status of the Gratuity as required under Ind-AS 19 - Employee Benefits:**

| Particulars | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Defined benefit liability- Gratuity | 63.80 | 61.68 |
| **Total employee benefit liabilities** | | |
| Non-current | 60.28 | 55.01 |
| Current | 3.52 | 6.67 |
| **Total** | **63.80** | **61.68** |

***(i) Reconciliation of the defined benefit liability***

The following table shows a reconciliation from the opening balances to the closing balances for the defined benefit liability and its components

| Particulars | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Balance at the beginning of the year | 61.68 | 55.88 |
| Current service cost | 9.23 | 9.31 |
| Interest cost | 3.82 | 3.64 |
| Actuarial (gain) / loss recognised in other comprehensive income | | |
| changes in financial assumptions | (1.75) | 1.18 |
| experience adjustments | (3.47) | (0.52) |
| Benefits paid | (5.71) | (7.81) |
| **Balance at the end of the year** | **63.80** | **61.68** |

***ii) Expense recognised in profit or loss***

| Particulars | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Current service cost | 9.23 | 9.31 |
| Interest cost | 3.82 | 3.64 |
| **Total** | **13.05** | **12.95** |

***iii) Remeasurements recognised in other comprehensive income***

| Particulars | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Actuarial (gain) / loss on defined benefit obligation | (5.22) | 0.66 |
| **Total** | **(5.22)** | **0.66** |

***iv) Actuarial assumptions***

Principal actuarial assumptions at the reporting date (expressed as weighted averages):

| Particulars | 31 March 2022 | 31 March 2021 |
|---|---|---|
| **Financial assumptions** | | |
| Discount rate | 6.90% | 6.55% |
| Future salary growth | 6.00% | 6.00% |
| Average remaining working lives of employees (years) | 17.25 | 16.11 |
| **Demographic assumptions** | | |
| Mortality rate | IALM (2012-14) Ultimate | IALM (2012-14) Ultimate |
| Withdrawal rate | | |
| Up to 25 years | 3.00% | 3.00% |
| 26 to 45 years | 2.00% | 2.00% |
| Above 45 years | 1.00% | 1.00% |
| Retirement age | 58 years | 58 years |

As at 31 March 2022, the average outstanding terms of the obligtions as at valuation date is 7.85 years (31 March 2021: 7.89 years)

As the Holding Company does not have any plan assets, the movement of present value of defined benefit obligation and fair value of plan assets has not been presented.

***v) Sensitivity analysis***

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

| Particulars | 31 March 2022 | | 31 March 2021 | |
|---|---|---|---|---|
| | Increase | Decrease | Increase | Decrease |
| Discount rate (0.50%) | (2.37) | 2.52 | (2.33) | 2.48 |
| Future salary growth (0.50%) | 2.25 | (2.40) | 2.31 | (2.19) |

Sensitivities due to mortality and withdrawal are not material and hence impact of change not calculated.

Although the analysis does not take account of the full distribution of cash flows expected under the plan, it does provide an approximation of the sensitivity of the assumptions shown.

***vi) Maturity profile***

The table below shows the expected cash flow profile of the benefits to be paid to the current membership of the plan based on past service of the employees as at the valuation date:

| Year | 31 March 2022 | Year | 31 March 2021 |
|---|---|---|---|
| April 2022 – March 2023 | 3.52 | April 2021 – March 2022 | 6.67 |
| April 2023 – March 2024 | 2.02 | April 2022 – March 2023 | 3.18 |
| April 2024 – March 2025 | 2.69 | April 2023 – March 2024 | 1.74 |
| April 2025 – March 2026 | 26.07 | April 2024 – March 2025 | 2.35 |
| April 2026 – March 2027 | 0.85 | April 2025 – March 2026 | 23.66 |
| April 2027 onwards | 30.10 | April 2026 onwards | 25.56 |

***vii) Other long-term benefits***

An amount of ₹ 11.18 lakhs (31 March 2021: ₹ (1.49) lakhs) pertaining to compensated absences is recognised / (reversed) as an expense and included in "Employee Benefits".

**40. Related party disclosures:**

In accordance with the requirements of Ind AS 24 on Related Party Disclosures, the names of the related parties where control exists and/or with whom transactions have taken place during the year and description of relationships, as identified and certified by the management are:

(All amounts in ₹ lakhs unless otherwise stated)

**A. Name and description of relationship of the related party**

a) **Holding company**
Tiara Investments Holdings Limited, Mauritius

b) **Entities exercising significant influence (where transaction have taken place during the year)**
DCM Limited, India - Investing Company

c) **Key Management Personnel (KMPs), their relatives and other enterprises under the control of the Key Managerial Personnel and their relatives:**

| Name of Key Management Personnel | Designation |
|---|---|
| Mr. Sumant Bharat Ram | Whole-time Director |
| Mrs. Chitra Gouri Lal | "Whole-time Director (till 20 August 2020) Director (w.e.f 21 August 2020)" |
| Mr. Ajay Khanna | Chief Financial Officer |
| Mr. Sachin Kumar Gupta | Company Secretary |
| Mr. Karan Singh Thakral | Director |
| Mr. Yash Gupta | Independent Director |
| Mr. Satpal Khattar | Director |
| Mr. Kartar Singh Thakral | Director |
| Mr. Satveer Singh Thakral | Alternate Director to Mr. Kartar Singh Thakral |
| Mr. Yuv Bharat Ram | Director (w.e.f 25 September 2020) |
| Mr. Rahil Bharat Ram | Additional Director (w.e.f 24 August 2020 to 24 September 2020) Director (w.e.f 25 September 2020) |
| Mr. Navin Khattar | Additional Director (w.e.f 10 February 2020 to 24 September 2020) Director (w.e.f 25 September 2020) |

d) **Other enterprises under the control of Key Management Personnel and their relatives with whom there were transactions during the year.**

**Name of Entity**
Aggresar Leasing & Finance Pvt. Ltd.
Shreshtha Real Estates Private Limited
DCM Nouvelle Limited
Khattar Estates Private Limited
Atlantic Commercial Company Limited

**B. The following transactions were carried out with related parties in the ordinary course of business:**

| Particulars | Amount | |
|---|---|---|
| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
| **Expense reimbursement from** | | |
| DCM Limited | 3.08 | 2.23 |
| Aggresar Leasing & Finance Pvt. Ltd. | 0.39 | 0.30 |
| **Maintenance income** | | |
| DCM Limited | 6.59 | 6.25 |
| Shreshtha Real Estates Pvt. Ltd. | 0.03 | - |
| Mr. Sumant Bharat Ram | 0.41 | - |

(All amounts in ₹ lakhs unless otherwise stated)

| Particulars | Amount | |
|---|---|---|
| | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
| Khattar Estates Pvt. Ltd | 0.14 | - |
| Mr. Satpal Khattar | 1.01 | - |
| Mr. Yuv Bharat Ram | 1.86 | - |
| Mr. Rahil Bharat Ram | 3.22 | - |
| Aggresar Leasing & Finance Pvt. Ltd. | 2.95 | 2.56 |
| **Income of transfer charges from** | | |
| Sumant Bharat Ram | 0.14 | 0.24 |
| Yuv Bharat Ram | 0.23 | 0.08 |
| Aggresar Leasing and Finance Pvt Ltd | 0.16 | - |
| Rahil Bharat Ram | 0.37 | 0.16 |
| DCM Limited | 2.22 | - |
| **Interest income** | | |
| DCM Limited | 164.96 | 0.85 |
| **Acquisition of residential units of Holding Company by** | | |
| DCM Limited | 289.81 | 1,487.74 |
| **Amount received / (adjusted or refunded) during the year from sale of constructed properties** | | |
| Mr. Sumant Bharat Ram | 17.32 | (18.66) |
| Mr. Rahil Bharat Ram | 41.72 | 18.66 |
| Mr. Yuv Bharat Ram | 63.26 | - |
| Mr. Ajay Khanna | (68.73) | - |
| DCM Limited | (1,029.07) | 1,359.16 |
| Khattar Estates Private Limited | 30.37 | - |
| Aggresar Leasing & Finance Pvt. Ltd. | (25.23) | (10.60) |
| DCM Nouville Limited | (134.65) | 7.64 |
| Atlantic Commercial Company Limited | (12.08) | - |
| **Trade receivables** | | |
| Mr. Sumant Bharat Ram | 0.95 | 6.55 |
| Mr. Yuv Bharat Ram | (0.03) | (2.91) |
| Mr. Satpal Khattar | (95.85) | 0.65 |
| DCM Limited | (4.91) | (14.45) |
| Aggresar Leasing & Finance Pvt. Ltd. | (10.25) | 12.81 |
| Khattar Estates Private Limited | (7.64) | 0.05 |
| Atlantic Commercial Company Limited | (0.19) | 0.07 |
| Shreshtha Real Estates Private Limited | (0.19) | 0.07 |

(All amounts in ₹ lakhs unless otherwise stated)

**Transactions with key management personnel**

| Particulars | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|---|---|
| **Remuneration*** | | |
| Mr. Sumant Bharat Ram | 200.58 | 160.77 |
| Mrs. Chitra Gouri Lal | - | 6.20 |
| Mr. Ajay Khanna | 33.83 | 26.19 |
| Mr. Sachin Kumar Gupta | 11.77 | 10.26 |
| **Commission** | | |
| Mr. Sat Pal Khattar | 98.56 | - |
| Mr. Karan Singh Thakral | 98.56 | - |
| **Post-employment defined benefit plan**** | | |
| Gratuity | | |
| Mr. Sumant Bharat Ram | 4.33 | 3.62 |
| Mr. Sachin Kumar Gupta | 0.25 | 0.23 |
| **Other long term defined benefit plan**** | | |
| Compensated absences | | |
| Mr. Sumant Bharat Ram | 5.07 | 2.92 |
| Mr. Sachin Kumar Gupta | 0.17 | 0.15 |
| **Director sitting fees***** | | |
| Mr. Yash Gupta | 6.62 | 7.26 |
| Mr. Satveer Singh Thakral | 2.76 | 3.11 |
| Mr. Sat Pal Khattar | 0.55 | 3.11 |
| Mr. Karan Singh Thakral | 1.10 | 6.74 |
| Mrs. Chitra Gouri Lal | 4.96 | 4.15 |
| Mr. Yuv Bharat Ram | 4.96 | 6.22 |
| Mr. Rahil Bharat Ram | 2.76 | 2.07 |
| Mr. Naveen Khattar | 2.76 | 3.11 |
| **Total compensation of key management personnel** | **479.59** | **246.11** |

* Remuneration include salary and othe employee benfits ( including provident fund, lease rent & other expenses).
** Provision for gratuity and compensated absences are determined on the basis of actuarial valuation for the Holdng Company.
*** Including Goods and Service Tax, as applicable.

**Balances with related parties**

| Particulars | Amount | |
|---|---|---|
| | As at 31 March 2022 | As at 31 March 2021 |
| **Receivables from DCM Ltd** | | |
| - Receivables principal | 1,766.39 | 1,476.58 |
| - Interest Accrued but not due on above | 149.23 | 0.79 |
| | **1,915.62** | **1,477.37** |
| **Trade receivables** | | |
| Mr. Sumant Bharat Ram | 13.66 | 12.71 |
| Mr. Yuv Bharat Ram | - | 0.03 |
| Mr. Satpal Khattar | - | 95.85 |
| DCM Limited | - | 4.91 |
| Aggresar Leasing & Finance Pvt. Ltd. | 11.10 | 21.35 |
| Khattar Estates Private Limited | 0.17 | 7.81 |

(All amounts in ₹ lakhs unless otherwise stated)

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|
| Atlantic Commercial Company Limited | - | 0.19 |
| Shreshtha Real Estates Private Limited | - | 0.19 |
| | **24.93** | **143.03** |
| **Contact liability (Other current liability)** | | |
| Mr. Sumant Bharat Ram | 65.95 | 48.63 |
| Mr. Ajay Khanna | - | 68.73 |
| Mr. Rahil Bharat Ram | 60.38 | 18.66 |
| Mr. Yuv Bharat Ram | 70.87 | 7.61 |
| DCM Limited | 330.08 | 1,359.16 |
| Aggresar Leasing & Finance Pvt. Ltd. | - | 25.23 |
| DCM Nouville Limited | - | 134.65 |
| Khattar Estates Private Limited | 37.07 | 6.70 |
| Atlantic Commercial Company Limited | 9.05 | 21.13 |
| | **573.40** | **1,690.49** |
| **Trade payables/ Amount payables to** | | |
| Mr. Sumant Bharat Ram | 6.98 | 6.76 |
| Mr. Sachin Kumar Gupta | 0.89 | 0.80 |
| Mr. Ajay Khanna | 3.83 | 3.66 |
| | **11.70** | **11.22** |

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

I Transactions with the related parties are made on normal commercial terms and conditions and at market rates.

**41.** a) The Holding Company has project "Central Square" for which construction work on different Plazas, i.e. on Plaza 1, 2 and 3, has commenced in earlier years. Completion certificates of Plazas 1,2 and 3 of Central Square have been received from the appropriate authority in the earlier years and are now operational. The Holding Company has been recognising the revenue for the plazas 1,2 and 3. The Holding Company had started development activities in Plaza 4 in earlier years but no revenue is being recognized as per the related accounting policy.

b) The Holding Company has another project "Amaryllis" (also known as "Park Square") at Kishanganj, Delhi for which entered into a Joint Development Agreement (JDA) including addendums thereto, with M/s Basant Projects Limited (Unity) for joint development of the project, during the earlier years. As per the JDA, all amounts received from booking holders will be to the account of the Holding Company and the Holding Company has appointed Unity as the construction contractor for development/construction of the specified area on behalf of the Holding Company, for a specified consideration. The Holding Company has received Occupation Certificate for phase I of park square during the year and started recognising revenue as per the related accounting policy.

**42.** Details of dues to micro and small enterprises as defined under the MSMED Act, 2006:

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|
| (a) The amounts remaining unpaid to micro, small and medium enterprises as at the end of the period | | |
| - Principal | 29.40 | 33.03 |
| - Interest | - | - |
| (b) The amount of interest paid by the buyer as per the Micro Small and Medium Enterprises Development Act, 2006 | - | - |

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|
| (c) The amounts of the payments made to micro and small suppliers beyond the appointed day during each accounting period. | - | - |
| (d) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the period) but without adding the interest specified under Micro Small and Medium Enterprises Development Act, 2006. | - | - |
| (e) The amount of interest accrued and remaining unpaid at the end of each accounting period. | - | - |
| (f) The amount of further interest remaining due and payable even in the succeeding periods, until such date when the interest dues as above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under the Micro Small and Medium Enterprises Development Act, 2006. | - | - |

**43. Corporate Social Responsibility (CSR)**

During the year ended 31 March 2015, as per section 135 of the Companies Act, 2013, a CSR committee was formed by the Holding Company. The Holding Company's CSR activities are instrumental in providing education to children. The funds were utilized as financial contribution towards Senior Secondary Schools being run by the DCM Educational Society at Kishanganj, Delhi viz., DCM Boys' Senior Secondary School and DCM Girls' Senior Secondary School. During the current year, the Holding Company was required to spend an amount of ₹ Nil (31 March 2021: ₹ Nil) on CSR activities, against which the Holding Company has actually incurred a sum of ₹ 49.02 Lakhs (31 March 2021: ₹ 42.55 Lakhs) out of which ₹ Nil (31 March 2021: ₹ Nil) remains payable at the end of the year.

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|
| (i) Amount required to be spent by the Holding company during the year | - | - |
| (ii) Amount of expenditure incurred | 49.02 | 42.55 |
| (iii) Shortfall at the end of the year | - | - |
| (iv) Total of previous years shortfall | - | - |
| (v) Reason for shortfall | NA | NA |
| (vi) Nature of CSR activities | Financial contribution to School for providing education | |
| (vii) Details of related party transactions, e.g., contribution to a trust controlled by the Holding company in relation to CSR expenditure as per relevant Accounting Standard | - | - |
| (viii) Where a provision is made with respect to a liability incurred by entering into a contractual obligation, the movements in the provision during the year should be shown separately. | NA | NA |

**44. Disclosures on revenue pursuant to Ind AS 115 - Revenue from contracts with customers**

**Disaggregation of revenue**

Set out below is the disaggregation of the Group's revenue from contracts with customers:

| Particulars | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|---|---|
| **Revenue from contracts with customers** | | |
| Revenue from operations | 21,869.58 | 669.95 |
| Other operating revenue (Maintenance service income, transfer charges and forfieture income) | 298.00 | 177.30 |
| **Total revenue covered under Ind AS 115** | **22,167.58** | **847.25** |

(All amounts in ₹ lakhs unless otherwise stated) PUREARTH

**B. Contract balances**

The following table provides information about receivables and contract liabilities from contract with customers:

| Particulars | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|---|---|
| **Receivables** | | |
| Trade receivables | 1,444.25 | 2,188.11 |
| Less: Loss allowance | (122.44) | (51.55) |
| **Net receivables** | **1,321.81** | **2,136.56** |
| Contract liabilities | | |
| Advance from customers | 21,024.70 | 31,636.92 |
| **Total contract liabilities** | **21,024.70** | **31,636.92** |

Contract asset is the right to consideration in exchange for goods or services transferred to the customer. Contract liabilities are recognised as and when the performance obligation is satisfied.

**C. Significant changes in the contract liabilities (advances from customers) during the year are as follows:**

| Particulars | For the year ended 31 March 2022 | For the year ended 31 March 2021 |
|---|---|---|
| Opening balance | 31,636.92 | 26,645.99 |
| Addition during the year | 11,257.36 | 5,660.88 |
| Performance obligation satisfied in current year | (21,869.58) | (669.95) |
| Closing balance | **21,024.70** | **31,636.92** |

**45. Reconciliation of liabilities arising from financing activities pursuant to Ind AS 7 - Cash flows.**

The changes in the Group's liabilities arising from financing activities can be classified as follows:

| Particulars | Non-current borrowings | Current borrowings | Interest accrued | Total |
|---|---|---|---|---|
| **Net debt as at 1 April 2020** | **11,226.74** | **1,959.89** | **-** | **13,186.63** |
| Proceeds from non-current borrowings | 2,650.00 | - | - | 2,650.00 |
| Repayment of current/non-current borrowings | - | (1,603.70) | - | (1,603.70) |
| Non-cash movement arising on account of amortisation of upfront fees and others | - | 17.91 | - | 17.91 |
| Transfer to current borrowing (current maturity) | (2,506.61) | 2,506.61 | - | - |
| Interest expense | - | - | 1,485.21 | 1,485.21 |
| Interest paid | - | - | (851.08) | (851.08) |
| Interest accrued converted into borrowings* | 634.13 | | (634.13) | - |
| **Net debt as at 31 March 2021** | **12,004.26** | **2,880.71** | **-** | **14,884.97** |

*The Company had applied and obtained approval from bank for a moratorium of 3 months, due to which the interest accrued during the moratorium period will be repaid as per the repayment schedule agreement with the lender.

| Particulars | Non-current borrowings | Current borrowings | Interest accrued | Total |
|---|---|---|---|---|
| **Net debt as at 1 April 2021** | **12,004.26** | **2,880.71** | **-** | **14,884.97** |
| Proceeds from non-current borrowings | 89.00 | - | - | 89.00 |
| Repayment of current/non-current borrowings | (833.50) | (2,880.71) | - | (3,714.21) |
| Non-cash movement arising on account of amortisation of upfront fees and others | - | 13.22 | - | 13.22 |
| Transfer to current borrowing (current maturity) | - | - | (1,260.45) | (1,260.45) |
| Interest expense | (4,838.79) | 4,838.79 | - | - |
| Interest paid | - | - | 1,260.82 | 1,260.82 |
| **Net debt as at 31 March 2022** | **6,420.97** | **4,852.01** | **0.37** | **11,273.35** |

**46. Information on lease transactions pursuant to Ind AS 116 - Leases**
**Assets taken on lease**

The Holding Company has taken leases for director residence in previous years and reflected on the balance sheet as a right-of-use asset and a lease liability. Variable lease payments which do not depend on an index or a rate are excluded from the initial measurement of the lease liability and right of use assets. The Holding Company classifies its right-of-use assets in a consistent manner to its property, plant and equipment. The Holding Company is prohibited from selling or pledging the underlying leased assets as security and further under obligation to keep the properties in a good state of repair and return the properties in their original condition at the end of the lease.

**A. Lease payments not included in measurement of lease liability**

The expense relating to payments not included in the measurement of the lease liability is as follows:

| Particulars | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Short-term leases | - | - |

**B.** Total cash outflow for leases for the year ended 31 March 2022 was ₹ 36 lakhs (31 March 2021 : ₹ 36 Lakhs).

**C. Total expense recognised during the year**

| Particulars | 31 March 2022 | 31 March 2021 |
|---|---|---|
| Interest on lease liabilities | 3.11 | 2.90 |
| Corporate Social Responsibility (CSR) | 34.12 | 33.73 |

**D. Maturity of lease liabilities**

The lease liabilities are secured by the related underlying assets. Future minimum lease payments were as follows:

| | Minimum lease payments due as on 31 March 2022 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Within 1 year | 1-2 years | 2-3 years | 3-4 years | 4-5 years | More than 5 years | Total |
| Lease payments | 24.00 | - | - | - | - | - | 24.00 |
| Interest expense | (0.83) | - | - | - | - | - | (0.83) |
| **Net present values** | **23.17** | **-** | **-** | **-** | **-** | **-** | **23.17** |

| | Minimum lease payments due as on 31 March 2021 | | | | | | |
|---|---|---|---|---|---|---|---|
| | Within 1 year | 1-2 years | 2-3 years | 3-4 years | 4-5 years | More than 5 years | Total |
| Lease payments | 6.00 | - | - | - | - | - | 6.00 |
| Interest expense | (0.09) | - | - | - | - | - | (0.09) |
| **Net present values** | **5.19** | **-** | **-** | **-** | **-** | **-** | **5.19** |

**E. Information about extension and termination option**

| Right of use assets | Number of leases | Range of remaining term | Average remaining lease term | Number of leases with extension option | Number of leases with purchase option | Number of leases with termination option |
|---|---|---|---|---|---|---|
| Residential premises | 1 | 0.67 years or 8 months | 0.67 years or 8 months | - | - | 1 |

**F. Bifurcation of lease liabilities at the end of the year in current and non-current**

| Particulars | 31 March 2022 | 31 March 2021 |
|---|---|---|
| a) Current liability (amount due within one year) | 23.17 | 5.91 |
| b) Non-current liability (amount due over one year) | - | - |
| **Total lease liabilities at the end of the year** | **23.17** | **5.91** |

(All amounts in ₹ lakhs unless otherwise stated)

**47. Fair value measurement and financial instruments**

**A. Financial instruments – by category and fair values hierarchy**

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy.

For amortised cost instruments, carrying value represents the best estimate of fair value

**(i) As on 31 March 2022**

| Particulars | Note | Carrying value | | | | Fair value measurement using | | |
|---|---|---|---|---|---|---|---|---|
| | | FVTPL | FVOCI | Amortised Cost | Total | Level 1 | Level 2 | Level 3 |
| **Financial assets** | | | | | | | | |
| **Non-current** | | | | | | | | |
| Loans | | - | - | - | - | - | - | - |
| Other financial assets | 7 | - | - | 1,941.73 | **1,941.73** | - | - | 1,941.73 |
| **Current** | | | | | | | | |
| Trade receivables | 11 | - | - | 1,321.81 | **1,321.81** | - | - | 1,321.81 |
| Cash and cash equivalents | 12 | - | - | 207.95 | **207.95** | - | - | 207.95 |
| Bank balances other than cash and cash equivalents | 13 | - | - | 1,381.36 | **1,381.36** | - | - | 1,381.36 |
| Other financial assets | 14 | - | - | 28.53 | **28.53** | - | - | 28.53 |
| **Total** | | **-** | **-** | **4,881.38** | **4,881.38** | **-** | **-** | **4,881.38** |
| **Financial liabilities** | | | | | | | | |
| **Non-current** | | | | | | | | |
| Borrowings#( current and non-current borrowing) | 18 | - | - | 11,272.98 | **11,272.98** | - | - | 11,272.98 |
| Lease Liabilities | 19 | - | - | - | - | - | - | - |
| Other financial liabilities | 20 | - | - | 2,606.02 | **2,606.02** | - | - | 2,606.02 |
| **Current** | | | | | | | | |
| Trade payables | 23 | - | - | 10,864.77 | 10,864.77 | - | - | 10,864.77 |
| Lease liabilities | 19 | - | - | 23.17 | 23.17 | - | - | 23.17 |
| Other financial liabilities | 24 | - | - | 341.83 | 341.83 | - | - | 341.83 |
| **Total** | | **-** | **-** | **25,108.77** | **25,108.77** | **-** | **-** | **25,108.77** |

**ii. As on 31 March 2021**

| Particulars | Note | Carrying value | | | | Fair value measurement using | | |
|---|---|---|---|---|---|---|---|---|
| | | FVTPL | FVOCI | Amortised Cost | Total | Level 1 | Level 2 | Level 3 |
| **Financial assets** | | | | | | | | |
| **Non-current** | | | | | | | | |
| Loans | | - | - | - | - | - | - | - |
| Other financial assets | 8 | | | 1,503.48 | **1,503.48** | - | - | 1,503.48 |
| **Current** | | | | | | | | |
| Trade receivables | 11 | - | - | 2,136.56 | 2,136.56 | - | - | 2,136.56 |
| Cash and cash equivalents | 12 | - | - | 1,530.14 | 1,530.14 | - | - | 1,530.14 |
| Bank balances other than cash and cash equivalents | 13 | - | - | 323.70 | 323.70 | - | - | 323.70 |
| Other financial assets | 14 | - | - | 19.06 | 19.06 | - | - | 19.06 |
| **Total** | | **-** | **-** | **5,512.94** | **5,512.94** | **-** | **-** | **5,512.94** |
| **Financial liabilities** | | | | | | | | |
| **Non-current** | | | | | | | | |
| Borrowings# (current and non-current borrowing) | 18 | - | - | 14,884.97 | 14,884.97 | - | - | 14,884.97 |
| Lease Liabilities | 19 | - | - | - | - | - | - | - |
| Other financial liabilities | 20 | - | - | 2,347.26 | 2,347.26 | - | - | 2,347.26 |
| **Current** | | | | | | | | |
| Trade payables | 23 | - | - | 8,393.77 | 8,393.77 | - | - | 8,393.77 |
| Lease liabilities | 19 | - | - | 5.91 | 5.91 | - | - | 5.91 |
| Other financial liabilities | 24 | - | - | 339.36 | 339.36 | - | - | 339.36 |
| **Total** | | **-** | **-** | **25,971.27** | **25,971.27** | **-** | **-** | **25,971.27** |

#The Group's borrowings have been contracted at floating rates of interest. Accordingly, the carrying value of such borrowings (including interest accrued but not due) approximates fair value.

(All amounts in ₹ lakhs unless otherwise stated)

**b. Financial risk management (continued)**

**(i) Credit risk**

Credit risk is the risk that a counterparty fails to discharge its obligation to the Group. The Group's exposure to credit risk is influenced mainly by cash and cash equivalents, trade receivables and financial assets measured at amortised cost. The Group continuously monitors defaults of customers and other counterparties and incorporates this information into its credit risk controls.

**a) Credit risk management**
*Credit risk rating*

The Group assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

A: Low credit risk
B: Moderate credit risk
C: High credit risk

| Asset group | Basis of categorisation | Provision for expenses credit loss |
|---|---|---|
| A: Low credit risk | Cash and cash equivalents, other bank balances, loans | 12 month expected credit loss/Life time expected credit loss |
| C: High credit risk | Trade receivables, other financial assets | 12 month expected credit loss/Life time expected credit loss/fully provided for |

**Assets under credit risk –**

| Credit rating | Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|---|
| A: Low credit risk | Cash and cash equivalents, other bank balances | 1,589.31 | 1,853.84 |
| C: High credit risk | Trade receivables, other financial assets | 3,292.07 | 3,659.10 |

**b. Credit risk exposure**

**The maximum exposure to credit risks is represented by the total carrying amount of these financial assets in the balance sheet**

| Particulars | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|
| Trade receivables | 1,321.81 | 2,136.56 |
| Cash and cash equivalents | 207.95 | 1,530.14 |
| Balances other than cash and cash equivalents | 1,381.36 | 323.70 |
| Other financial assets - current | 28.53 | 19.06 |
| Other financial assets - non-current | 1,941.73 | 1,503.48 |

**Trade receivable**

The Group's exposure to credit risk is influenced mainly by the individual characteristics of each customer. Trade receivables are unsecured and are derived from revenue earned from customers primarily located in India. The Group monitors the economic environment in which it operates. The credit risk with regards to trade receivable and unbilled receivable (i.e Income accrued) is almost negligible in case of its property sale business as the same is due to the fact that in case of its property sale business it does not handover possession till entire outstanding is received.

During the year, the Group has recognised impairment provision against trade receivables of ₹ 70.89 lakhs (31 March 2021: ₹ 2.44 lakhs).

Credit risk on cash and cash equivalents is limited as the Group generally invests in deposits with banks with high credit ratings assigned by domestic credit rating agencies.

The Group establishes an allowance for impairment that represents its expected credit losses in respect of trade receivable and other financial assets. The management uses a simplified approach (i.e. based on lifetime ECL) for the purpose of impairment loss allowance. The Group estimates amounts based on the business environment in which the Group operates, and management considers that the trade receivables are in default (credit impaired) when the counterparty fails to make payments for receivable more than 3 years past due. However the Group based upon historical experience, determine an impairment allowance for loss on receivables.

**b. Financial risk management (continued)**

**(ii) Liquidity risk**

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group’s approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are fallen due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Group’s reputation.

The Group believes that its liquidity position, including total cash and cash equivalent and bank balances other than cash and cash equivalent of ₹ 1,589.31Lakhs as at 31 March 2022 (31March 2021: ₹ 1,853.84 Lakhs), anticipated future internally generated funds from operations will enable it to meet its future known obligations in the ordinary course of business. However, if a liquidity needs were to arise, the Group believes it has access to value of unencumbered assets, which should enable it to meet its ongoing capital, operating, and other liquidity requirements. The Group will continue to consider various borrowing or leasing options to maximize liquidity and supplement cash requirements as necessary.

The Group's liquidity management process as monitored by management, includes the following:

- Day to day funding, managed by monitoring future cash flows to ensure that requirements can be met.
- Maintaining rolling forecasts of the Group’s liquidity position on the basis of expected cash flows.
- Maintaining diversified credit lines.

**I. Financing arrangements**

The Group doesn't have access to any undrawn borrowing facilities at the end of the reporting period:

**II. Maturities of financial liabilities**

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted:

| As at 31 March 2022 | Contractual cash flows | | | |
|---|---|---|---|---|
| | Less than one year | Between one year and five years | More than 5 years | Total |
| **Non-current liabilities** | | | | |
| Borrowings | 5,730.61 | 7,223.13 | - | 12,953.74 |
| Other financial liabilities | - | 2,606.02 | - | 2,606.02 |
| **Current liabilities** | | | | |
| Trade payables | 10,864.77 | - | - | 10,864.77 |
| Lease liabilities | 24.00 | - | - | 24.00 |
| Other financial liabilities | 341.83 | - | - | 341.83 |
| **Total** | **16,961.21** | **9,829.15** | **-** | **26,790.36** |

(All amounts in ₹ lakhs unless otherwise stated)

| As at 31 March 2021 | Contractual cash flows | | | |
|---|---|---|---|---|
| | Less than one year | Between one year and five years | More than 5 years | Total |
| **Non-current liabilities** | | | | |
| Borrowings | 4,141.16 | 13,650.15 | - | 17,791.32 |
| Other financial liabilities | - | 2,347.26 | - | 2,347.26 |
| **Current liabilities** | | | | |
| Trade payables | 8,393.77 | - | - | 8,393.77 |
| Lease liabilities | 6.00 | - | - | 6.00 |
| Other financial liabilities | 339.36 | - | - | 339.36 |
| **Total** | **12,880.29** | **15,997.41** | **-** | **28,877.71** |

**b. Financial risk management (continued)**

**(iii) Market risk**

Market risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimising the return.

**Currency risk**

Currency risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Group is not exposed to the effects of fluctuation in the prevailing foreign currency exchange rates on its financial position and cash flows. There is no exposure which arises primarily due to exchange rate fluctuations between the functional currency and other currencies from the Group's operating, investing and financing activities.

**Interest rate risk**

Interest rate risk is the risk that the future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Group's main interest rate risk arises from long-term borrowings with variable rates, which expose the Group to cash flow interest rate risk.

**Exposure to interest rate risk**

The Group's interest rate risk arises majorly from the term loans from banks carrying floating rate of interest. These obligations exposes the Group to cash flow interest rate risk. The exposure of the Gorup's borrowing to interest rate changes as reported to the management at the end of the reporting period are as follows:

| Variable-rate instruments | As at 31 March 2022 | As at 31 March 2021 |
|---|---|---|
| Term loans from others | 11,183.98 | 14,884.97 |
| **Total** | **11,183.98** | **14,884.97** |

**Cash flow sensitivity analysis for variable-rate instruments**

A reasonably possible change of 100 basis points (bps) in interest rates at the reporting date would have increased/ (decreased) the loss by the amounts shown below. This analysis assumes that all other variables, in particular foreign currency exchange rates, remain constant.

| Particulars | Profit or (loss) | |
|---|---|---|
| | 100 bps increase | 100 bps decrease |
| **Interest on Term loans from others** | | |
| For the year ended 31 March 2022 | 111.84 | (111.84) |
| For the year ended 31 March 2021 | 148.85 | (148.85) |

(All amounts in ₹ lakhs unless otherwise stated)

## 48. Financial ratios

| Analytical ratios /financials ratio | Numerator | Denominator | As at 31 March 2022 | As at 31 March 2021 | changes % | Remarks* |
|---|---|---|---|---|---|---|
| (a) Current ratio | Current Assets | Current Liabilities | 1.36 | 1.36 | 1% | |
| (b) Debt-equity ratio | Total debt | Shareholders equity | 1.14 | 2.21 | -48% | Note 2 below |
| (c) Debt service coverage ratio | Profit after tax + depreciation+ finance costs | {Finance costs + Principal repayment for Non-current borrowings (including current maturities of non-current borrowings)} | 1.16 | 0.53 | 118% | Note 1 below |
| (d) Return on equity ratio | Profit after tax | Average shareholders equity | 9.41% | -1.95% | 582% | Note 1 below |
| (e) Inventory turnover ratio | Cost of Revenues | Average inventories | 0.07 | (0.00) | 1620% | Note 1 below |
| (f) Trade receivables turnover ratio | Revenue from operations | Average trade receivables | 3.20 | 0.10 | 3201% | Note 1 below |
| (g) Trade payables turnover ratio | Credit Purchases + other expenses= cost incurred during the year | Average trade payables | 54% | 22% | 142% | Note 1 below |
| (h) Net capital turnover ratio | Revenue from operations | Working capital | 1.63 | 0.05 | 2873% | Note 1 below |
| (i) Net profit ratio | Profit after tax | Revenue from operations | 14.08% | -64.77% | 122% | Note 1 below |
| (j) Return on capital employed | Earning before interest and taxes | Capital employed [Tangible net worth (Total equity - other intangible assets) + Total borrowings + Total lease liabilities + Deferred tax liability] | 27.02% | 5.82% | 364% | Note 1 below |
| (k) Return on investment | Not Applicable | Not Applicable | Not Applicable | Not Applicable | Not Applicable | |

*if exceeded more than 25%

**NOTE**

1. The Group has recognised revenue as per accounting policy which has resulted in increase in turnover and profit during the year.
2. The ratio has decreased due to higher debts repayments made and increased in profit during the current year .

(All amounts in ₹ lakhs unless otherwise stated)

**49. Interests in other entities**

**(a) Subsidiaries**

The details of the consolidated subsidiary companies as at 31 March 2022 and 31 March 2021 are set out below. Unless otherwise stated, they have share capital consisting solely of equity shares that are held directly by the Group, and the proportion of ownership interests held equals the voting rights held by the Group. The country of incorporation or registration is also their principal place of business.

| Name of the Subsidiary Company | Place of business/ country of incorporation | Ownership interest held by the group | | Ownership interest held by non-controlling interests | |
|---|---|---|---|---|---|
| | | 31 March 2022 | 31 March 2021 | 31 March 2022 | 31 March 2021 |
| Kalptru Realty Private Limited | India | 100% | 100% | - | - |
| Kamayani Facility Management Private Limited | India | 100% | 100% | - | - |
| Vighanharta Estates Private Limited | India | 100% | 100% | - | - |

Principal activities of group companies -

**Kalptru Realty Private Limited**
The company is engaged in Real Estate related activities

**Kamayani Facility Management Private Limited**
The company is engaged in the business of Real Estate and facility management.

**Vighanharta Estates Private Limited**
The company is engaged in Real Estate related activities

(This space has been intentionally left blank)

**50.** Additional information, as required under Schedule III to the Companies Act, 2013, of enterprises consolidated as Subsidiary and Joint venture.

| Name of the enterprise | Net Assets i.e. (Total assets minus Total liabilities) | | Share in Profit or Loss | | Share in other comprehensive income | | Share in total comprehensive income | |
|---|---|---|---|---|---|---|---|---|
| | As % of consolidated net assets | Amount (₹ in Lakhs) | As % of consolidated profit or loss | Amount (₹ in Lakhs) | As % of consolidated other comprehensive income | Amount (₹ in Lakhs) | As % of consolidated total comprehensive income | Amount (₹ in Lakhs) |
| **Parent company:** | | | | | | | | |
| Purearth Infrastructure Limited | | | | | | | | |
| 31 March 2022 | 100.40% | 9,900.02 | 100.24% | 3,129.41 | 100.00% | 3.91 | 100.24% | 3,133.32 |
| 31 March 2021 | 100.48% | 6,766.71 | 99.49% | (545.94) | 100.00% | (0.49) | 99.49% | (546.43) |
| **Subsidiaries:** | | | | | | | | |
| Kalptru Realty Private Limited | | | | | | | | |
| 31 March 2022 | 0.13% | 12.64 | -0.22% | (6.78) | - | - | -0.22% | (6.78) |
| 31 March 2021 | 0.29% | 19.42 | 0.58% | (3.21) | - | - | 0.58% | (3.21) |
| Kamayani Facility Management Private Limited | | | | | | | | |
| 31 March 2022 | 0.41% | 39.94 | -0.02% | (0.63) | - | - | -0.02% | (0.63) |
| 31 March 2021 | 0.60% | 40.58 | -0.21% | 1.17 | - | - | -0.21% | 1.17 |
| Vighanharta Estates Private Limited | | | | | | | | |
| 31 March 2022 | 0.10% | 9.95 | 0.00% | 0.14 | - | - | 0.00% | 0.14 |
| 31 March 2021 | 0.15% | 9.81 | -0.03% | 0.14 | - | - | -0.03% | 0.14 |
| **Total eliminations** | | | | | | | | |
| 31 March 2022 | -1.04% | (102.14) | -0.01% | (0.27) | - | - | -0.01% | (0.27) |
| 31 March 2021 | -1.51% | (101.90) | 0.16% | (0.90) | - | - | 0.16% | (0.90) |
| NCI in all subsidiaries | - | - | - | - | - | - | - | - |
| **Total** | | | | | | | | |
| **31 March 2022** | 100% | 9,860.41 | 100% | 3,121.87 | 100% | 3.91 | 100% | 3,125.78 |
| **31 March 2021** | 100% | 6,734.62 | 100% | (548.74) | 100% | (0.49) | 100% | (549.23) |

(This space has been intentionally left blank)

(All amounts in ₹ lakhs unless otherwise stated)

**51. Other Statutory Information:**

(i) The Group does not have any Benami property, where any proceeding has been initiated or pending against the Group for holding any Benami property

(ii) The Group does not have any transactions with companies struck off.

(iii) The Group do not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Group has not been declared as wilful defaulter by any bank or financial institution (as defined under the Companies Act, 2013) or consortium thereof, in accordance with the guidelines on wilful defaulters issued by the Reserve Bank of India

(v) The Group has not traded or invested in Crypto currency or Virtual Currency during the financial year.

(vi) There is no Scheme of Arrangements that has been approved by the Competent Authority in terms of sections 230 to 237 of the Companies Act, 2013,

(vii) The Group has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Group (Ultimate Beneficiaries) or,

(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries

(viii) The Group has not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Group shall:

(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or ,

(b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

(ix) The Group has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961,

**52. Capital management**

For the purpose of the Group’s capital management, capital includes issued equity share capital and all other equity reserves attributable to the equity holders of the parent Group. The primary objective of the management of the Group’s capital structure is to maintain an efficient mix of debt and equity in order to achieve a low cost of capital, while taking into account the desirability of retaining financial flexibility to pursue business opportunities and adequate access to liquidity to mitigate the effect of unforeseen events on cash flows.

The Group manages its capital structure and makes adjustments to it in light of changes in economic conditions. To maintain or adjust the capital structure, the Group may return capital to shareholders, raise new debt or issue new shares.

The Group monitors capital on the basis of the debt to equity ratio, which is calculated as interest-bearing debts divided by total equity.

| **Particulars** | **As at 31 March 2022** | **As at 31 March 2021** |
|---|---|---|
| Borrowings | 11,272.98 | 14,884.97 |
| Less : Cash and cash equivalents | 207.95 | 1,530.14 |
| **Adjusted net debt (A)** | 11,065.03 | 13,354.83 |
| **Total equity (B)** | 9,860.41 | 6,734.62 |
| **Adjusted net debt to adjusted equity ratio (A/B)** | **1.12** | **1.98** |

**53.** The management of the Group has assessed the impact of COVID-19 on its operations as well on its financial statement and considered the possible effects that may result from the pandemic on the recoverability/ carrying value of the assets, which does not have any significant impact on carrying value of its assets. The impact of COVID-19 in the future may be different from that estimated as at the date of approval of these Consoldidated financial statement and the management of the Group will continue to closely monitor any material changes to future economic conditions.

**54.** Previous year's figures have been regrouped/reclassified wherever necessary to conform current year classification.

*For* **Walker Chandiok & Co. LLP**
*Chartered Accountants*
Firm's Registration No.: 001076N/N500013

**Manish Agrawal**
*Partner*
Membership No.: 507000
**Place:** New Delhi
**Date:** 26 May 2022

***For and on behalf of the Board of Directors of***
**Purearth Infrastructure Limited**

**Chitra Gouri Lal**
*Director*
DIN: 02823536
**Place:** Noida
**Date:** 26 May 2022

**Satpal Khattar**
*Chairman*
DIN: 00307293
**Place:** Singapore
**Date:** 26 May 2022

**Sachin Kumar Gupta**
*Company Secretary*
**Place:** New Delhi
**Date:** 26 May 2022

**Ajay Khanna**
*Chief Financial Officer*
**Place:** New Delhi
**Date:** 26 May 2022

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Annexure-1

**Form AOC-I**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014

**Statement containing salient features of the financial statement of subsidiaries / associate companies / joint ventures**

**Part "A": Subsidiaries**

(Amo0nt in Lakhs)

| | | | | |
|---|---|---|---|---|
| 1. | Sl. No. | 1 | 2 | 3 |
| 2. | Name of the Subsidiary | Kalptru Realty Private Limited | Kamayani Facility Management Private Limited | Vighanharta Estates Private Limited |
| 3. | Reporting period for the subsidiary concerned, if different from the holding company's reporting period | N. A. | N. A. | N. A. |
| 4. | Reporting currency and Exchange rate as on the last date of the relevant Financial year in the case of foreign subsidiaries. | N. A. | N. A. | N. A. |
| 5. | Share capital | 5.00 | 5.00 | 10.00 |
| 6. | Reserves & Surplus | 7.64 | 34.94 | (0.05) |
| 7. | Total assets | 776.85 | 333.14 | 10.10 |
| 8. | Total Liabilities | 776.85 | 333.14 | 10.10 |
| 9. | Investments | Nil | Nil | Nil |
| 10. | Turnover | Nil | Nil | Nil |
| 11. | Profit before taxation | (6.78) | (0.62) | 0.19 |
| 12. | Provision for taxation | - | 0.02 | (0.05) |
| 13. | Profit after taxation | (6.78) | (0.64) | 0.14 |
| 14. | Proposed dividend | Nil | Nil | Nil |
| 15. | % of shareholding | 100% | 100% | 100% |

1. Names of subsidiaries which are yet to commence operations: Vighanharta Estates Private Limited is exploring business opportunities.
2. Names of subsidiaries which have been liquidated or sold during the year : None

**Part "B": Associates and Joint Ventures**

**Statement pursuant to Section 129(3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures**

Not Applicable

| | | | |
|---|---|---|---|
| Sat Pal Khattar<br>Chairman | Chitra Gouri Lal<br>Director | Ajay Khanna<br>CFO | Sachin Kumar Gupta<br>Company Secretary |

Annexure-2

**Form AOC-2**

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

**Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto**

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

There were no contracts or arrangements or transactions entered into during the year ended March 31, 2022 which were not at arm's length basis.

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

| Name of Related Party | Nature of Relationship | Duration of Contract | Nature and salient terms of contracts/ arrangements / transactions | Amount (₹lacs) |
|---|---|---|---|---|
| Kalptru Realty Private Limited | Subsidiary | Ongoing | Providing support to secondary market for Company's Projects and acquisition of / investments in real estates. (Refer note 1)<br>- Advance given<br>- Income of Transfer Charges<br>- Amount received/(adjusted or refunded) during the year from sale of constructed properties | <br><br>61.83<br>0.26<br>(20.11) |
| DCM Limited | Investing Company | Ongoing | - Acquisition of residential units of the Company by DCM Limited<br>- Maintenance Income<br>- Interest Income<br>- Trade Receivable<br>- Expense Reimbursement from<br>- Income of Transfer Charges<br>- Amount received/(adjusted or refunded) during the year from sale of constructed properties | 289.81<br><br>6.59<br>164.96<br>(4.91)<br>3.08<br>2.22<br>(1029.07) |
| Aggresar Leasing & Finance Pvt Ltd | Enterprises under the control of Key Management Personnel and their relatives | Ongoing | - Expense Reimbursement from<br>- Maintenance Income<br>- Trade Receivables<br>- Income of Transfer Charges<br>- Amount received/(adjusted or refunded) during the year from sale of constructed properties | 0.39<br>2.95<br>(10.25)<br>0.16<br>(25.23) |
| Khattar Estates Private Limited | | Ongoing | - Maintenance Income<br>- Amount received/(adjusted or refunded) during the year from sale of constructed properties<br>- Trade receivables | 0.14<br>30.37<br><br>(7.64) |
| Atlantic Commercial Company Limited | | Ongoing | - Amount received/(adjusted or refunded) during the year from sale of constructed properties | (12.08) |
| DCM Nouville Limited | | Ongoing | - Amount received/(adjusted or refunded) during the year from sale of constructed properties | (134.65) |

| | | | | |
|---|---|---|---|---|
| Shreshtha Real Estates Private Limited | | Ongoing | - Maintenance Income<br>- Trade receivables | 0.03<br>(0.19) |
| Mr. Sumant Bharat Ram | Whole Time Director | Ongoing | - Amount received/(adjusted or refunded) during the year from sale of constructed properties<br>- Trade receivables<br>- Maintenance Income<br>- Income of Transfer Charges | 17.32<br>0.95<br>0.41<br>0.14 |
| Mr. Sat Pal Khattar | Director | Ongoing | - Trade receivables<br>- Maintenance Income | (95.85)<br>1.01 |
| Mr. Rahil Bharat Ram | Director | Ongoing | - Amount received/(adjusted or refunded) during the year from sale of constructed properties<br>- Maintenance Income<br>- Income of Transfer Charges | 41.72<br>3.22<br>0.37 |
| Mr. Yuv Bharat Ram | Director | Ongoing | - Amount received/(adjusted or refunded) during the year from sale of constructed properties<br>- Maintenance Income<br>- Income of Transfer Charges<br>- Trade receivables | 63.26<br>1.86<br>0.23<br>(0.03) |
| Mr. Ajay Khanna | Chief Financial Officer | Ongoing | - Amount received/(adjusted or refunded) during the year from sale of constructed properties | (68.73) |

**Note-1 :**

As per Memorandum of Understanding (MOU) between the Company and M/s. Kalptru Realty Private Limited (Kalptru) on 20.01.2008, modified on 11-03-2013, 04-04-2015 and further modified on 07-02-2019:

(i) Company to provide an interest free advance to Kalptru for acquiring Projects bookings from the secondary market and/or acquiring any rights in property from the Joint Development partner and any other immoveable property (ies) or making investment in real estate upto a maximum amount of Rs. 50.00 Crores at any point of time.

(ii) Purearth to compensate Kalptru for services as follows: (i) Where Kalptru acquired the immoveable property(ies) / booking(s) and transfer the same to the Company on the acquisition value, the Company would pay up to a maximum of Rs. 25,000/- plus expenses incurred by Kalptru for acquiring that booking / property. (ii) Where Kalptru disposes off the immoveable property(ies) / booking(s) in the secondary market, Kalptru would get 5% of the profit so earned (sale consideration - acquisition cost) subject to a minimum of Rs. 25,000/- for each transaction.

The above is approved by the members of the Company in their Extraordinary General Meeting held on 20-07-2018 by special resolution.

For and on behalf of the Board of Directors

Sat Pal Khattar
Chairman

Annexure-3

**ANNUAL REPORT ON CSR ACTIVITIES TO BE INCLUDED IN THE BOARD'S REPORT FOR FINANCIAL YEAR COMMENCING ON OR AFTER 1ST DAY OF APRIL, 2021**

1. Brief outline on CSR Policy of the company:

   Purearth is not statutorily required to contribute any amount towards Corporate Social Responsibility (CSR) since the Company has incurred losses during the last three years, Sales and Revenue do not meet the criteria to comply with CSR rules. However, the Company has been financially and administratively contributing towards two Sr. Secondary Schools being run by the "DCM Educational Society" at Kishan Ganj, Delhi.

2. Composition of CSR Committee:

| Sl No. | Name of Director | Designation/Nature of Directorship | Number of meetings of CSR Committee held during the year | Number of meetings of CSR Committee attended during the year |
|---|---|---|---|---|
| 1 | Mr. Yash Gupta | Independent Director | 1 | 1 |
| 2 | Mr. Sumant Bharat Ram | Whole Time Director | 1 | 1 |

3. Provide the web-link where Composition of CSR Committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the Company: www.purearth.in

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule(3) of rule 8 of the Companies (Corporate Social responsibility) Rules, 2014, if applicable (attach the report): N.A.

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any.

| Sr.No. | Financial Year | Amount available for set-off from preceding financial year (in Lakhs) | Amount required to be set-off for the financial year, if any (in Lakhs) |
|---|---|---|---|
| 1 | 2021-22 | 49.02 | 49.02 |
| | Total | 49.02 | 49.02 |

6. Average net profit of the company a per section 135(5). Nil

7. (a) Two percent of average net profit of the company as per Section 135(5) : Nil
   (b) Surplus arising out of the CSR projects or Programmes or activities of the previous Financial year: Nil
   (c) Amount required to be set off for the financial year. If any: Rs. 49.02 Lakh
   (d) Total CSR obligation for the financial year(7a+7b-7c): Nil

8. (a) CSR amount spent or unspent for the financial year 2021-22.

| | Amount Unspent (in Lakhs.) | | | | |
|---|---|---|---|---|---|
| Total Amount Spent for the Financial year (in Lakhs) | Total Amount transferred to Unspent CSR Account as per section 135 (6) | | Amount transferred to any fund specified under Schedule VII as per second proviso to section 135 (5) | | |
| | Amount | Date of Transfer | Name of the Fund | Amount | Date of Transfer |
| Rs. 49.02 | N.A. | N.A. | N.A. | N.A. | N.A. |

(b) Details of CSR amount spent against ongoing projects for the financial year:

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) | (10) | (11) | (12) |
|---|---|---|---|---|---|---|---|---|---|---|---|
| Sl. No. | Name of the Project | Item from the list of activities in Schedule VII to the ACT. | Local area (Yes/No) | Location of the project | Project duration | Amount allocated for the project (in Rs.) | Amount spent in the current financial year (in Lakh) | Amount transferred to unspent CSR account for the project as per section 135(6) (n in Rs.) | Mode of implementation Direct (yes/No) | Mode of implementing Agency | |
| | | | | State and District | | | | | | Name | CSR Registration Number |
| 1 | N.A.* | (ii)promoting education | Yes | Delhi-110006 (Central Delhi) | * | Nil * | 49.02 | Nil | Yes | N.A. | N.A. |
| | Total | | | | | | 49.02 | Nil | | | |

*The Schools are aided by Government of Delhi and receive 95% Grant for teachers salaries etc, and fixed amount of grant for expenses on telephone, furniture, Electricity etc. The rest of expenditure is borne by the Company.- i.e. 5% on salaries etc., on other heads and any excess amount incurred over and above sanctioned by Government of Delhi, under other heads.

(c ) Details of CSR amount spent against other than ongoing projects for the financial year: Not Applicable

| (1) | (2) | (3) | (4) | (5) | | (6) | (7) | (8) | |
|---|---|---|---|---|---|---|---|---|---|
| Sl. No. | Name of the Project | Item from the list of activities in Schedule VII to the ACT. | Local area (Yes/No) | Location of the project | | Amount spent for the Project (in Rs.) | Mode of implementation Direct (yes/No) | Mode of implementing Through implementing Agency | |
| | | | | State | District | | | Name | CSR Registration Number |
| 1 | | | | | | | | | |
| | Total | | | | | | | | |

(d) Amount spent in Administrative Overheads: Nil

(e) Amount spent on Impact Assessment, if applicable. Not Applicable

(f) Total amount spent for the Financial Year (8b+8v+8d+8c): Rs. 49.02 Lakhs

(g) Excess amount for set off, if any.Rs. 49.02 Lakhs

| Sl.No. | Particular | Amount (in Lakhs) |
|---|---|---|
| (i) | Two percent of average net profit of the company as per section 135(5) | Nil |
| (ii) | Total amount spent for the Financial Year | 49.02 |
| (iii) | Excess amount spent for the financial year (ii)-(i) | 49.02 |
| (iv) | Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any | Nil |
| (v) | Amount available for set off in succeeding financial years (iii)-(iv) | 49.02 |

9. (a) Details of Unspent CSR amount for the preceding three financial years:Not Applicable

| Sl. No. | Preceding Financial Year | Amount transferred to unspent CSR account under section 135 (6) (in Rs.) | Amount spent in the reporting Financial year (in Rs.) | Amount transferred to any fund specified under Schedule VII as per section 135(6), if any. | | | Amount remaining to be spent in succeeding Financial Years(in Rs.) |
|---|---|---|---|---|---|---|---|
| | | | | Name of the Fund | Amount (in Rs.) | Date of Transfer. | |
| 1 | | | | | | | |
| | Total | | | | | | |

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year: N.A.*

| (1) | (2) | (3) | (4) | (5) | (6) | (7) | (8) | (9) |
|---|---|---|---|---|---|---|---|---|
| Sl. No. | Project ID | Name of the Project | Financial Year in which the project was commenced | Project duration | Total amount allocated for the project (in Rs.) | Amount spent on the project in the reporting Financial Year (in Lakh) | Cumulative amount spent at the end of reporting Financial year (in Lakh) | Status of the project Completed/ Ongoing |
| 1 | | | | | | | | |
| | Total | | | | | | | |

*The Schools are aided by Government of Delhi and receive 95% Grant for teachers salaries etc, and fixed amount of grant for expenses on telephone, furniture, Electricity etc. The rest of expenditure is borne by the Company. -i.e. 5% on salaries etc., on other heads. and any excess amount incurred over and above sanctioned by Government of Delhi, under other heads.

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year. Not Applicable

(Asset-wise details).

(a) Date of creation or acquisition of the capital asset (s). : N.A.

(b) Amount of CSR spent for creation or acquisition of capital asset. N.A.

(c) Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.: N.A.

(d) Provide details of the capital asset(s) created or acquired (including complete address and location of the Capital asset). N.A.

11. Specify the reason(s), if the company has failed to spend two percent of the average net profit as per section 135 (5). NA

Mr. Yash Gupta
Chairman of CSR Committee

Sumant Bharat Ram
Whole Time Director

Annexure-4

**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED MARCH 31, 2022
[Pursuant to section 204(1) of the Companies Act, 2013 and rule
No.9 of the Companies (Appointment and Remuneration Personnel)
Rules, 2014]

To,
The Members,
PUREARTH INFRASTRUCTURE LIMITED
Central Square, 20,
Manohar Lal Khurana Marg,
Bara Hindu Rao, Central Delhi
Delhi- 110006.

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

Based on our verification of the Company's books, papers, minute books, e-Forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit. We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022 complied with the statutory provisions listed hereunder and also that the Company has proper Board processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, e-forms and returns filed and other records maintained by Purearth Infrastructure Limited ("the Company") for the financial year ended on 31st March, 2022,to the extent made available to me, according to the provisions of:

1) The Companies Act, 2013 (the Act) and the rules made there under;
2) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
3) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment;
4) As per our discussion with the management and based on the compliance certificates placed before the Board in respect of the following other Acts:
    a) The Environment (Protection) Act, 1986 and the rules made thereunder;
    b) The Air (Prevention of Control of Pollution) Act, 1981and the rules made thereunder;
    c) The Water (Prevention of Control of Pollution) Act, 1981and the rules made thereunder;
    d) Contract Labour (Regulation and Abolition) Act, 1970 and the rules made thereunder;
    e) Minimum Wages Act, 1948 which are applicable to the Company, necessary compliances have been made by the Company during the year under report.
5) Secretarial Standards I & II as issued by The Institute of Company Secretaries of India.
6) The Company is closely held public limited company, hence provisions of the Securities Contracts (Regulation) Act, 1956 and various Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act) are not applicable to the Company.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc.

**We further report that**

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

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the Company to monitor and ensure compliance of the Companies Act read with relevant rules, Acts and regulations as stated above. We further report that during the year under review :

1. The members of Company at the Extra-Ordinary general Meeting held on 16th day of July, 2021 had approved thePayment of Remuneration by way of Commission to Mr. Sat Pal Khattar and Mr. Karan Singh Thakral, Non-executive Directors and restructuring of remuneration of Mr. Sumant Bharat Ram, Whole Time Director of the Company.

**For Pragnya Pradhan & Associates**
**Company Secretaries**

**Place: New Delhi**
**Date: 26-05-2022**

**(Pragnya Parimita Pradhan)**
**ACS No. 32778**
**C P No.: 12030**
**UDIN: A032778D000397362**
**Peer Review No. : 1564/2021**

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

Annexure-"A"

The Members,
PUREARTH INFRASTRUCTURE LIMITED
Central Square, 20,
Manohar Lal Khurana Marg,
Bara Hindu Rao, Central Delhi
Delhi- 110006.

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

1) Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

2) We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure the correct facts are reflected in secretarial records. We believe that the process and practices, we followed provide a reasonable basis for our opinion.

3) We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.

4) Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.

5) The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of the management. Our examination was limited to the verification of procedures on test basis.

6) The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the company.

**For Pragnya Pradhan & Associates**
**Company Secretaries**

**Place: New Delhi**
**Date: 26-05-2022**

**(Pragnya Parimita Pradhan)**
**ACS No. 32778**
**C P No.: 12030**
**UDIN: A032778D000397362**
**Peer Review No. : 1564/2021**

Annexure-5

**Details of Meetings during the Financial Year 2021-22**

**Board Meeting**

| Meetings held on 05th April, 2021, 28thJune, 2021, 12th August, 2021, 11th November, 2021 and 07th February, 2022 | | | |
|---|---|---|---|
| **Sr. No.** | **Name of Director** | **No. of meetings held** | **No. of meetings attended** |
| 1 | Mr. Sat Pal Khattar | 5 | 5 |
| 2 | Mr. Karan Singh Thakral | 5 | 5 |
| 3 | Mr. Sumant Bharat Ram | 5 | 5 |
| 4 | Mr. Yash Gupta | 5 | 5 |
| 5 | Mrs. Chitra Gouri Lal | 5 | 5 |
| 6 | Mr. Navin Khattar | 5 | 5 |
| 7 | Mr. Satveer Singh Thakral<br>(Alternate Director to Mr. Kartar Singh Thakral) | 5 | 5 |
| 8 | Mr. Yuv Bharat Ram | 5 | 5 |
| 9 | Mr. Rahil Bharat Ram | 5 | 5 |

**Audit Committee**

| Meetings held on 28thJune, 2021, 12th August, 2021, 11th November, 2021 and 07th February, 2022 | | | |
|---|---|---|---|
| **Sr. No.** | **Name of Director** | **No. of meetings held** | **No. of meetings attended** |
| 1 | Mr. Yash Gupta | 4 | 4 |
| 2 | Mr. Karan Singh Thakral | 4 | 4 |
| 3 | Mr. Yuv Bharat Ram | 4 | 4 |
| 4 | Mrs. Chitra Gouri Lal | 4 | 4 |

**Nomination and Remuneration Committee**

| Meeting held on 05th April, 2021 and 07th February, 2022 | | | |
|---|---|---|---|
| **Sr. No.** | **Name of Director** | **No. of meetings held** | **No. of meetings attended** |
| 1 | Mr. Yash Gupta | 2 | 2 |
| 2 | Mr. Karan Singh Thakral | 2 | 2 |
| 3 | Mr. Sumant Bharat Ram | 2 | 2 |

**Corporate Social Responsibility Committee**

| Meeting held on 28thJune, 2021 | | | |
|---|---|---|---|
| **Sr. No.** | **Name of Director** | **No. of meetings held** | **No. of meetings attended** |
| 1 | Mr. Yash Gupta | 1 | 1 |
| 2 | Mr. Sumant Bharat Ram | 1 | 1 |

**Executive Committee**

| Meeting held on 30th July, 2021, 23rd September, 2021, 01st November, 2021, 17thDecember, 2021, 20th January, 2022 and 25th March, 2022. | | | |
|---|---|---|---|
| **Sr. No.** | **Name of Director** | **No. of meetings held** | **No. of meetings attended** |
| 1 | Mr. Sat Pal Khattar | 6 | 6 |
| 2 | Mr. Karan Singh Thakral | 6 | 6 |
| 3 | Mr. Sumant Bharat Ram | 6 | 6 |

**PUREARTH INFRASTRUCTURE LIMITED**

Registered Office: Central Square, 20, Manohar Lal Khurana Marg, Bara Hindu Rao, Delhi- 110006

**ATTENDANCE SLIP**

29th Annual General Meeting - 27th September, 2022

| | |
|---|---|
| Folio No. / DP ID / Client ID No. | |
| Name of First Named Member / Proxy / Authorised Representative | |
| Name of Joint Member(s), if any: | |
| No. of Shares held | |

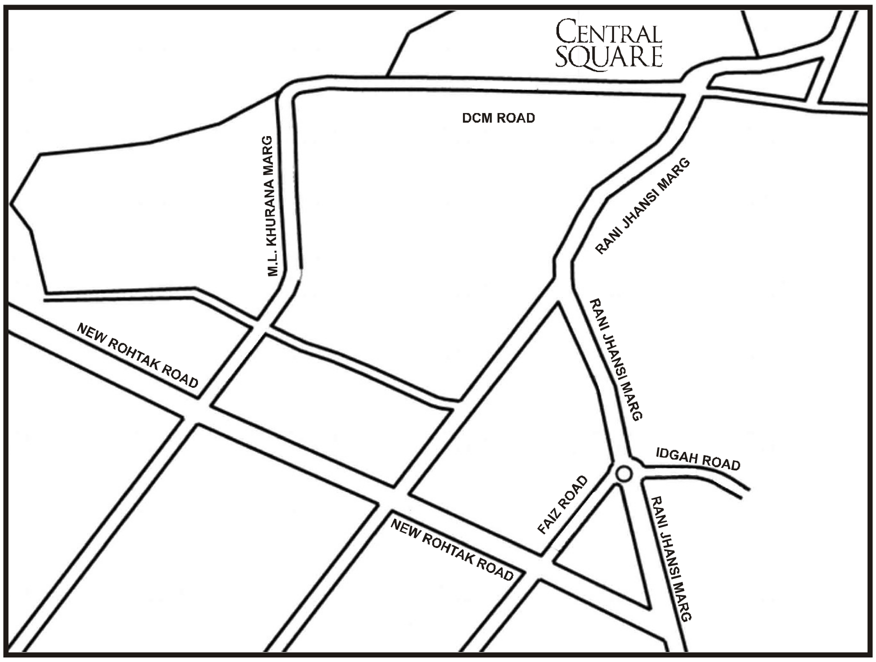
I / we certify that I/we am/are member(s) / proxy for / the member(s) of the Company.

I/we hereby record my/our presence at the 29th Annual General Meeting of the Company being held on Tuesday, 27th September, 2022 at 11.00 a.m. at Central Square, 20, Manohar Lal Khurana Marg, Bara Hindu Rao, Delhi- 110006.

| | |
|---|---|
| Signature of First holder/Proxy/ Authorized Representative | |
| Signature of 1st Joint Holder | |
| Signature of 2nd Joint Holder | |

Note(s):
1. Please sign this attendance slip and hand it over at the Attendance Verification Counter at the MEETING VENUE.
2. Only shareholders of the Company and/or their Proxy will be allowed to attend the Meeting.

**ROUTE MAP**



**Form No. MGT - 11**
**Proxy Form**

(Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014)

CIN: U45202DL1991PLC046111
Name of the Company: Purearth Infrastructure Limited
Registered Office: Central Square, 20, Manohar Lal Khurana Marg, Bara Hindu Rao, Delhi- 110006

| |
|---|
| Name of the member(s): |
| Registered Address: |
| E-mail ID: |
| Folio No. / Client ID: |
| DP ID: |

I/We, being the member (s) of_____________equity shares of the above named company, hereby appoint

1. Name:_____________________________
   Address: ___________________________
   E-mail Id:___________________________
   Signature:___________________________, or failing him
2. Name:_____________________________
   Address: ___________________________
   E-mail Id:___________________________
   Signature:___________________________, or failing him
3. Name:_____________________________
   Address: ___________________________
   E-mail Id:___________________________
   Signature:___________________________, or failing him

as my / our proxy to attend and vote (on a poll) for me / us and on my / our behalf at the 29th Annual General Meeting of the Company, to be held on Tuesday, 27th September, 2022 at 11.00 a.m. at Central Square, 20, Manohar Lal Khurana Marg, Bara Hindu Rao, Delhi- 110006 and at any adjournment thereof in respect of such resolutions set out in the Notice convening the meeting, as are indicated below:

Resolution No.

1. Adoption of the Audited Financial Statements including Consolidated Financial Statements of the Company for the financial year ended 31st March, 2022 together with Auditors' Report and Directors' Report;
2. Appointment of Mr. Yuv Bharat Ram who retires by rotation and, being eligible, offers him re-appointment;
3. Appointment of Mr. Navin Khattar who retires by rotation and, being eligible, offers him re-appointment;
4. Approve payment of sitting fee(s) of Board/Committies per meeting with effect from 1st April 2022 to Mr. Sat Pal Khattar and Mr. Karan Singh Thakral, Non-Executive Directors;
5. Re-appointment of Mr. Sumant Bharat Ram, as Whole Time Director of the Company for a period of 3 years commencing from 1st April, 2022;
6. Approve restructing of remuneration of Mr. Sumant Bharat Ram, as Whole Time Director with effect from 1st December 2022;
7. Approve and ratify the appointment/remuneration of cost auditors.

Signed this_______day of_________, 2022

Affix
Revenue
Stamp

Signature of Shareholder

Signature of Proxy holder(s)

**Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered office of the Company, not less than 48 hours before the commencement of the Meeting.**