



PEARL APARTMENTS LIMITED

(CIN NO: L70101DL1979PLC009901)

Regd. Office: 903, Rohit House, 3, Tolstoy Marg, New Delhi-110001

Tel No.: +91-11-23725826/27/28

Website: www.pearlApartments.co.in

Email Id: pearl.secretarial@pearlmail.com

Date: 03rd October, 2019

To

Head- Listing & Compliance

Metropolitan Stock Exchange of India Limited (MSEI)

Vibgyor Towers, 4th floor, Plot No C- 62, G - Block,

Opp. Trident Hotel, Bandra Kurla Complex,

Bandra (E), Mumbai – 400 098

Dear Sir/Madam,

Subject: Submission of Revised Annual Report for the Financial Year 2018-19.

Due to some clerical mistake, Please find enclosed herewith Revised Annual Report for the Financial Year 2018-19 at the 40th Annual General Meeting of the Company held on 30th Day of September, 2019.

Kindly take the same on your record.

Thanking you,

Yours faithfully,

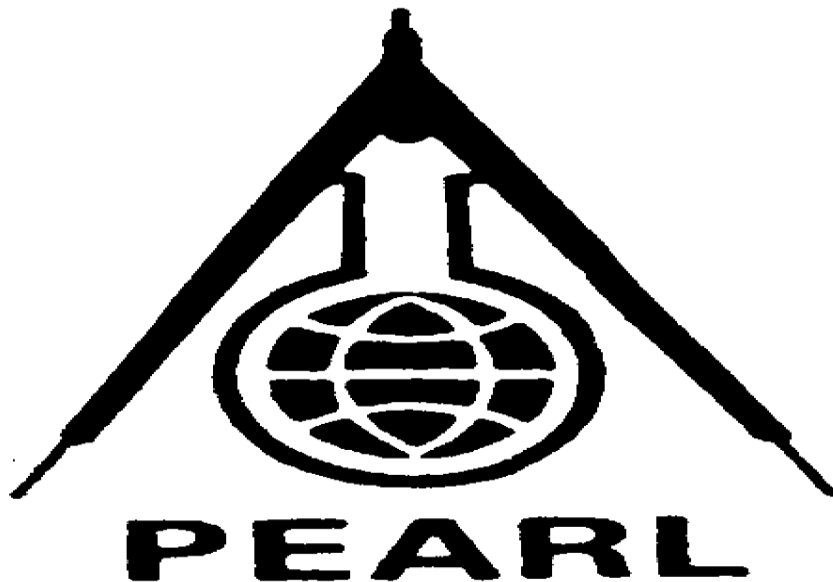
For Pearl Apartments Limited



Manan Khadria

(Company Secretary & Compliance Officer)

PEARL APARTMENTS LIMITED



40TH ANNUAL REPORT ***2018-19***

PEARL APARTMENTS LIMITED
CIN: L70101DL1979PLC009901

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Krishen Kumar Seth	Managing Director and CFO
Mr. Ramesh Mehra	Non Executive & Independent Director
Ms. Rita Seth	Non Executive & Non –Independent Director
Mr. Arjun Seth	Non Executive & Non –Independent Director
Mr. Rakesh Dua	Non Executive & Independent Director

COMPANY SECRETARY

Mr. Manan Khadria

REGISTERED OFFICE

903, Rohit House,3
Tolstoy Marg, New Delhi-110001
Phone No.: 011-23725826
Email Id: pearl.secretarial@pearlmail.com
Website: www.pearlapartments.co.in

REGISTRAR & SHARE TRANSFER AGENT

Beetal Financial & Computer Services Pvt Ltd.
Beetal House, 3rd Floor, 99, Madangir, behind LSC
New Delhi-110062
Phone No. 011-29961281-283
Email Id: beetalrta@gmail.com

AUDITORS

Sehgal Mehta & Co., Chartered Accountants
10173/2, Block No. 15, Abdul Aziz Road 13
W.E.A Karol Bagh, New Delhi-110005

40TH AGM

Date: 30.09.2019
Day: Monday
Venue: 903, Rohit House 3, Tolstoy Marg, New
Delhi-110001

NOTICE

Notice is hereby given that the 40th (Fourth) Annual General Meeting of **Pearl Apartments Limited** will be held on **Monday, the 30th day of September, 2019 at 4.00 P.M** at the registered office of the Company at 903, Rohit House, 3, Tolstoy Marg, New Delhi - 110001, to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2019 together with the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Arjun Seth (DIN: 00005826), who retires by rotation and being eligible offers himself for re-appointment.

SPECIAL BUSINESS:**3. RE-APPOINTMENT OF MR. KRISHEN KUMAR SETH AS MANAGING DIRECTOR & CHIEF FINANCIAL OFFICER (KMP) OF THE COMPANY**

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

“RESOLVED THAT pursuant to the provisions of Section 196, 197 & 203 read with Schedule- V and other applicable provisions, if any, of the Companies Act, 2013 and the (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory amendment(s), modification(s) or re-enactment thereof for the time being in force), approval of the members of the Company be and is hereby accorded for the re-appointment of Mr. Krishen Kumar Seth (DIN No: 00005765), as Managing Director and Chief Financial Officer (KMP) of the Company for a period of 5 (five) years with effect from March 01, 2019 to February 29, 2024 upon such terms and conditions as set out in the explanatory statement annexed to the Notice convening this Annual General Meeting with authority to the Board of Directors (hereinafter referred to as “the Board” which term shall deemed to include any Committee of the Board constituted to exercise its powers including the powers conferred by this resolution) to alter and vary the terms and conditions of the said re-appointment in such manner as may be agreed to between the Board of Directors and Mr. Krishen Kumar Seth.

RESOLVED FURTHER THAT all Directors and/or Company Secretary of the company be and are hereby severally authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

4. Re-appointment of Mr. Ramesh Mehra (DIN: 00003334) as an Independent Director for a second term of five consecutive years, in terms of Section 149 of the Companies Act, 2013.

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

“RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and 178 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and based on the recommendation of Nomination and Remuneration Committee, Mr. Ramesh Mehra (DIN: 00003334), a Non-Executive Director of the Company, who was appointed as an Independent Director, by the members of the Company for a term of five years, which ended on September 29, 2019, approval of members of the company be and is hereby accorded for re-appointment as an Independent Director of the Company for another term of five consecutive years commencing from conclusion of this Annual General Meeting i.e., September 30, 2019 up to September 29, 2024, not liable to retire by rotation during the tenure.”

RESOLVED FURTHER THAT all Directors and/or Company Secretary of the company be and are hereby severally authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

5. Re-appointment of Mr. Rakesh Dua (DIN: 00542650) as an Independent Director for a second term of five consecutive years, in terms of Section 149 of the Companies Act, 2013.

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

“RESOLVED THAT pursuant to the provisions of Section 149, 150, 152 and 178 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 and Companies (Appointment and Qualifications of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and based on the recommendation of Nomination and Remuneration Committee, Mr. Rakesh Dua (DIN: 00542650), a Non-Executive Director of the Company,

PEARL APARTMENTS LIMITED

ANNUAL REPORT 2018-19

who was appointed as an Independent Director of the Company for a term of five years ending on September 29, 2019, by the members at the 35th Annual General Meeting, in terms of Section 149 of the Companies Act, 2013, approval of members of the company be and is hereby given for re-appointment as an Independent Director of the Company for another term of five consecutive years commencing from conclusion of this Annual General Meeting, i.e., September 30, 2019 up to September 29, 2024, not liable to retire by rotation during the tenure.”

RESOLVED FURTHER THAT all Directors and/or Company Secretary of the company be and are hereby severally authorized to do all such acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**By order of the Board of Directors
For PEARL APARTMENTS LIMITED**

**Place: New Delhi
Date: 13th August, 2019**

**Sd/-
MANAN KHADRIA
(COMPANY SECRETARY)
MEMBERSHIP NO: ACS- 51520**

Registered Office:

903, Rohit House,
3, Tolstoy Marg,
New Delhi-110001

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/HERSELF AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**

The instrument of Proxy in order to be effective, should be deposited at the Registered Office of the Company, duly completed and signed, not less than 48 hours before the commencement of the meeting.

Pursuant to the provisions of Section 105 of the Companies Act, 2013, a Person can act as a Proxy on behalf of Members not exceeding fifty (50) members and holding in the aggregate not more than 10% of the total voting share capital of the Company. However, a single person may act as a proxy for a member holding more than 10% of the total voting share capital of the Company provided that such person shall not act as a proxy for any other person.

2. During the period beginning 24 hours before the time fixed for the commencement of the 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, provided that not less than three days of notice in writing is given to the Company.
3. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
4. In accordance with the provisions of Section 152 of the Companies Act, 2013 read with the Articles of Association of the Company, Mr. Arjun Seth, Director, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers himself for reappointment. Brief profile, information and relevant details, pursuant to the SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015 and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India, in respect of Directors seeking appointment/reappointment at this AGM is annexed hereto.
5. Members/proxies are requested to bring their duly filled attendance slip annexed hereto, to attend the AGM mentioning therein details of their DP and Client ID/ Folio No.
6. In case of joint holders attending the AGM, only such joint holder whose name stands first or higher on the Register of Members shall be entitled to vote.
7. As an austerity measure, copies of the Annual Report will not be distributed at the AGM. Members are requested to bring their copy of Annual Report to the meeting.
8. All documents referred to in the notice will be available for inspection at the Company's registered office during normal business hours on all working days (except Saturdays and Sundays) upto the date of AGM.
9. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number ("PAN") by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN

PEARL APARTMENTS LIMITED

ANNUAL REPORT 2018-19

to their DP's with whom they are maintaining their accounts. Members holding shares in physical form can also submit their PAN to the Company/RTA.

10. The Securities and Exchange Board of India (SEBI) has also instructed to update PAN and Bank Details of Members. Accordingly Members are requested to intimate under the signature of the sole/ first holder about the Bank Account Number, type of Account, saving (SB) or current (CA), name and address of the Bank and change, if any for claiming statutory benefits in future when provided. Shareholders holding shares in physical form may kindly arrange to forward the appended form duly completed and signed to the Company/ RTA, for necessary action. Shareholders holding shares in demat/electronic form may kindly arrange to update their Bank particulars with their respective DP's.
11. **THE SECURITIES AND EXCHANGE BOARD OF INDIA ("SEBI") HAS DECIDED THAT SECURITIES OF LISTED COMPANIES CAN BE TRANSFERRED ONLY IN DEMATERIALIZED FORM. IN VIEW OF THE ABOVE AND TO AVAIL VARIOUS BENEFITS OF DEMATERIALIZATION, MEMBERS ARE ADVISED TO DEMATERIALIZED SHARES HELD BY THEM IN PHYSICAL FORM.**
12. The Register of Members and Share Transfer Books of the Company will remain closed from **Tuesday, 24th September, 2019 to Monday, 30th September, 2019 (both days inclusive).**
13. All correspondence relating to change of address, change in the e-mail ID already registered with the Company, transfer/ transmission of shares, issue of duplicate share certificates, consolidation of folios, bank mandates and all other matters relating to the shareholding in the Company may be made to Beetal Financial & Computer Services Pvt Ltd., the registrar and share transfer agent ("RTA"). The Members holding shares in dematerialised form may send such communication to their respective Depository Participants ("DP's").
14. Members can inspect the Register of director and Key Managerial Personnel and their shareholding, required to be maintained under Section 170 of the Act during the course of the meeting at the venue.
15. The Members whose names appear on the Company's Register of Members as on **Monday, September 23, 2019** ("cut-off date") will be eligible to attend and vote at the AGM.
16. Members can avail the facility of nomination in respect of shares held by them pursuant to the provisions of Section 72 of the Companies Act, 2013. Members desiring to avail this facility may send their nomination in the prescribed Form no. SH-13 duly filled, to the Company / RTA / DP's.
17. As an eco-friendly measure intending to benefit the society at large, we request you to be part of the e-initiative and register your e-mail address to receive all communication and documents including Annual Reports from time to time in electronic form to the e-mail ID provided by you. Members holding shares in dematerialised form may send such communication to their respective DP's and those holding shares in physical form may send such communication to the Company/ RTA. Members who still hold share certificates in physical form are advised to dematerialise their shareholding to avail the benefits of dematerialisation, which include easy liquidity.
18. Pursuant to Sections 101 and 136 of the Companies Act, 2013 read with relevant Rules framed thereunder, the Annual Report for financial year 2018-19 and the Notice of the AGM, inter-alia indicating the process and manner of remote e-voting along with the Route Map, attendance slip and proxy form are being sent by e-mail to those Members who have registered their e-mail ID either with the Company/RTA or with the DP's unless the Member has requested for a hard copy of the same. For Members who have not registered their e-mail ID, physical copies of the Annual Report for financial year 2018-19 and the Notice of the AGM, inter-alia, indicating the process and manner of remote e-voting along with the attendance slip, proxy form and Route Map, is being sent in the permitted mode.
19. SEBI has mandated the submission of Permanent Account Number (PAN) by every person dealing in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their depository participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or the RTA.
20. SEBI vide its notification dated 8 June 2018 as amended on 30 November 2018, has stipulated that w.e.f. 1 April 2019, the transfer of securities (except transmission or transposition of shares) shall not be processed, unless the securities are held in the dematerialized form. In view of this, members are requested to dematerialize their shares.
21. The shareholders are requested to send their queries on annual report to the Company, not less than 7 days before the date of meeting, so that the requisite information/ explanations can be provided in time.
22. Members may also note that the Notice of 40th Annual General Meeting will also be available on the Company's website www.pearlApartments.co.in for their download.
23. **VOTING THROUGH ELECTRONIC MEANS**
 - I. In compliance with provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies

PEARL APARTMENTS LIMITED

ANNUAL REPORT 2018-19

(Management and Administration) Rules, 2014, Secretarial Standard and Regulation 44 of the SEBI (LODR) Regulations, 2015, the Company is pleased to provide its Members facility to exercise their right to vote on resolutions proposed to be considered at the 40th AGM by electronic means which includes "remote e-voting" i.e., from a place other than venue of the AGM, provided by National Securities Depository Limited ("NSDL"). Members of the Company holding shares in physical form or in dematerialised form may exercise their right to vote by electronic means in respect of the resolutions contained in the Notice of the AGM. The remote e-voting facility is available at the link <https://www.evoting.nsdl.com>.

II. The remote e-voting facility will be available during the following voting period:

Commencement of remote e-voting	Friday, September 27, 2019 at 10.00 A.M.
End of remote e-voting	Sunday, September 29, 2019 at 05.00 P.M.

The cut-off date (i.e. the record date) for the purpose of remote e-voting is **Monday, September 23, 2019** (end of day). The Members, whose name appear in the Register of Members, holding shares in physical or in dematerialised form, as on the cut-off date are entitled to cast their votes on the resolutions set forth in this Notice.

In addition, the facility for voting by use of 'Ballot Paper' shall also be made available at the AGM, for all those members who are present at the AGM but have not cast their votes by remote e-voting.

III. **Procedure for Remote E-voting:**

The details and instructions for remote e-voting form an integral part of the Notice convening the 40th AGM to be held on September 30, 2019. The members desirous to vote through remote e-voting are requested to refer to the detailed procedure given below:

- i) Launch internet browser and open <https://www.evoting.nsdl.com/>
- ii) Click on Shareholder – Login.
- iii) If you are already registered with NSDL for remote e-voting then you can use your existing User Id and Password/PIN for casting your vote.
- iv) If you are logging in for the first time, please enter the 'User Id' and 'Initial Password' as noted in step (i) above and click on 'Login'.
- v) Password change menu will appear. Change the 'Initial Password' with a new Password of your choice with minimum 8 digits/characters or combination thereof. Note the new Password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- vi) Home page of remote e-voting will open. Click on remote e-voting: Active Voting Cycles.
- vii) Select 'EVEN' of '**PEARL APARTMENTS LIMITED**'.
- viii) Now you are ready for remote e-voting as 'Cast Vote' page opens.
- ix) Cast your vote by selecting appropriate option and click on 'Submit'. Click on 'Confirm' when prompted.
- x) Upon confirmation, the message 'Vote cast successfully' will be displayed.
- xi) You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
- xii) Once you have confirmed your vote on the resolution, you cannot modify your vote.
- xiii) Institutional shareholders (i.e. other than individuals, HUF, NRI, etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/Authority letter, etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to pcsabhishekgupta@gmail.com with a copy marked to evoting@nsdl.co.in.

IV. **General Instructions:**

- (a) During the remote e-voting period, members of the Company, holding shares either in physical or dematerialized form as on the cut-off date i.e. **Monday, September 23, 2019**, (end of day) may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter.
- (b) Login to e-voting website www.evoting.nsdl.com will be disabled upon five unsuccessful attempts to key-in the correct password. In such an event, you will need to go through 'Forgot Password' option available on the site to reset the same.

PEARL APARTMENTS LIMITED

ANNUAL REPORT 2018-19

- (c) Your login id and password can be used by you exclusively for remote e-voting on the resolutions placed by the companies in which you are the shareholder.
- (d) In case of any queries, you may refer to the Frequently Asked Questions (FAQs) for Shareholders and remote e-voting user manual for members available at the downloads sections of www.evoting.nsdl.com or contact Ms. Pallavi Mhatre on toll free no.: **1800-222-990**.
- (e) You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- (f) The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. **Monday, September 23, 2019** (end of day).
- (g) Any person, who acquires shares and becomes member of the Company after dispatch of the notice and holding shares as on the cut-off date, i.e. **Monday, September 23, 2019** (end of day), may obtain the login ID and password by sending a request to NSDL at evoting@nsdl.co.in or to the Company's Registrar - Beetal Financial & Computer Services Pvt Ltd. at beetalrta@gmail.com.

However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote.

Note: If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DPID+ClientID).

In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No+Folio No).

- (h) A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- (i) A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
- (j) The Company has appointed Mr. Abhishek Gupta, Practicing Company Secretary (Fellow Membership No. 9857 & C.P. No. 12262) as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- (k) The Chairman shall, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of 'Ballot Paper' for all those members who are present at the AGM but have not casted their votes by availing the remote e-voting facility.
- (l) The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated Scrutinizer's report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- (m) The result declared along with the report of the Scrutinizer shall be placed on the website of the Company www.pearlapartments.co.in and on the website of NSDL website immediately after the declaration of result by the Chairman or a person authorized by him in writing.

EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES ACT, 2013.

Pursuant to Section 102 of the Companies Act, 2013 ("the Act"), the following statement sets out all material facts relating to the special business mentioned in the accompanying notice.

Item No. 3:

The term of Mr. Krishen Kumar Seth as Managing Director and Chief Financial Officer of the Company expired on 28th February, 2019. In terms of recommendations of the nomination and Remuneration Committee and subject to approval of the members at the forthcoming Annual General Meeting, the Board of Directors of the Company in its meeting held on February 14, 2019 has Re-

PEARL APARTMENTS LIMITED

ANNUAL REPORT 2018-19

appointed Mr. Krishen Kumar Seth as Managing Director and Chief Financial Officer (KMP) for a period of 5(Five) years w.e.f **March 01, 2019**.

The Broad particulars of the terms of appointment and remuneration payable to Mr. Krishen Kumar Seth are as under:

- A. PERIOD:** Five years w.e.f March 01, 2019 to February 29, 2024
- B. Remuneration:** including Basic Salary, House Rent Allowance, Special Allowance, Expenditure on Gas, Electricity, Water and Furnishing, Medical Reimbursement, Leave Travel Concession, Club Fees, Personal Accident Insurance etc. aggregating to an amount not exceeding 2, 00,000/- per month.
- C. Perquisites :** In addition to the above, he shall be entitled to receive the following perquisites:
 - a) Contribution to provident fund, superannuation fund or annuity fund to the extent these either singly or put together are not taxable under the Income Tax Act, 1961.
 - b) Gratuity: Gratuity payable shall not exceed half month's salary for each completed year of service or as may be prescribed under the Payment of Gratuity Act, 1972.
 - c) Earned Leave: As per the rules of Company, Leave accumulated but not availed of during his tenure may be allowed to be encashed at the end of the tenure.
 - d) Free use of the Company's car with the driver for the business of the Company.
 - e) Free use of Communication devices such as telephone at Company's cost at the residence.

C Minimum Remuneration:

Where in any Financial Year during the period of office of Mr. Krishen Kumar Seth, as Managing Director & Chief Financial officer, the Company has no profits or its profits are inadequate, the Company may, subject to the requisite approvals, pay remuneration by way of salary, allowances, perquisites not exceeding the maximum limits laid down in Section II of Part II of Schedule V to the Companies Act, 2013

OTHER TERMS AND CONDITIONS:

- 1) The Terms & conditions of the appointment may be altered and varied by the Remuneration Committee and the Board of Directors as they may deem fit at their discretion, in accordance with the provisions of the Companies Act, 2013 or any amendments made hereafter in this regard.
- 2) Mr. Krishen Kumar Seth is also holding the office of Managing Director in Pearl International Tours & Travels Private Limited and the appointee may draw remuneration from both the Companies provided that the total remuneration drawn from the Companies does not exceed the higher maximum limit admissible from any one of the Companies of which he is managerial person as per the provisions contained in Schedule V of the Companies Act, 2013 as amended upto date.
- 3) Mr. Krishen Kumar Seth (DIN No: 00005765), Managing Director & Chief Financial Officer (KMP) of the Company shall be a non rotational Director of the Company.

A statement containing information required to be provided to the shareholders as per the provision of Schedule V of Companies Act, 2013 in respect of re-appointment of Mr. Krishen Kumar Seth is given below:

I. GENERAL INFORMATION:

(1) Nature of Industry: The Company is engaged in the business of purchase, sale, lease, exchange, mortgage, hire or otherwise acquire and/or dispose of lands and properties of any tenure or interest therein and to erect and construct houses, buildings or works of every description and improve the property of the Company and to own, let and manage such properties.

(2) Date of expected date of commencement of Commercial Production: Not Applicable

(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

PEARL APARTMENTS LIMITED

ANNUAL REPORT 2018-19

(4) Financial Performance based on given indicators: The relevant Audited financial figures as at year ended March 31, 2019 are as under:

Revenue	Expenses	Net Profit/Loss (after tax)
1,46,92,063	90,12,919	46,97,226

(5) Export performance and net foreign exchange Contributions: Not Applicable

(6) Foreign investments or collaborations, if any: Not Applicable

II. INFORMATION ABOUT THE APPOINTEE:

1. Background Details: Mr. Krishen Kumar Seth graduated in B.Com (Hons) from Shree Ram College of Commerce, Delhi and is a Chartered Accountant by profession with a vast experience of over 43 years in various disciplines. He is one of the promoter Directors of the Company and has been instrumental in development and expansion of the Company's business.

2. Past Remuneration: Remuneration received by Mr. Krishen Kumar Seth for the year 2015-16 was Rs. 18 Lakhs.

3. Job Profile and his Suitability: Mr. Krishen Kumar Seth is responsible for all operational matters and strategic decision making in the Company. He has immensely contributed in exploring new avenues for expansion of the Company's business and improving its overall performance.

4. Remuneration Proposed: As mentioned above in Item No. 3.

5. Comparative Remuneration Profile with respect to Industry, size of the Company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin): Taking into consideration his knowledge, experience and the considerable amount of efforts put in by him, the proposed remuneration is justified compared to the remuneration package being paid for such profiles in the industry.

6. Pecuniary Relationship, directly or indirectly with the Company or relationship with the managerial personnel, if any: Mr. Krishen Kumar Seth is related to Mr. Arjun Seth and Mrs. Rita Seth, Directors of the Company.

III. OTHER INFORMATION:

1. Reasons of Inadequate Profits

Due to economic slowdown, the overall profit margins of the Company have greatly affected.

2. Expected increase in Productivity and Profits in measurable terms

The Management is making all efforts to increase the productivity and profits of the Company.

The Board of Directors recommends the resolution in relation to the re-appointment of Managing Director and Chief Financial Officer (KMP), for the approval of the shareholders of the Company.

Mr. Krishen Kumar Seth may be deemed to be concerned or interested, financial or otherwise, to the extent of his shareholding in respect of his re-appointment as Managing Director and Chief Financial Officer. Mr. Arjun Seth and Mrs. Rita Seth, Directors, being the relative of Mr. Krishen Kumar Seth may be deemed to be interested in the resolution.

Save and except the above, none of the other Directors and Key Managerial Personnel of the Company and their relatives is, in any way, concerned or interested, financially or otherwise, in the resolution set out at item No. 3 of the Notice.

This may also be treated as a written memorandum setting out the terms of re-appointment of Mr. Krishen Kumar Seth as Managing Director & Chief Financial Officer of the Company, pursuant to Section 190 of the Companies Act, 2013.

Item No. 4:

Mr. Ramesh Mehra (DIN: 00003334) was appointed as an Independent Director of the Company pursuant to the provisions of Section 149 of the Companies Act, 2013 read with rules framed thereunder ('the Act') and the Clause 49 of the erstwhile Listing

PEARL APARTMENTS LIMITED

ANNUAL REPORT 2018-19

Agreements entered into with the stock exchanges. Mr. Ramesh Mehra hold office as an Independent Director of the Company upto September 29, 2019 ('first term') in terms of the explanation to Sections 149(10) and 149(11) of the Act.

Mr. Ramesh Mehra is a Non Executive & Independent Director. He holds a Bachelor's degree in Engineering (Industrial Production). He has over 35 years of rich experience in Commercial Production, Sales Administration, Account and Personnel in Industrial and Manufacturing concerns. He does not hold any Equity Share of the Company.

In the opinion of the Board, Mr. Ramesh Mehra fulfils the conditions for appointment of Independent Director as specified in the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations, 2015') and is independent of the management.

The Board of Directors at its meeting held on 13th August, 2019, on the recommendation of the Nomination and Remuneration Committee and based on the performance evaluation, considers that given his background and experience and contributions made by him during his tenure, the association of Mr. Ramesh Mehra would be beneficial to the Company and it is desirable to re-appoint Mr. Ramesh Mehra as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years w.e.f. 30th September, 2019.

The details of Mr. Ramesh Mehra as required under the provisions of Regulation 36(3) of the Listing Regulations, 2015 and other applicable provisions are provided in **Annexure – A** to this Notice.

The Board of Directors recommends the resolution at Item No.4 of this Notice for your approval.

None of the Directors, Key Managerial Personnel and relatives thereof except Mr. Ramesh Mehra, has any concern or interest, financial or otherwise, in the resolution at Item No. 4 of this Notice.

Item No. 5:

Mr. Rakesh Dua (DIN: 00542650) was appointed as an Independent Director of the Company pursuant to the provisions of Section 149 of the Companies Act, 2013 read with rules framed thereunder ('the Act') and the Clause 49 of the erstwhile Listing Agreements entered into with the stock exchanges. Mr. Ramesh Mehra hold office as an Independent Director of the Company upto September 29, 2019 ('first term') in terms of the explanation to Sections 149(10) and 149(11) of the Act.

Mr. Rakesh Dua is a Non Executive & Independent Director. He holds a B.A. degree from Delhi University. He does not hold any Equity Share of the Company.

In the opinion of the Board, Mr. Rakesh Dua fulfils the conditions for appointment of Independent Director as specified in the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('the Listing Regulations, 2015') and is independent of the management.

The Board of Directors at its meeting held on 13th August, 2019, on the recommendation of the Nomination and Remuneration Committee and based on the performance evaluation, considers his contributions made by him during his tenure, the association of Mr. Rakesh Dua would be beneficial to the Company and it is desirable to re-appoint Mr. Rakesh Dua as an Independent Director of the Company, not liable to retire by rotation, for a second term of five consecutive years w.e.f. 30th September, 2019.

The details of Mr. Rakesh Dua as required under the provisions of Regulation 36(3) of the Listing Regulations, 2015 and other applicable provisions are provided in **Annexure – A** to this Notice.

The Board of Directors recommends the resolution at Item No.5 of this Notice for your approval.

None of the Directors, Key Managerial Personnel and relatives thereof except Mr. Rakesh Dua, has any concern or interest, financial or otherwise, in the resolution at Item No. 5 of this Notice.

PEARL APARTMENTS LIMITED

ANNUAL REPORT 2018-19

By order of the Board of Directors
For PEARL APARTMENTS LIMITED

Sd/-

MANAN KHADRIA
(COMPANY SECRETARY)

MEMBERSHIP NO: ACS- 51520

Place: New Delhi
Date: 13th August, 2019

Registered Office:
903, Rohit House,
3, Tolstoy Marg,
New Delhi-110001

Annexure – A

Details of the Directors seeking re-appointment/variation in terms of appointment at the Annual General Meeting pursuant to **Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015** and other applicable provisions are as under:

S.No.	Particulars	Details	Details	Details	Details
1.	Name of the Director	Mr. Krishen Kumar Seth	Mr. Arjun Seth	Mr. Ramesh Mehra	Mr. Rakesh Dua
2.	DIN	00005765	00005826	00003334	00542650
3.	Date of Birth	May 22, 1950	May 16, 1979	February 18, 1950	October 02,1954
4.	Brief profile	Mr. Krishen Kumar Seth graduated in B.Com (Hons) from Shree Ram College of Commerce, Delhi and is a Chartered Accountant by profession with a vast experience of over 43 years in various disciplines. He is one of the promoter Directors of the Company and has been instrumental in development and expansion of the Company's business.	Mr. Arjun Seth is a Non Executive & Non-Independent Director. He has done Bachelor's in Business Administration with specialization in Finance and Marketing from Bryant University, USA. He is a renowned industrialist having an experience of over 15 years in finance and has a vast exposure in the industry.	Mr. Ramesh Mehra is a Non Executive & Independent Director. He holds a Bachelor's degree in Engineering (Industrial Production). He has over 35 years of rich experience in Commercial Production, Sales Administration, Account and Personnel in Industrial and Manufacturing concerns.	Mr. Rakesh Dua is a Non Executive & Independent Director. He holds a BA degree from Delhi University. He does not hold any Equity Share of the Company.
5.	Relationship with other Directors, Manager and other Key Managerial Personnel	Mr. Krishen Kumar Seth is a Father of Mr. Arjun Seth and husband of Mrs. Rita Seth.	Mr. Arjun Seth is a son of Mr. Krishen Kumar Seth and Mrs. Rita Seth.	Mr. Ramesh Mehra does not have any relation with other Directors, Manager and other Key Managerial Personnel.	Mr. Rakesh Dua does not have any relation with other Directors, Manager and other Key Managerial Personnel.
6.	Directorship held in other Listed Company	NIL	NIL	a) Pearl Polymers Limited	NIL
7.	Shareholding in Pearl Apartments Limited	49310 Shares	NIL	NIL	NIL

BOARD'S REPORT

Dear Members,

Your Directors have pleasure in presenting the 40TH (Fourth) Board's Report of the Company together with the Audited Financial Statements for the year ended March 31, 2019.

1. FINANCIAL RESULTS:

The financial performance of the Company for the year ended March 31, 2019 is summarized below:

Particulars	(Amount in Rupees)	
	For Financial Year 2018-19	For Financial Year 2017-18
Revenue from Operation	62,50,000	2,300,000
Other Income	84,42,063	8,122,713
Total Revenue	1,46,92,063	10,422,713
Total Expenditure	90,12,919	8,098,494
Profit/(Loss) before Exceptional Items and Tax	56,79,144	2,324,219
Exceptional Items (Income/(Exps))	-	-
Profit/(Loss) before Tax	56,79,144	2,324,219
Tax expense	9,81,918	5,91,315
Net Profit/ (Loss) for the period	46,97,226	1,732,904

2. DIVIDEND:

The Directors consider it prudent to retain the profits of the Company for the current year for funding future expansions in the Company and accordingly regret their inability to recommend dividend on Equity Shares of the Company for the financial year ended March 31, 2019.

3. STATE OF THE COMPANY AFFAIRS/CHANGES IN THE NATURE OF BUSINESS, IF ANY:

During the year under consideration on Standalone basis your Company has achieved total revenue from operations of Rs 62,50,000/- as against Rs. 2,300,000/- in the relevant previous financial year. The company has recorded Net profit Rs. 46,97,226 as compared to profit of Rs. 1,732,904/- in the previous financial year due to increase in Revenue from operations. Your Company is expecting to more growth in coming years.

During the year, there is no change in the nature of business of the Company.

4. MATERIAL CHANGES AND COMMITMENT:

There have been no material changes and commitments, affecting the financial position of the Company, which have occurred between the end of the financial year of the Company and the date of this Report.

5. SUBSIDIARY/JOINT VENTURE/ASSOCIATE COMPANY:

As on March 31, 2019, the Company does not have any Associate or Subsidiary or Joint Venture Company as per the Companies Act, 2013.

6. PUBLIC DEPOSITS:

During the period under review, the Company has not accepted any deposits within the meaning of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

7. CHANGE IN SHARE CAPITAL DURING THE FINANCIAL YEAR 2018-19:

The Company's Capital Structure remains unchanged during the financial year 2018-19.

8. DIRECTORS AND KEY MANAGERIAL PERSONNEL:

a) Appointment/Re-appointment of Director

Pursuant to the provisions of Section 152(6) of the Companies Act, 2013, Mr. Arjun Seth (DIN: 00005826) Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting, and being eligible, offers himself for re-appointment.

The Board of Directors at its meeting held on 14th February, 2019, re-appointed Mr. Krishen Kumar Seth as a Managing Director & C.F.O. of the company for a period of Five years, effective from 01st March, 2019, subject to the approval of the members at the Annual General Meeting.

The first term of office of Mr. Ramesh Mehra and Mr. Rakesh Dua as Independent Directors, will expire on September 29, 2019. The Nomination and Remuneration Committee and the Board of Directors at their respective meetings held on 13th August, 2019 has recommended their re-appointment as Independent Directors of the Company for a second term of 5(Five) consecutive years, subject to the approval of the members by way of special resolution at the Annual General Meeting.

b) Number of meetings of the Board of Directors

During the year 2018-19, the Board met 8 (Eight) times viz. 09th April, 2018, 16th May, 2018, 30th May, 2018, 13th August, 2018, 14th November, 2018, 03rd January, 2019, 14th February, 2019 and 29th March, 2019.

The intervening gap between any two meetings was within the period prescribed by the Companies Act, 2013.

Date of Board Meeting	Krishen Kumar Seth	Ramesh Mehra	Rita Seth	Arjun Seth	Rakesh Dua
09.04.2018	Present	Absent	Present	Present	Absent
16.05.2018	Present	Present	Present	Present	Present
30.05.2018	Present	Present	Present	Present	Present
13.08.2018	Present	Present	Present	Present	Present
14.11.2018	Present	Present	Present	Absent	Present
03.01.2019	Present	Absent	Present	Present	Absent
14.02.2019	Present	Present	Present	Present	Present
29.03.2019	Present	Absent	Present	Present	Absent

c) Changes in Key Managerial Personnel

During the year Mr. Manan Khadria has appointed for the post of Company Secretary & Compliance Officer w.e.f. 18th May, 2018.

d) Change in Composition of Directors

There was no change in composition of the Board of Directors of the Company during the Financial Year 2018-19.

Name of the Director	DIN	Designation	Whether attended AGM held on 29.09.2018
Mr. Krishen Kumar Seth	00005765	Managing Director & CFO	No
Mr. Ramesh Mehra	00003334	Independent Director	No
Mrs. Rita Seth	00005797	Non Executive Director	No
Mr. Arjun Seth	00005826	Non Executive Director	No
Mr. Rakesh Dua	00542650	Independent Director	Yes

e) Declaration by Independent Director

All the Independent Directors have submitted their disclosures to the Board that they fulfill all the requirements as stipulated in Section 149(6) of the Companies Act, 2013 so as to qualify themselves to be appointed as Independent Directors under the provisions of the Companies Act, 2013 and the relevant rules.

f) Board Evaluation

The Board of Directors has carried out an annual evaluation of its own performance, Board committees and Individual Directors pursuant to provisions of Companies Act, 2013 and Regulation 17 (10) of the SEBI (LODR) Regulations, 2015.

The evaluation framework for assessing the performance of Directors was on the basis of criteria such as the Board composition and structure, effectiveness of Board processes, information and functioning etc. The Nomination and Remuneration Committee had evaluated the performance of individual Director on the basis of criteria such as the contribution of the individual Director to the Board and committee meetings like preparedness on the issues to be discussed, meaningful and constructive contribution and inputs provided by them in meetings, etc. A member of the Board does not participate in the discussion of his/her evaluation. Performance evaluation of Independent Directors was carried out by the entire board, excluding the Independent Director being evaluated.

A meeting of the Independent Directors was also held to review the performance of the Non-Independent Directors, the Board as a whole and the Chairman on the parameters of effectiveness and to assess the quality, quantity and timeliness of the flow of information between the Management and the Board.

9. DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to the requirement under section 134(3)(c) of the Companies Act, 2013 with respect to Directors' Responsibility Statement, it is hereby confirmed that:

- a) in the preparation of the Annual Accounts for the year ended March 31, 2019, the applicable Accounting Standards had been followed along with proper explanation relating to material departures, if any;
- b) the Directors have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2019 and of the profits of the Company for the year ended on that date;
- c) the Directors have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the Assets of the Company and for preventing and detecting fraud and other irregularities;
- d) the Directors have prepared the annual accounts of the Company on a "going concern basis".
- e) the Directors have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and are operating effectively; and
- f) the Directors have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

10. EXTRACT OF ANNUAL RETURN:

In terms of the provisions of Section 92(3) of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, an extract of the Annual Return for the Financial Year 2018-19 in Form MGT-9 is given in **Annexure-I** to this Report and also available on the website of the company at <https://pearlapartments.co.in>

11. AUDITORS:

a) Statutory Auditors and Auditor's Report

The shareholders of the Company at AGM held on September 28, 2017 has appointed M/s. Sehgal Mehta & Co. Chartered Accountants, (ICAI Registration No- 003330N), as the Statutory Auditors of the Company for a term of 5 years and accordingly they hold their office till the conclusion of AGM to be held in the year 2022.

The Auditors' Report read with the Notes to accounts referred to therein are self explanatory and therefore, do not call for any further comments. There are no qualifications, reservations or adverse remarks made by the Auditors.

b) Secretarial Audit

Pursuant to the provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules 2014, the Company has appointed **Ms. Akansha Jain (C.P No. 16973)**, Practicing Company Secretary to conduct Secretarial Audit for the financial year 2018-19.

The Secretarial Audit Report (in Form MR-3) is attached as **Annexure-II** to this Report.

The Secretarial Audit Report does not contain any qualification, reservation or adverse remark.

c) Internal Audit

Nilhil Goel & Associates (Firm Registration No. 020934C) Chartered Accountants, has been appointed as an Internal Auditor of the Company to conduct an internal Audit of the functions and activities of the Company for financial year 2018-19, in terms of Section 138 of the Companies Act, 2013.

d) Cost Auditor

The provisions of Cost audit as prescribed under Section 148 of the Companies Act, 2013 are not applicable to the Company.

e) Fraud Reporting

There have been no instances of fraud reported by the Auditors under Section 143(12) of the Companies Act and Rules framed there under either to the Company or to the Central Government.

12. PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED:

During the financial year ended 31st March, 2019, the Company has not granted any Loan, provided any Guarantee and security as required under section 186 of the Companies Act, 2013.

The particulars of Investment made by the Company, as required under Section 186 of the Companies Act, 2013 are furnished under Notes to Financial Statement.

13. LOAN FROM DIRECTORS:

During the period under review, the Company has taken a loan of Rs. 34,00,000 (Rupees Thirty Four Lacs Only) from Mr. Krishen Kumar Seth, Managing Director of the Company. However, the Company has received a declaration in writing to the effect that the amount is not being given out of funds acquired by him by borrowing or accepting loans or deposits from others.

14. PARTICULARS OF CONTRACTS OR ARRANGEMENTS MADE WITH RELATED PARTY REFERRED TO IN SUB SECTION(1) OF SECTION 188:

All related party transactions that were entered into during the financial Year 2018-19 were at arm's length basis and were in the ordinary course of business. There is no materially significant related party transaction with the Company's promoters, directors, the management or relatives which may have potential conflict with the interest of the Company at large as per Companies Act, 2013 and rules made thereunder and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Accordingly, the disclosures required under Section 134(3)(h) of the Company Act, 2013 is given in form AOC-2 as **Annexure-III**. Further, details of Related Party Transactions as required to be disclosed by Accounting Standard AS-18 on "Related Party Transactions" are given in Note no. 25 of Notes to the Financial Statements.

15. ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:

Since your Company does not own any manufacturing facility, the requirements pertaining to disclosure of particulars relating to conservation of energy, research & development and technology absorption, as prescribed under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts), Rules, 2014 is not applicable to the Company. There were no foreign exchange earnings or outgo during the year.

16. STATEMENT CONCERNING DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY OF THE COMPANY:

The Company has in place of mechanism to identify, assess, monitor and mitigate various risks to key business objectives. There is no risks which in the opinion of the Board threaten the existence of the Company. The said Risk Management Policy is available on the website of the Company at <https://pearlapartments.co.in>.

17. CORPORATE SOCIAL RESPONSIBILITY:

The Company is not required to constitute a Corporate Social Responsibility Committee as it does not fall within purview of Section 135(1) of the Companies Act, 2013 and hence it is not required to formulate policy on corporate social responsibility.

18. GENERAL MEETING:

During the year, only one General Meeting i.e. Annual General Meeting was conducted on September 29, 2018 and total 06 members were present in the meeting.

19. DISCLOSURES OF COMMITTEES AND ATTENDANCE OF THE MEMBERS:**a) Audit Committee:**

The Audit Committee is constituted in line with the provisions of Section 177 of the Companies Act, 2013 read with Rule 6 and 7 of the Companies (Meetings of the Board and its Powers) Rules, 2014.

The Audit Committee assists the Board in the dissemination of financial information and in overseeing the financial and accounting processes in the Company.

The Composition of Audit Committee is given below:

I. Composition of Audit Committee:

S.No.	Name	Nature of Directorship	Designation
1	Mr. Krishen Kumar Seth	Executive Director	Chairman & Member
2	Mr. Ramesh Mehra	Non Executive & Independent Director	Member
3.	Mr. Rakesh Dua	Non Executive & Independent Director	Member

II. Number of meetings of the Audit Committee:

Date of Audit Committee Meeting	Krishen Kumar Seth	Ramesh Mehra	Rakesh Dua
30.05.2018	Present	Present	Present
13.08.2018	Present	Present	Present
14.11.2018	Present	Present	Present
14.02.2019	Present	Present	Present

The previous Annual General Meeting of the Company was held on September 29, 2018 and attended by Mr. Rakesh Dua, Member of Audit Committee.

b) Stakeholders Relationship Committee:

The Company is not required to constitute Stakeholders Relationship Committee under Section 178(5) of the Companies Act, 2013.

c) Nomination and Remuneration Committee:

Nomination and Remuneration Committee is constituted in line with the provisions of Section 178(1) of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014.

Terms of Reference

Terms of Reference of the Nomination and Remuneration Committee are as follows:

- I. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees;
- II. Formulation of criteria for evaluation of Independent Directors and the Board;
- III. Devising a policy on Board diversity;
- IV. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

- V. Any other function as may be mandated by the Board or stipulated by the Companies Act, 2013, SEBI, Stock Exchanges or any other regulatory authorities from time to time.

I. Composition of Nomination and Remuneration Committee:

S.No.	Name	Nature of Directorship	Designation
1	Mr. Rakesh Dua	Non Executive & Independent Director	Chairman & Member
2	Mr. Ramesh Mehra	Non Executive & Independent Director	Member
3	Mr. Arjun Seth	Non Executive & Non – Independent Director	Member

II. Number of meetings of the Nomination and Remuneration Committee:

Date of Nomination and Remuneration Committee Meeting	Rakesh Dua	Ramesh Mehra	Arjun Seth
16.05.2018	Present	Present	Present
14.02.2019	Present	Present	Present

The previous Annual General Meeting of the Company was held on September 29, 2018 and was attended by Mr. Rakesh Dua, Chairman & Member of Nomination & Remuneration Committee.

20. REMUNERATION POLICY:

The Board has, on recommendation of the Nomination & Remuneration Committee, framed a policy for appointment and remuneration of Directors, Key Managerial Personnel (KMP) and other Employees. As part of the policy, the Company strives to ensure that:

- the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate Directors of the quality required to run the Company successfully;
- relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- remuneration to Directors, Key Managerial Personnel and Senior Management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals.

The Board has formulated the Nomination and Remuneration Policy of Directors, Key Managerial Personnel (KMPs) and Senior Management in terms of the provisions of Section 178 of the Companies Act, 2013 and SEBI LODR Regulations. The said Policy outlines the appointment criteria and qualifications, the term / tenure of the Directors on the Board of M/s. Pearl Apartments Limited and the matters related to remuneration of the Directors, KMPs & Senior Management. The said Policy has been published as an **Annexure IV** to Director's Report included in this Annual Report. The said Nomination and Remuneration Policy is available on the website of the Company at <https://pearlapartments.co.in>.

21. PARTICULARS OF EMPLOYEES:

Disclosures with respect to the remuneration of Directors and employees as required under Section 197 of the Companies Act and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 has been appended as **Annexure V** to this Report. The information required pursuant to Section 197 of the Companies Act read with Rule 5(2)&(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company is available for inspection by the Members at registered office of the Company during business hours on working days up to the date of the ensuing Annual General Meeting. If any Member is interested in obtaining a copy thereof, such Member may write to the Company Secretary, whereupon a copy would be sent.

22. LISTING WITH STOCK EXCHANGES:

Our Company has been listed by the Metropolitan Stock Exchange of India Limited (MSEIL) w.e.f. 03rd April, 2018 vide **Letter No. MSEI/LIST/SL/2018/822 dated 27.03.2018** and has admitted dealing on the Exchange w.e.f. 03rd April, 2018.

23. WHISTLE BLOWER POLICY – VIGIL MECHANISM:

The Company's Whistle Blower Policy is in line with the provisions of the sub section 9 and 10 of Section 177 of the Companies Act, 2013 and as per Regulation 22 of SEBI LODR Regulations. This Policy establishes a vigil mechanism for Directors and employees to report genuine concerns regarding unethical behaviour, actual or suspected fraud or violation of the Company's Code of Conduct. The said mechanism also provides for adequate safeguards against victimization of persons who use such mechanism and makes provision for direct access to the chairperson of the Audit Committee in appropriate or exceptional cases. We confirm that during the financial year 2018-19, no employee of the Company was denied access to the Audit Committee. The said Whistle-Blower Policy is available on the website of the Company at <https://pearlapartments.co.in>.

24. COMPLIANCE WITH THE INSTITUTE OF COMPANY SECRETARIES OF INDIA ("ICSI") SECRETARIAL STANDARDS:

The relevant Secretarial Standards issued by the ICSI related to the Board Meetings and General Meeting have been complied with the Company.

25. CORPORATE GOVERNANCE:

Pursuant to Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provisions of Corporate Governance Report are not applicable on the Company. Hence disclosures in this regard are not provided in this Report.

26. SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS/ COURTS/TRIBUNAL:

There was no instance of any material order passed by any regulator/ court/tribunal impacting the going concern status of the Company and its operations in future.

27. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMAN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL ACT), 2013:

The Company has put in place a policy on prevention of Sexual Harassment in line with the requirement of Sexual Harassment of Women at Workplace (Prevention, Prohibition & Redressal) Act, 2013. All employees (Permanent, Contractual, Temporary, Trainees) are covered under this policy. The Company has not received any complaint of sexual harassment during the financial year 2018-19.

28. ACKNOWLEDGEMENT:

The Directors would like to place on record their appreciation of the contribution made and support provided to the Company by the shareholders, employees, bankers, suppliers and customers.

On behalf of the Board of Directors
For Pearl Apartments Limited

Place: New Delhi
Date: 13th August, 2019

Sd/-
Krishen Kumar Seth
Managing Director
(DIN: 00005765)

Sd/-
Arjun Seth
Director
(DIN: 00005826)

Form No. MGT-9

**EXTRACT OF ANNUAL RETURN
AS ON THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2019**
[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12(1) of the
Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

CIN	L70101DL1979PLC009901
Registration Date	24/09/1979
Name of the Company	Pearl Apartments Limited
Category	Company Limited by Shares
Sub-Category of the Company	Non-Govt. Company
Address of the Registered office	903, Rohit House, 3, Tolstoy Marg, New Delhi-110001 Phone: 011-23725826/27/28
Contact Details	pearl.secretarial@pearlmail.com
Whether listed company	Yes
Name, Address and Contact details of Registrar and Transfer Agent, if any	BEETAL Financial & Computer Services Pvt Ltd. Beetal House, 3rd Floor, 99, Madangir, behind LSC, New Delhi - 110062 Ph. 011-29961281-283 Fax 011-29961284 Email: beetalrta@gmail.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Sl. No.	Name and Description of main products / services	*NIC Code of the Product/ service	% to total turnover of the company
1	Real estate activities	681 682	100

* As per National Industrial Classification – Ministry of Statistics and Programme Implementation

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES: Not Applicable

IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01-April-2018]				No. of Shares held at the end of the year [As on 31-March-2019]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual/ HUF	173090	0	173090	34.62	173090	0	173090	34.62	0.00
b) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corp	24950	0	24950	4.99	24950	0	24950	4.99	0.00
e) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total(A)(1):-	198040	0	198040	39.61	198040	0	198040	39.61	0.00
2) Foreign									
a) NRIs-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) Other-Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corp.	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (A)(2)	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of Promoter A=(A)(1)+(A)(2)	198040	0	198040	39.61	198040	0	198040	39.61	0.00
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0.00	0	0	0	0.00	0.00
b) Banks / FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s)	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
i) Others (specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(1)	0	0	0	0.00	0	0	0	0.00	0.00
2. Non Institutions									
a) Bodies Corp. (i) Indian	0	145210	145210	29.04	0	145210	145210	29.04	0.00

(ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	0	32050	32050	6.41	13500	18550	32050	6.41	0.00
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	0	124700	124700	24.94	124700	0	124700	24.94	0.00
c) Others(Specify)	0	0	0	0.00	0	0	0	0.00	0.00
Sub-total (B)(2)	0	301960	301960	60.39	138200	163760	301960	60.39	0.00
Total Public Shareholding (B)=(B)(1)+ (B)(2)	0	301960	301960	60.39	138200	163760	301960	60.39	0.00
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
Grand Total (A+B+C)	198040	301960	500000	100.00	336240	163760	500000	100.00	0.00

ii) Shareholding of Promoters (Including Promoter Group)

Sr. No	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2018)			Shareholding at the end of the year (As on 31.03.2019)			% change in shareholding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1.	Mr. Chand Seth	37170	7.43	0.00	37170	7.43	0.00	0.00
2.	Mr. Krishen Kumar Seth	49310	9.86	0.00	49310	9.86	0.00	0.00
3.	Mr. Harish Seth	38310	7.66	0.00	38310	7.66	0.00	0.00
4.	Mrs. Suneeta Seth	6250	1.25	0.00	6250	1.25	0.00	0.00
5.	Mrs. Madhu Seth	14550	2.91	0.00	14550	2.91	0.00	0.00
6.	Mrs. Rita Seth	6250	1.25	0.00	6250	1.25	0.00	0.00
7.	Mrs. Taruna Seth	4200	0.84	0.00	4200	0.84	0.00	0.00
8.	Mr. Varun Seth	4150	0.83	0.00	4150	0.83	0.00	0.00
9.	Mr. Udit Seth	4150	0.83	0.00	4150	0.83	0.00	0.00
10.	Mr. Nakul Seth	4200	0.84	0.00	4200	0.84	0.00	0.00
11.	Mrs. Nidhi Choudhary	4550	0.91	0.00	4550	0.91	0.00	0.00
12.	Gama Investments Pvt. Ltd	24950	4.99	0.00	24950	4.99	0.00	0.00

iii) Change in Promoters' Shareholding

S.No	Name of the shareholder	Shareholding at the beginning of the year (As on 01.04.2018)		Cumulative Shareholding during the year (from 01.04.2018 to 31.03.2019)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Chand Seth				
	At the beginning of the year	37170	7.43	37170	7.43
	Date wise Increase / Decrease in Promoters Shareholding during the year	-	-	37170	7.43
	At the End of the year			37170	7.43
2.	Mrs. Suneeta Seth				
	At the beginning of the year	6250	1.25	6250	1.25
	Date wise Increase / Decrease in Promoters Shareholding during the year	-	-	6250	1.25
	At the End of the year			6250	1.25
3.	Mr. Nakul Seth				
	At the beginning of the year	4200	0.84	4200	0.84
	Date wise Increase / Decrease in Promoters Shareholding during the year	-	-	4200	0.84
	At the End of the year			4200	0.84
4.	Mr. Udit Seth				
	At the beginning of the year	4150	0.83	4150	0.83
	Date wise Increase / Decrease in Promoters Shareholding during the year	-	-	4150	0.83
	At the End of the year			4150	0.83
5.	Mr. Harish Seth				
	At the beginning of the year	38310	7.66	38310	7.66
	Date wise Increase / Decrease in Promoters Shareholding during the year	-	-	38310	7.66
	At the End of the year			38310	7.66
6.	Mr. Krishen Kumar Seth				
	At the beginning of the year	49310	9.86	49310	9.86
	Date wise Increase / Decrease in Promoters Shareholding during the year	-	-	49310	9.86
	At the End of the year			49310	9.86
7.	Mrs. Nidhi Choudhari				
	At the beginning of the year	4550	0.91	4550	0.91
	Date wise Increase / Decrease in Promoters Shareholding during the year	-	-	4550	0.91
	At the End of the year			4550	0.91
8.	Mr. Varun Seth				
	At the beginning of the year	4150	0.83	4150	0.83

	Date wise Increase / Decrease in Promoters Shareholding during the year	-	-	4150	0.83
	At the End of the year			4150	0.83
9.	Mrs. Madhu Seth				
	At the beginning of the year	14550	2.91	14550	2.91
	Date wise Increase / Decrease in Promoters Shareholding during the year	-	-	14550	2.91
	At the End of the year			14550	2.91
10.	Mrs. Rita Seth				
	At the beginning of the year	6250	1.25	6250	1.25
	Date wise Increase / Decrease in Promoters Shareholding during the year	-	-	6250	1.25
	At the End of the year			6250	1.25
11.	Mrs. Taruna Seth				
	At the beginning of the year	4200	0.84	4200	0.84
	Date wise Increase / Decrease in Promoters Shareholding during the year	-	-	4200	0.84
	At the End of the year			4200	0.84
12.	Gama Investments Private Limited				
	At the beginning of the year	24950	4.99	24950	4.99
	Date wise Increase / Decrease in Promoters Shareholding during the year	-	-	24950	4.99
	At the End of the year			24950	4.99

iv) Shareholding Pattern of top ten Shareholders: (Other than Directors, Promoters and Holders of GDRs and ADRs):

S. no	Name of Shareholders	Shareholding at the beginning of the year (As on 01.04.2018)		Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the Company
1	M/s. M R K Overseas (P) Ltd.				
	At the beginning of the year	66960	13.39	66960	13.39
	Date wise Increase / Decrease in Share holding during the year	-	-	66960	13.39
	At the End of the year			66960	13.39
2	Mr. Sambhav Kapur				
	At the beginning of the year	29000	5.80	29000	5.80
	Date wise Increase / Decrease in Share holding during the year	-	-	29000	5.80
	At the End of the year			29000	5.80
3	M/s. Pearl Polymers Limited				

	At the beginning of the year	27750	5.55	27750	5.55
	Date wise Increase / Decrease in Share holding during the year	-	-	27750	5.55
	At the End of the year			27750	5.55
4	M/s. Ravison Drugs Private Limited				
	At the beginning of the year	25450	5.09	25450	5.09
	Date wise Increase / Decrease in Share holding during the year	-	-	25450	5.09
	At the End of the year			25450	5.09
5	Mrs. Vibha Kapur				
	At the beginning of the year	24500	4.90	24500	4.90
	Date wise Increase / Decrease in Share holding during the year	-	-	24500	4.90
	At the End of the year			24500	4.90
6	Mr. Vipin Kapur				
	At the beginning of the year	24500	4.90	24500	4.90
	Date wise Increase / Decrease in Share holding during the year	-	-	24500	4.90
	At the End of the year			24500	4.90
7	Mr. Sushil Kapur				
	At the beginning of the year	24500	4.90	24500	4.90
	Date wise Increase / Decrease in Share holding during the year	-	-	24500	4.90
	At the End of the year			24500	4.90
8	Mr. Rajiv Mehra				
	At the beginning of the year	11100	2.22	11100	2.22
	Date wise Increase / Decrease in Share holding during the year	-	-	11100	2.22
	At the End of the year			11100	2.22
9	Mr. Rakesh Mehra				
	At the beginning of the year	11100	2.22	11100	2.22
	Date wise Increase / Decrease in Share holding during the year	-	-	11100	2.22
	At the End of the year			11100	2.22
10	M/s. Gikasha Investment And Financial Consultancy Private Limited				
	At the beginning of the year	10000	2.00	10000	2.00
	Date wise Increase / Decrease in Shareholding during the year	-	-	10000	2.00
	At the End of the year			10000	2.00

v) Shareholding of Directors and Key Managerial Personnel:

S. No.	Name of the Directors/Key Managerial Personnel (KMP)	Shareholding at the beginning of the year (As on 01.04.2018)		Cumulative Shareholding during the year (01.04.2018 to 31.03.2019)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Mr. Krishen Kumar Seth (Managing Director and CFO)				
	At the beginning of the year	49310	9.86	49310	9.86
	Date wise Increase / Decrease in Share holding during the year	-	-	49310	9.86
	At the End of the year			49310	9.86
2.	Mr. Arjun Seth (Director)				
	At the beginning of the year	0	0.00	0	0.00
	Date wise Increase / Decrease in Share holding during the year	-	-	0	0.00
	At the End of the year			0	0.00
3.	Mr. Ramesh Mehra (Director)				
	At the beginning of the year	0	0.00	0	0.00
	Date wise Increase / Decrease in Shareholding during the year	-	-	0	0.00
	At the End of the year			0	0.00
4.	Mr. Rakesh Dua (Director)				
	At the beginning of the year	0	0.00	0	0.00
	Date wise Increase / Decrease in Share holding during the year	-	-	0	0.00
	At the End of the year			0	0.00
5.	Mrs. Rita Seth (Director)				
	At the beginning of the year	6250	1.25	6250	1.25
	Date wise Increase / Decrease in Share holding during the year	-	-	6250	1.25
	At the End of the year			6250	1.25
6.	Mr. Manan Khadria Company Secretary (KMP)				
	At the beginning of the year	0	0.00	0	0.00
	Date wise Increase / Decrease in Share holding during the year	-	-	0	0.00
	At the End of the year			0	0.00

Note: Mr. Manan Khadria has appointed as a Company Secretary & Compliance Officer w.e.f. 18th May, 2018.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	-	16,250,000	-	16,250,000
ii) Interest due but not paid	-		-	
iii) Interest accrued but not due	-		-	
Total (i+ii+iii)	-	16, 250,000	-	16, 250,000
Change in Indebtedness during the financial year				
Addition	48,72,542	-	-	48,72,542
-Reduction	-	(12,497,425)	-	(12,497,425)
Net Change	48,72,542	(12,497,425)	-	(7,624,883)
Indebtedness at the end of the financial year				
i) Principal Amount	48,72,542	37,52,575	-	8,625,117
ii) Interest due but not paid	-	-	-	
iii) Interest accrued but not due	-	-	-	
Total (i+ii+iii)	48,72,542	37,52,575	-	8,625,117

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole-time Directors and/or Manager**

S.No.	Particulars of Remuneration	*Krishen Kumar Seth (Managing Director & CFO)	Total Amount
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	18,00,000	18,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) Income- tax Act, 1961	-	-
2.	Stock Option	-	-
3.	Sweat Equity	-	-
4.	Commission - as % of profit - Others, specify...	-	-

5.	Others, please specify	-	-
	Total (A)	18,00,000	18,00,000
	Ceiling as per the Act	Rs. 60 Lakhs (Being Effective Capital is upto 5 Crores calculated as per Schedule V)	

B. Remuneration to other directors:

Independent Directors			
Particulars of Remuneration	Mr. Ramesh Mehra	Mr. Rakesh Dua	Total Amount
Fee for attending board committee meeting	-	-	-
Commission	-	-	-
Others, please specify	-	-	-
Total (B)(1)	-	-	-
Non Executive Directors			
Particulars of Remuneration	Mr. Arjun Seth	Mrs. Rita Seth	Total Amount
Fee for attending board committee meeting	-	-	-
Commission	-	-	-
Others, please specify	-	-	-
Total (B)(2)	-	-	-
Total (B) =(B)(1)+(B)(2)	-	-	-
Total Managerial Remuneration	-	-	-
Overall ceiling as per the Act			

C. Remuneration to Key Managerial Personnel Other Than MD/Manager /WTD

Sl. No.	Particulars of Remuneration	Key Managerial Personnel
		Mr. Manan Khadria (Company Secretary)
1.	Gross Salary	
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	2,61,290
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-

2.	Stock Option	-
3.	Sweat Equity	-
4.	Commission - as % of profit - others,	-
5.	Others, please specify	-
	Total	2,61,290/-

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES

During the year 2018-19, there were no penalties/punishment/compounding of offences under Companies Act, 2013.

**On behalf of the Board of Directors
For Pearl Apartments Limited**

**Place: New Delhi
Date: 13th August, 2019**

**Sd/-
Krishen Kumar Seth
Managing Director
(DIN: 00005765)**

**Sd/-
Arjun Seth
Director
(DIN: 00005826)**

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2019

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No. 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

To,
The Members,
Pearl Apartments Limited
903, Rohit House 3, Tolstoy Marg
New Delhi - 110001

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Pearl Apartments 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 my opinion thereon.

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2019, 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:

1. We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Pearl Apartments Limited ("The Company")** for the financial year ended on 31st March, 2019 according to the provisions of:
 - I. The Companies Act, 2013 (**the Act**) and the Rules made thereunder;
 - II. The Securities Contracts (Regulation) Act, 1956 (**'SCRA'**) and the Rules made thereunder;
 - III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
 - IV. Foreign Exchange Management Act, 1999 and the Rules and Regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings; - **Not Applicable**
 - V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 (**'SEBI Act'**):-

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009; **Not Applicable as the Company did not issue any security during the financial year under review;**
- d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **Not Applicable as the Company has not granted any options to its employees during the financial year under review;**
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **Not Applicable as the Company has not issued any debt securities during the financial year under the review;**
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with the client; **Not Applicable as the Company is not registered as Registrar to an Issue and Share Transfer Agent during the financial year under review;**
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and **Not Applicable. The Equity Shares of the Company were Listed on Delhi Stock Exchange Limited and the SEBI vide its order no. WTM/PS/45/MRD/DSA/NOV/2014 dated 19.11.2014 had derecognised Delhi Stock Exchange Limited. However, the Company had applied for Secondary Listing of Equity Shares to Metropolitan Stock Exchange of India Limited (MSEIL) and MSEIL vide its Letter No. MSEI/LIST/SL/2018/822 dated 27th March, 2018 has admitted the Equity Shares on the Exchange w.e.f. 03rd April, 2018.**
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **Not Applicable as the Company has not bought back any of its securities during the financial year under review.**

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

- i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- ii) The Listing Agreements entered into by the Company with Stock Exchange;

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc mentioned above except to the extent as mentioned below:

1. Charge of Rs 1500000/- having charge Id 90045322 created in the financial year 1987 is showing open at the official website of Ministry of Corporate Affairs. However company has claimed to have satisfied the same and shown the records of Form no-17 filed with Registrar of Companies towards

the satisfaction of the same and also the application claimed to have filed with the Registrar of companies to correct the record of satisfaction of charge on its website.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

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

We further report that during the audit period, there was no event/action having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines etc.,

**For Akansha Jain & Associates
Company Secretaries**

Sd/-

**CS Akansha Jain
Membership No. 46226
CP No. 16973**

Date: 01/08/2019

Place: New Delhi.

**To,
The Members,
Pearl Apartments Limited
903, Rohit House 3, Tolstoy Marg
New Delhi – 110001**

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 that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on 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 Akansha Jain & Associates
Company Secretaries**

**Sd/-
CS Akansha Jain
Membership No. 46226
CP No. 16973**

**Date: 01/08/2019
Place: New Delhi.**

FORM NO. 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)

This form pertains to the disclosures 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 arms length transactions under third proviso thereto

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

The Company has not entered into any contact/arrangement/transaction with its related parties which are not in the ordinary course of business or at arm's length during financial year 2018-19.

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

The details of material contracts or arrangement or transaction at arm's length basis for the year ended March 31, 2019 is given below:

(a)	Name(s) of the related party	Pearl International Tours and Travels Limited
(b)	Nature of relationship	Significant Influence of KMP & Relatives
(c)	Nature of contracts/arrangements/transactions	Lease Agreement
(d)	Duration of the contracts/arrangements/transactions	01-04-2018 to 31-03-2019
(e)	Salient terms of the contracts or arrangements or transactions including the value, if any:	As specified in the Agreement Board Resolution
(f)	Date(s) of approval by the Board, if any	14.02.2018
(g)	Amount paid as advances, if any	NIL

Note:

However, the related party transactions as per AS-18 for Financial Year 2018-19 are disclosed in Note No.25 of Notes to the financial statements.

*On behalf of the Board of Directors
For Pearl Apartments Limited*

Place: New Delhi
Date: 13th August, 2019

Sd/-
Krishen Kumar Seth
Managing Director
(DIN: 00005765)

Sd/-
Arjun Seth
Director
(DIN: 00005826)

NOMINATION AND REMUNERATION POLICY

INTRODUCTION

This Policy is in compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This Policy has been approved by the Board of Directors on the recommendation of Nomination and Remuneration Committee of the Company.

OBJECTIVE

The Policy relates to designing the remuneration for the Directors, Key Managerial Personnel (KMP), Senior Management Personnel (SMP) and other employees of the Company.

DEFINITIONS

"Board":-Board means Board of Directors of the Company.

"Director":-Directors means Directors of the Company.

"Committee":-Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, from time to time.

"Independent Director":- As provided in SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015 and/ or under the Companies Act, 2013 and relevant rules thereto.

"Key Managerial Personnel":- Key Managerial Personnel (KMP) means-

- (i) the Chairman and Managing Director;
- (ii) the Company Secretary;
- (iii) the Chief Financial Officer; and
- (iv) such other officer as may be prescribed.

"Remuneration" means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

"Senior Management Personnel":- shall mean the personnel of the Company who are members of its Core Management team, excluding the Board of Directors, comprising all members of management that are one level below the Executive Directors, including the functional heads.`

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

- I. The Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and accordingly recommend to the Board his / her appointment.
- II. The Company should ensure that the person so appointed as Director/Independent Director/ KMP / Senior Management Personnel shall not be disqualified under the Companies Act, 2013, rules made there under, SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015 or any other enactment for the time being in force.
- III. The Director/Independent Director / KMP/ Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made there under, SEBI (Listing Obligations and Disclosure Requirements) regulations, 2015 or any other enactment for the time being in force.
- IV. Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made there under or under any other applicable Act, rules and regulations or any other reasonable ground, the Committee may recommend to the Board for removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

REMUNERATION

The Committee will recommend the remuneration to be paid to the Managing Director, Whole-time Director, KMP and Senior Management Personnel to the Board for their approval.

The level and composition of remuneration so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate directors, Key Managerial Personnel and Senior Management of the quality required to run the company successfully. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration should also involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals:

Director/ Managing Director

Besides the above Criteria, the Remuneration/ compensation/ commission etc to be paid to Director/Managing Director etc shall be governed as per provisions of the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

1. Non-Executive Independent Directors

The Non- Executive Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of Companies Act, 2013. The

amount of sitting fees shall be such as may be recommended by the Nomination and Remuneration Committee and approved by the Board of Directors.

2. KMPs / Senior Management Personnel etc

The Remuneration to be paid to KMPs/ Senior Management Personnel shall be based on the experience, qualification and expertise of the related personnel and governed by the limits, if any prescribed under the Companies Act, 2013 and rules made there under or any other enactment for the time being in force.

EVALUATION

The performance of the whole-time Director, KMP and Senior Management Personnel is evaluated at regular intervals (half yearly/ yearly) by the whole-time Directors/ Managing Director, as applicable.

The performance evaluation of Independent Directors shall be done by the Board, excluding the Director being evaluated, basis the contributions made to the Board deliberations on various matters including business strategy, financial strategy, operations, cost and risk management, etc., and suggestions given in this regard.

RETIREMENT

The Director, KMP and Senior Management Personnel shall retire as per the applicable provisions of the Companies Act, 2013. The Board and / or Committee will have the discretion to retain the Director, KMP, Senior Management Personnel in the same position / remuneration or otherwise even after attaining the retirement age for the benefit of the Company.

AMENDMENTS

The Committee may recommend amendments to this Policy from time to time as it deems appropriate.

ANNEXURE V

DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014.

1. The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the financial year 2018-19, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2018-19 and the comparison of remuneration of each Key Managerial Personnel (KMP) against the performance of the Company are as under:

Amount in (Rs.)				
S.No.	Name of Director/KMP & Designation	Remuneration of Director/KMP for financial year 2018-19	% increase in Remuneration in the financial year 2018-19	Ratio of Remuneration of each Director/to median remuneration of employees.
1.	Mr. Krishen Kumar Seth (Managing Director)	18,00,000	NIL	1.75:1
2.	Mr. Arjun Seth (Director)	NIL	NIL	NIL
3.	Mrs. Rita Seth (Director)	NIL	NIL	NIL
4.	Mr. Rakesh Dua (Director)	NIL	NIL	NIL
5.	Mr. Ramesh Mehra (Director)	NIL	NIL	NIL
6.	Mr. Krishen Kumar Seth (C.F.O.)	NIL	NIL	NIL
7.	Mr. Manan Khadria (Company Secretary)	2,61,290	NIL	0.25:1

1. The median remuneration of employees of the Company during the financial year 2018-19 was 10,30,645.
2. In the financial year 2018-19, there was no change in salary payable to the above employees. Therefore, the said provision of percentage increase in remuneration of each Directors, Chief Financial Officer and Company Secretary is not applicable to the company.
3. There were only two permanent employee on the rolls of Company as on March 31, 2019.
4. Average percentage increase made in the salaries of employees other than the managerial personnel in the last financial year i.e. 2018-19: **NIL**
5. It is hereby affirmed that the remuneration paid is as per the Remuneration Policy for Directors, Key Managerial Personnel and other Employees.

Note: During the year Mr. Manan Khadria has appointed for the post of Company Secretary & Compliance Officer w.e.f. 18th May, 2018.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

ECONOMICS & INDUSTRY SCENERIO AND OUTLOOK

Real estate is a key sector of the Indian economy, contributing 6-7 per cent to India's GDP. There were some green shoots at the beginning of 2018 for the real estate sector, but they wilted away later in the year as the NBFC crisis led to drying up of an important source of funding for the sector.

Post the liquidity crisis, NBFCs are reluctant to continue to aggressively fund real estate developers as has been happening over the past several years. While established developers with consistent delivery track records still have ample access to capital through both debt and equity, many developers are facing significant liquidity pressure. If this liquidity environment persists, the pace of consolidation in the sector will further accelerate. This presents ideal conditions for well capitalized developers to expand their business development portfolio.

Central Budget announcements indicate the government's changing stand towards investment demand in real estate. Steps taken to increase flexibility on deployment of capital gains from property, increasing the tax exemption period for unsold inventory and exemption from notional rent tax on second property are focused towards improving real estate investment demand. For affordable housing, the government has extended the time limit for availing tax deduction by one year.

In March 2019, GST council approved lower GST rates for real estate developers subject to certain terms and conditions. Affordable houses being constructed in ongoing projects under the existing central and state housing schemes, presently eligible for concessional rate of 8% GST will be taxed at 1% GST. 5% GST will also be applicable on commercial apartments such as shops, offices etc. in a residential real estate project in which the carpet area of commercial apartments is not more than 15% of total carpet area of all apartments.

OPPORTUNITIES & OUTLOOK

Real estate development or property development is a multifaceted business, that encompasses activities that ranges from the re-lease and renovation of existing buildings to the sale of improved land or parcels to others and purchase of raw land. Real estate development is considered being different from construction, although many developers seems to construct. Now if you have the financial muscle and a good team, then you can venture into real estate development or construction.

This remains a key opportunity for players, as 90 percent of housing shortfall is in the economically weak and low-income segments. Buyers are likely to benefit from the availability of low-cost home loans and lower GST rate, while developers will enjoy the advantage of favorable tax rates. Affordable housing will remain a key driver for residential segment in 2019.

With NBFC's restraining their lending to cash strapped developers, there exists a huge opportunity for organized developers with strong balance sheets and execution track records to partner smaller developers at attractive valuations.

Government is doing its best to help the boost of 'reasonable housing' through different tax incentives and different changes. Many changes set by the legislature, including RERA and GST which will influence the market in 2019 as well.

THREATS, RISK & CONCERNS

The real estate market is inherently a cyclical market and is affected by macroeconomic conditions, changes in applicable governmental schemes, changes in supply and demand for projects, availability of consumer financing and illiquidity. Your Company has attempted to hedge against the inherent risks through a business model comprising joint ventures, residential platforms, and development management through a pan- India presence. However, any future significant downturn in the industry and the overall investment climate may adversely Impact business.

Unfavourable changes in government policies and the regulatory environment can adversely impact the performance of the sector. There are substantial procedural delays with regards to land acquisition, land use, project launches and construction approvals. Retrospective policy changes and regulatory bottlenecks may impact profitability and affect the attractiveness of the sector and companies operating within the sector.

NBFC funding to developers posted a 35% CAGR over FY16-18 as companies faced operating cash deficits. In the current liquidity environment NBFCs are reluctant to continue to aggressively fund real estate developers as has been happening over the past several years. While established developers with consistent delivery track records still have ample access to capital through both debt and equity, many developers are facing significant liquidity pressure.

SEGMENT AND PRODUCTWISE PERFORMANCE

Company's main business is real estate activities and all other activities of the Company revolve around the main business. As such there is no separate reportable segment.

FINANCIAL HIGHLIGHTS

The Company is primarily engaged inter alia in the real estate business deriving income from brokerage / commission etc. from real estate activities. The Income, Expenses and Net Profit from the said real estate activities is given in Board Report for the Financial Year ended on March 31st, 2019.

INTERNAL CONTROL SYSTEMS

The Company has proper and adequate Internal Control system to ensure that its assets are safeguarded and that the transactions are properly authorised, reported and recorded.

CAUTIONARY STATEMENT

Statements made in the Management Discussion and Analysis Report may be forward looking statements within the meaning of applicable laws and regulations, based on beliefs of the management of your Company. Such statements reflect the Company's current views with respect to the future events and are subject to risks and uncertainties.

Many factors could cause the actual result to be materially different from those projected in this report. The Company does not undertake any obligation to publicly update any forward looking statements, whether as a result of new information, future events or otherwise.

**By order of the Board of Directors
For Pearl Apartments Limited**

**Place: New Delhi
Date: 13th August, 2019**

**Sd/-
Krishen Kumar Seth
Managing Director
(DIN: 00005765)**



SEHGAL MEHTA & CO.

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INDEPENDENT AUDITOR'S REPORT

To
The Members of
M/s Pearl Apartments Ltd.
903, Rohit House, 3 Tolstoy Marg
New Delhi-110001

Opinion

We have audited the accompanying financial statements of **M/S Pearl Apartments Ltd.** (“the **Company**”), which comprise the Balance Sheet as at **March 31, 2019**, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as “the financial statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements gives the information required by the Companies Act, 2013 (“the Act”) in the manner so required and gives a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, (“Ind AS”) and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, the loss and total comprehensive loss, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the

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Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the independence requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	How the matter was addressed in our audit
Revenue recognition (Refer note 18 of the Financial Statements)	
Revenue is one of the key profit drivers and is therefore susceptible to misstatement. Cut-off is the key assertion in so far as revenue recognition is concerned, since an inappropriate cut-off can result in material misstatement of results for the year.	Our audit procedures with regard to revenue recognition included testing controls and circularization of receivable balances, substantive testing for cut-offs and analytical review procedures.

Information Other than the Financial Statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

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

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

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Management's Responsibility for the Financial Statements

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to

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continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

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

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

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

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

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Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

As required by Section 143(3) of the Act, based on our audit we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
- b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
- c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- d) In our opinion, the aforesaid financial statements comply with the Ind-AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2019 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2019 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- 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, in our opinion and to the best of our information and according to the explanations given to us:

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- i) The Company doesn't have any pending litigations which impacts on its financial position in its Financial Statements.
- ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii) There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company.

Place: New Delhi

Date: 30th May 2019

For Sehgal Mehta & Co.

Chartered Accountants

FRN-003330N

Sd/-

(CA Naresh Khanna)

Partner

M.No. 081482

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Annexure - A to the Auditors' Report

(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Pearl Polymers Limited of even date)

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

We have audited the internal financial controls over financial reporting of **M/s Pearl Apartments Ltd ("the Company")** as of 31st March 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial

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reporting was established and maintained and if such controls operated effectively in all material respects.

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

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

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that

- 1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
- 2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and
- 3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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Inherent Limitations of Internal Financial Controls over Financial Reporting

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

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

Place: New Delhi

Date: 30th May 2019

For Sehgal Mehta & Co.

Chartered Accountants

FRN-003330N

Sd/-

(CA Naresh Khanna)

Partner

M.No. 081482

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Annexure - B to the Auditors' Report

The Annexure referred to in Independent Auditors' Report to the members of the Company on the financial statements for the year ended 31 March 2019, we report that:

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

(b) As explained to us, all the assets have not been physically verified by the management during the year but there is a regular program of verification which, in our opinion, is reasonable having regard to the size of the company and the nature of its assets. No material discrepancies were noticed on such verification.

(c) According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date. In respect of immovable properties of land and building that have been taken on lease and disclosed as fixed assets in the financial statements, the lease agreements are in the name of the Company.
- ii) There are no inventories in the company.
- iii) As explained to us, the company had not granted any loans, secured or unsecured, to any companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.
- iv) The company has not granted any loan, made any investments, provided any guarantee and security within the meaning of section 185 and 186 of the Companies Act, 2013.

Branches:-

703 Rohit House, 3 Tolstoy Marg, Connaught Place, New Delhi-110001 Ph.: 011-23442109, 23442244 Mobile : 9811468000

5615, DLF Phase IV, Gurgaon, Haryana – 122001 Ph.: 0124-4081596 Mobile : 9810582083

1017, Kheer Gali, Fatheganj, Faizabad, Uttar Pradesh Ph.: 05278-26182 Mobile : 9871243200



SEHGAL MEHTA & CO.

CHARTERED ACCOUNTANTS

10173/2, BLOCK NO. 15, ABDUL AZIZ ROAD,

W.E.A., KAROL BAGH, NEW DELHI-110005

PHONE : 011-4506 4845

Email : sehgalmehta@hotmail.com

sehgalmehta@gmail.com

- v) In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits in contravention of Directives issued by Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under, where applicable. No order has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any court or any other tribunal.
- vi) As explained to us, The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the activities such as engaged in the production of goods or providing services by the Company.
- vii) (a) According to the records of the company the company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, investor education protection fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, excise duty, Cess and other material statutory dues applicable to it. According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, wealth tax, Service Tax, sales tax, custom duty, excise duty and Cess were in arrears, as at 31st March, 2019 for a period of more than six months from the date they became payable.
- (b) According to the information and explanations given to us, all the dues of sales tax, income tax, excise duty and Cess that have been deposited with appropriate authorities on account of any dispute.
- viii) According to the information and explanations given to us, and the records of the companies examined by us, the Company has not defaulted in repayment of loans or borrowings to a financial institution and banks.

Branches:-

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sehgalmehta@gmail.com

- ix) The Company has not raised any money by way of initial public offer or further public offer Order is not applicable.
- x) Based upon our audit procedures performed and according to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- xi) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- xii) In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him.

Branches:-

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PHONE : 011-4506 4845

Email : sehgalmehtha@hotmail.com

sehgalmehtha@gmail.com

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

Place: New Delhi

Date: 30th May 2019

For Sehgal Mehta & Co.

Chartered Accountants

FRN-003330N

Sd/-

(CA Naresh Khanna)

Partner

M.No. 081482

Branches:-

703 Rohit House, 3 Tolstoy Marg, Connaught Place, New Delhi-110001 Ph.: 011-23442109, 23442244 Mobile : 9811468000

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BALANCE SHEET AS AT 31ST MARCH 2019

PARTICULARS	Note No.	As at	As at
		31st March 2019	31st March 2018
		(Rs.)	(Rs.)
1	2	3	4
I ASSETS			
1 Non-current assets			
(a) Property, Plant & Equipment	2	6,134,147	3,248,881
(b) Investment Property	3	185,404,261	185,404,261
(c) Financial Assets			
(i) Investments in Shares	4	24,540,000	26,940,000
(d) Deferred Tax Assets (Net)	13	418,899	
(e) Other Non-Current Assets	5	7,853,540	8,181,982
Sub total Non Current Assets		224,350,846	223,775,124
2 Current assets			
(a) Financial Assets			
(i) Investments in Mutual Funds	6	1,584,129	942,066
(ii) Cash and Cash Equivalents	7	1,232,530	132,111
(b) Current Tax Assets (Net)	8	2,102,035	1,515,175
(c) Other Current Assets	9	572,837	386,886
Sub total Current Assets		5,491,531	2,976,237
TOTAL ASSETS		229,842,378	226,751,361
II EQUITY AND LIABILITIES			
1 Equity			
(a) Equity Share Capital	10	5,000,000	5,000,000
(b) Other Equity	11	207,373,599	202,676,374
Sub Total Equity		212,373,599	207,676,374
2 Non-current liabilities			
(a) Financial Liability			
(i) Borrowings	12	4,033,409	-
(b) Deferred Tax Liability (Net)	13		20,292
(c) Other Non Current Liabilities	14	2,100,000	2,100,000
Sub total Non Current Liability		6,133,409	2,120,292
3 Current liabilities			
(a) Financial Liability			
(i) Borrowings	15	4,591,708	16,250,000
(ii) Other Financial Liabilities	16	85,777	323,061
(b) Other Current Liabilities	17	6,657,884	381,634
Sub total Current Liability		11,335,369	16,954,695
TOTAL EQUITY AND LIABILITY		229,842,377	226,751,361

Significant Accounting Policies

1

The accompanying notes are an integral part of the financial statements
As per our report of even date

For Sehgal Mehta & Co.
Chartered Accountants
F.R.N: 003330N

For and on behalf of the board of directors

Sd/-
Naresh Khanna
Partner
M.No 081482

Sd/-
Krishen Kumar Seth
Managing Director & CFO
DIN No.- 00005765

Sd/-
Arjun Seth
Director
DIN No.-00005826

Place: New Delhi
Date : 30th May, 2019

Sd/-
Manan Khadria
Company Secretary
M.No. 51520

STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH 2019

PARTICULARS	Note No.	For the year ended	
		31st March 2019	31st March 2018
1	2	3	4
		(Rs.)	(Rs.)
1 Revenue from Operations	18	6,250,000	2,300,000
2 Other Income	19	8,442,063	8,122,713
3 Total Income (1+2)		14,692,063	10,422,713
4 Expenses			
(i) Cost of Materials Sold/Consumed			
(ii) Purchase of stock in trade			
(iii) Changes in inventories of finished goods, Stock-in-Trade and work-in-progress			
(iv) Employees Benefits Expense	20	3,999,255	4,761,284
(v) Finance Costs	21	100,590	119,719
(vi) Depreciation and Amortization Expense	22	611,581	559,852
(vii) Other Expenses	23	4,301,493	2,657,639
Total Expenses (4)		9,012,919	8,098,494
5 Profit/(loss) before exceptional items and tax (3-4)		5,679,144	2,324,219
6 Exceptional Items			
7 Profit/(loss) before tax (5-6)		5,679,144	2,324,219
8 Tax Expenses:			
(i) Current Tax		1,092,667	446,637
(ii) Tax for earlier years		-	143,082
(iii) Mat credit availed		328,442	-
(iii) Deferred Tax		(439,191)	1,596
9 Profit (Loss) for the period from continuing operations (7-8)		4,697,226	1,732,904
10 Profit/(loss) from discontinued operations		-	-
11 Tax expense of discontinued operations		-	-
12 Profit/(loss) from Discontinued operations (after tax) (10-11)		-	-
13 Profit/(loss) for the period (9+12)		4,697,226	1,732,904
14 Other Comprehensive Income			
A (i) Items that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will not be reclassified to profit or loss		-	-
B (i) Items that will be reclassified to profit or loss		-	-
(ii) Income tax relating to items that will be reclassified to profit or loss		-	-
Total Comprehensive Income for the period (13+14)			
15 (Comprising Profit (Loss) and Other Comprehensive Income for the period)		4,697,226	1,732,904
16 Earnings per equity share (for continuing operation):			
(i) Basic		9.39	3.47
(ii) Diluted		9.39	3.47
17 Earnings per equity share (for discontinued operation):			
(i) Basic		0.00	0.00
(ii) Diluted		0.00	0.00
18 Earnings per equity share (for discontinued & continuing operation):	24		
(i) Basic		9.39	3.47
(ii) Diluted		9.39	3.47

Significant Accounting Policies

The accompanying notes are an integral part of the financial statements
As per our report of even date

For Sehgal Mehta & Co.
Chartered Accountants
F.R.N: 003330N

Sd/-
Naresh Khanna
Partner
M.No 081482

Place: New Delhi
Date : 30th May, 2019

For and on behalf of the board of directors

Sd/-
Krishen Kumar Seth
Managing Director & CFO
DIN No. - 00005765

Sd/-
Arjun Seth
Director
DIN No.-00005826

Sd/-
Manan Khadria
Company Secretary
M.No. 51520

PEARL APARTMENTS LIMITED

ANNUAL REPORT 2018-19

CASH FLOW STATEMENT FOR THE YEAR ENDED March 31, 2019

	For the year Ended March 31, 2019 (Rs.)	For the year Ended March 31, 2018 (Rs.)
A. Cash flow from operating activities:		
Net (loss)/profit before tax	5,679,144	2,324,219
Adjustments for :		
Depreciation/Amortisation	611,581	559,852
Interest Expense	100,590	119,719
Interest Income	-	(39,040)
Income from revaluation of investments	(39,743)	(29,977)
(Profit)/loss on sale of assets	1,915,018	-
(Profit)/loss on sale of Shares/Investment	(2,320)	(8,955)
Operating profit before working capital changes	8,264,270	2,925,818
Adjustments for changes in working capital :		
- (Increase)/Decrease in Sundry Debtors	-	-
- (Increase)/Decrease in Other Receivables	(444,369)	25,599
- Increase/(Decrease) in Trade and Other Payables	6,038,966	(13,174,680)
Cash generated from operations	13,858,866	(10,223,263)
- Taxes (Paid) / Received	(1,421,110)	(589,719)
Net cash from operating activities (a)	12,437,757	(10,812,982)
B. Cash flow from Investing activities:		
Additions during the period	(6,221,865)	-
Proceeds from Sale of fixed assets	810,000	-
Purchase of Investment	(642,063)	(638,932)
Sale of Investment	2,400,000	-
Income from revaluation of investments	39,743	29,977
Profit on sale of Investments	2,320	8,955
Interest Received (Revenue)	-	39,040
Net cash used in investing activities (b)	(3,611,865)	(560,960)
C. Cash flow from financing activities:		
Proceeds from calls in arrears	-	-
Proceeds from Long Term Borrowings	4,033,409	(4,000,000)
Proceeds/payment from/to Other Long Term Liability	(11,658,292)	15,400,000
Proceeds from Short Term Borrowing	-	-
Interest Paid	(100,590)	(119,719)
Dividend Paid (including dividend Tax)	-	-
Net cash used in financing activities (c)	(7,725,473)	11,280,281
Net Increase/(Decrease) in Cash & Cash Equivalents (a+b+c)	1,100,419	(93,661)
Cash and cash equivalents in the opening	132,111	225,772
Cash and cash equivalents in the end	1,232,530	132,111
Cash and cash equivalents comprise		
Cash in hand	185,701	24,011
Balance with Scheduled Banks	1,046,829	108,100
	1,232,530	132,111

Notes :

(0)

- The above Cash flow statement has been prepared under the indirect method setout in Ind-AS-7 notified under section 133 of the Companies Act, 2013 read with
1 Rule 7 of the Companies (Accounts) Rules, 2014.
2 Figures in brackets indicate cash outgo.
3 Previous year figures have been regrouped wherever necessary to correspond with the current year's classification/disclosure.

For Sehgal Mehta & Co.
Chartered Accountants
F.R.N: 003330N

For and on behalf of the board of directors

Sd/-
Naresh Khanna
Partner
M.No 081482

Sd/-
Krishen Kumar Seth
Managing Director & CFO
DIN No.- 00005765

Sd/-
Arjun Seth
Director
DIN No.-00005826

Place: New Delhi
Date : 30th May, 2019

Sd/-
Manan Khadria
Company Secretary
M.No. 51520

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDING 31ST MARCH 2019

A. EQUITY SHARE CAPITAL

Particulars	As at year ended 31.03.2019	As at year ended 31.03.2018
Balance at the beginning of the year	5,000,000	5,000,000
Addition/(Deletion) during the year		
Balance at the end of the year	5,000,000	5,000,000

B. OTHER EQUITY

Particulars	Reserve and Surplus		Other comprehensive income	Total
	General Reserve	Retained Earnings		
Balance as at 1st April, 2017	1,753,200	199,190,270	-	200,943,470
Profit for the year 2017-18		1,732,904		1,732,904
Balance as at 31st March, 2018	1,753,200	200,923,174	-	202,676,374
Profit for the year 2018-19		4,697,226		4,697,226
Balance as at 31st March, 2019	1,753,200	205,620,399	-	207,373,599

Significant Accounting Policies

1

The accompanying notes are an integral part of the financial statements
As per our report of even date

For Sehgal Mehta & Co.
Chartered Accountants
F.R.N: 003330N

For and on behalf of the board of directors

Sd/-
Naresh Khanna
Partner
M.No 081482

Sd/-
Krishen Kumar Seth
Managing Director & CFO
DIN No.- 00005765

Sd/-
Arjun Seth
Director
DIN No.-00005826

Place: New Delhi
Date : 30th May, 2019

Sd/-
Manan Khadria
Company Secretary
M.No. 51520

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2019

1. COMPANY OVERVIEW

Pearl Apartments Limited is a listed company incorporated on 24th September 1979 and domiciled in India and has its principal place of business at 903, Rohit House, 3 Tolstoy Marg, New Delhi-110001. The Company is listed on Metropolitan Stock Exchange (MSE). The Company is engaged in the business of purchase, sale, lease, exchange, mortgage, hire or otherwise acquire and/or dispose of lands and properties of any tenure or interest therein and to erect and construct houses, buildings or works of every description and improve the property of the Company and to own, let and manage such properties. The financial statements are approved for issue by the company's board of directors on **May 30, 2019**.

2. SIGNIFICANT ACCOUNTING POLICIES

I. Basis of preparation and presentation of financial statements

A. Basis of preparation of financial statements

These financial statements have been prepared and presented on a going concern basis under the historical cost convention (except those revalued), on the accrual basis of accounting and comply with the Indian Accounting Standards prescribed by Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, other pronouncements of the Institute of Chartered Accountants of India, guidelines issued by Securities and exchange board of India (SEBI) and the relevant provisions of the Companies Act, 2013/Companies Act, 1956, as adopted consistently by the Company.

B. Statement of compliance with Ind-As

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind-AS) prescribed under Section 133 of the Companies Act, 2013 read with relevant rules notified till date of financial statements, to the extent applicable.

C. Basis of Measurement

The financial statements have been prepared on a historical cost basis, except the following:-

- i.** Certain financial assets and liabilities (including derivatives instruments) and contingent consideration that is measured at fair value;
- ii.** assets held for sale - measured at fair value less cost to sells;
- iii.** defined benefit plans – plan assets measured at fair value; and
- iv.** share-based payments.

D. Use of Estimates and Judgments.

The preparation of financial statements in conformity with Ind-AS requires management to make judgments, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are recognized in the period in which the estimates are revised and in any future periods affected. In particular, information about significant areas of estimation, uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements is included in the following notes:

- i. Income Taxes:** The Company's tax jurisdiction is India. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.
- ii. Provisions and Contingencies:** The assessments undertaken in recognizing the provisions and contingencies have been made in accordance with Ind-AS 37, 'Provisions, Contingent Liabilities and Assets'. The evaluation of the likelihood of the contingent events has required best judgment by management regarding the probability of exposure to potential loss. Should circumstances change following unforeseeable developments, this likelihood could alter.
- iii. Post-Employment benefit plan:** Employee benefits obligations are measured on the basis of actuarial assumptions which include mortality and withdrawal rates as well as assumptions concerning future developments in discount rates, the rate of salary increase and the inflation rate. The company considers that the assumptions used to measure its obligations are appropriate and documented. However, any changes in these assumptions may have a material impact on the resulting calculations.
- iv. Other estimates:** The preparation of financial statements involves estimates and assumptions that affect the reported amount of assets, liabilities, disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses for the reporting period. Specifically, the Company estimates the probability of collection of accounts receivable by analysing historical payment patterns etc.

E. Functional and Presentation Currency

Items included in the financial statements of the company are measured using Indian Rupee (Rs.) which is the functional currency of the company and the currency of the primary economic environment in which the entity operates. The presentation currency of the company is also Indian Rupee (Rs.) (rounded off to Rs. lakhs up to two decimals)

II. Summary of significant accounting policies

A. Financial Instruments

i. Financial Assets

Financial assets comprise investments in equity and debt instruments, mutual funds, security deposits, inter-corporate deposits, trade receivables, Cash and cash equivalents and other eligible assets.

Initial recognition and measurement

All financial assets are recognized initially at fair value. Transaction costs that are attributable to the acquisition of the financial asset (other than financial assets recorded at fair value through profit or loss) are included in the fair value of the financial assets. Purchase or sale of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Subsequent Measurement

- **Financial Assets measured at amortized cost:** Financial assets held within a business model whose objective is to hold financial assets in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash

flows that are solely payment of principal and interest (SPPI) on principal amount outstanding are measured at amortized cost using effective interest rate (EIR) method. They are presented as current assets, except for those maturing later than 12 months after the reporting date which are presented as non-current assets. These financial assets are subsequently carried at amortized cost using the effective interest method, less any impairment loss. The EIR amortization is recognized as finance income in the Statement of Profit and Loss. Assets at amortized cost are represented by inter corporate deposits, trade receivables, security deposits, cash and cash equivalents and other eligible current and noncurrent financial assets.

- **Financial assets at fair value through other comprehensive income (FVTOCI):** Financial assets held within a business model whose objective is achieved by both collecting the contractual cash flows and selling the financial assets and the contractual terms of the financial assets give rise on specified dates to cash flows that are solely payment towards principal and interest (SPPI) on principal outstanding are subsequently measured at FVTOCI. Fair value movements in financial assets at FVTOCI are recognized in other comprehensive income. However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain loss in statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from equity to profit and loss. Interest earned is recognized under the expected interest rate (EIR) model.
- **Equity instruments other than investment in associates:** The management determines at the initial recognition of investments in Equity instruments whether to measure it at FVTPL or FVTOCI. However, the equity instruments held for trading are always classified at fair value through Profit or Loss (FVTPL). The classification of investments at FVTOCI is irrevocable. Fair value changes on equity instruments at FVTOCI, excluding dividends, are recognized in other comprehensive income (OCI).
- **Financial assets at fair value through Profit or Loss (FVTPL):** Financial assets are measured at FVTPL if it does not meet the criteria for classification as measured at amortized cost or at fair value through other comprehensive income. Fair value changes are recognized in Statement of Profit and Loss.

De-recognition of financial assets

Financial assets are derecognized when the contractual rights to the cash flows from the financial assets expire or the financial asset is transferred and the transfer qualified for de-recognition. On de-recognition of financial asset in its entirety the difference between the carrying amount (measured at the date of de-recognition) and the consideration received (including any new asset obtained less any new liability assumed) shall be recognized in Statement of Profit and Loss.

Impairment of financial assets

Trade receivables, contract assets, receivables under Ind-AS 109, investments in debt instruments that are carried at amortized cost, investments in debt instruments that are carried at FVTOCI are tested for impairment based on the expected credit losses (ECL) for the respective financial asset. ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/expense in the Statement of Profit and Loss. The approach followed by the company for recognizing the impairment loss is given below:

➤ **Trade receivables**

An impairment analysis is performed at each reporting date. The expected credit losses over lifetime of the asset are estimated by adopting the simplified approach using a provision matrix which is based on historical loss rates reflecting current condition and forecasts of future economic conditions. The company estimates the following provision matrix at the reporting date:

Period past due	Default rate
0 to 1 year	0%
1 to 2 year	0%
More than 2 years	10%
More than 3 years	100%
Doubtful receivables	100%

➤ **Other financial assets**

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

ii. Financial liabilities

Financial liabilities comprise trade payables and other eligible liabilities.

Initial recognition and measurement

Financial liabilities are initially recognized at fair value. Any transaction costs that are attributable to the acquisition of the financial liabilities (except financial liabilities at fair value through profit or loss) are deducted from the fair value of financial liabilities.

Subsequent measurement

➤ **Financial liabilities at amortized cost:** The Company has classified the following under amortized cost:

- a) Trade payables
- b) Other eligible financial liabilities

Amortized cost for financial liabilities represents amount at which financial liability is measured at initial recognition minus the cumulative amortization using the effective interest rate (EIR) method of any difference between that initial amount and the maturity amount.

➤ **Financial liabilities at fair value through profit or loss (FVTPL):** Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term.

Financial liabilities designated upon initial recognition at fair value through profits or losses are designated as such at the initial date of recognition, and only if the criteria in Ind-AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/ losses

attributable to changes in own credit risks are recognized in OCI. These gains/ loss are not subsequently transferred to P&L. However, the company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The company has not designated any financial liability as at fair value through profit and loss.

De-recognition of financial liabilities

A financial liability shall be de-recognized when, and only when, it is extinguished i.e. when the obligation specified in the contract is discharged or cancelled or expires.

iii. Off-setting of financial assets and financial liabilities:

Financial assets and liabilities are offset and the net amount is presented in the balance sheet when, and only when, the Company has a legal enforceable right to offset the recognized amounts and intends either to settle on a net basis or to realize the assets and settle the liability simultaneously.

iv. Reclassification of financial assets

The Company determines the classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are categorized as equity instruments at FVTOCI and financial assets or financial liabilities that are specifically designated at FVTPL. For financial assets, which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets. Changes to the business model are expected to be infrequent. The management determines change in the business model as a result of external or internal changes which are significant to the Company's operations. A change in the business model occurs when the Company either begins or ceases to perform an activity that is significant to its operations. If the company reclassifies financial assets, it applies the reclassification prospectively from the reclassification date which is the first day of immediately next reporting period following the change in business model. The Company does not restate any previously recognized gains, losses (including impairment gains or losses) or interest.

B. Inventories

Inventories are valued as under:-

- I. Land and plots:** Land and plots other than area transferred to construction work-in-progress of constructed properties are valued at lower of cost or net realizable value. Cost includes land acquisition cost and land development cost. Cost of land and plots is determined on specific identification basis.
- II. Construction work-in-progress:** Construction work-in-progress of constructed properties include the cost of land, internal development costs, external development charges, construction costs, overheads, borrowing cost, development/construction materials and is valued at lower of cost/estimate cost and net realizable value.
- III. Trading of real estate:** The cost includes purchase and other costs in bringing the inventory in their present location and condition. Cost is determined specific identification basis.

C. Property, Plant and Equipment

Freehold land is carried at historical cost. All other items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is de-recognized when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

Transition to Ind-AS

On transition to Ind-AS, the group has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives and residual value

Depreciation on property, plant & equipment is provided on pro-rata to the period of use, on the Straight Line Method rates worked out based on the useful life and in the manner prescribed in the Schedule II to the Companies Act, 2013.

The estimated useful lives of assets for the current and comparative period of significant items of property, plant and equipment are as follows:

Category	Useful life (Years)
Buildings	60
Furniture & Fixture	10
Plant & Machinery	15
Office Equipments	5
Computer	3
Vehicles	8

Assets acquired under finance lease and leasehold improvements are amortized over the lower of estimated useful life and lease term.

The company follows component approach as envisaged in Schedule II to the Companies Act, 2013. The approach involves identification of components of the asset whose cost is significant to the total cost of the asset and has useful life different from the useful life of the remaining assets and in respect of such identified components, useful life is determined separately from the useful life of the main asset. The residual values are not more than 5% of the original cost of the asset. The assets' residual values and useful lives are reviewed, and adjusted if appropriate, at the end of each reporting period.

Depreciation on additions is provided on a pro-rata basis from the month of acquisition/installation. Modification or extension to an existing asset, which is of capital nature and which becomes an integral part thereof is depreciated prospectively over the remaining useful life of that asset.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in profit or loss within other gains/(losses).

➤ Non-compete fees

5 years

vi. Transition to Ind-AS

On transition to Ind-AS, the group has elected to continue with the carrying value of all of intangible assets recognized as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of intangible assets.

E. Investment property

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met.

The depreciation is not being charged on the investment property as the property is not being put to use for any purpose of business of the company. The leasehold investment properties used in the business of the company are amortized over the term of the lease.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer.

Investment properties are de-recognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of de-recognition.

Transition to Ind-AS

On transition to Ind-AS, the group has elected to continue with the carrying value of all of its investment properties recognized as at 1 April 2016 measured as per the previous GAAP and use that carrying value as the deemed cost of investment properties.

F. Investments in subsidiaries and associates

Investment in subsidiaries and associates is recognized at cost less impairment. Dividend income from subsidiaries and associates is recognized when its right to receive the dividend is established.

G. Foreign currency transactions and balances

Transactions in foreign currencies are initially recognized in the standalone financial statements using exchange rates prevailing on the date of transaction. Monetary assets and liabilities denominated in foreign currencies are translated to the relevant functional currency at the exchange rates prevailing at the reporting date. Non-monetary assets and liabilities denominated in foreign currencies that are measured at fair value are retranslated to the functional currency at the exchange rate prevailing on the date that the fair value was determined. Non-monetary assets and liabilities denominated in a foreign currency and measured at historical cost are translated at the exchange rate prevalent at the date of transaction. Foreign currency differences arising on translation are recognized in the Statement of Profit and Loss for determination of net profit or loss during the period.

H. Borrowing costs

Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized as part of the cost of that asset. Other borrowing costs are recognized as expenses in the period in which they are incurred. To the extent the Company borrows funds generally and uses them for the purpose of obtaining a qualifying asset, the

Company determines the amount of borrowings costs eligible for capitalization by applying a capitalization rate to the expenditure incurred on such asset. The capitalization rate is determined based on the weighted average of borrowing costs applicable to the borrowings of the Company which are outstanding during the period, other than borrowings made specifically towards purchase of the qualifying asset. The amount of borrowing costs that the Company capitalizes during a period does not exceed the amount of borrowing costs incurred during that period.

I. Leases

As a lessee

Leases of property, plant and equipment where the group, as lessee, has substantially all the risks and rewards of ownership are classified as finance leases. Finance leases are capitalized at the lease's inception at the fair value of the leased property or, if lower, the present value of the minimum lease payments. The corresponding rental obligations, net of finance charges, are included in borrowings or other financial liability as appropriate. Each lease payment is allocated between the liability and finance cost. The finance cost is charged to profit or loss over the lease period so as to produce a constant periodic rate of interest on the remaining balance of the liability for each period.

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the company as lessee are classified as operating lease. Payments made under operating leases (net of any incentives received from lessor) are charged to the profit or loss on a straight-line basis over the period of the lease unless the payment are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases.

As a lessor

Lease income from operating leases where the company is a lessor is recognized in income on a straight-line basis over the lease term unless the receipts are structured to increase in line with expected general inflation to compensate for the expected inflationary cost increases. The respective leased assets are included in the balance sheet based on their nature.

Deposits provided to lessor

The company is generally required to pay refundable security deposits in order to obtain property leases from various lessors. Such security deposits are financial assets and are recorded at fair value on initial recognition. The difference between the initial fair value and the refundable amount of the deposit is recognized as a lease prepayment. The initial fair value is estimated as the present value of the refundable amount of security deposit, discounted using the market interest rates for similar instruments. "Subsequent to initial recognition, the security deposit is measured at amortized cost using the effective interest method with the carrying amount increased over the lease period up to the refundable amount. The amount of increase in the carrying amount of deposit is recognized as interest income. The lease prepayment is amortized on a straight line basis over the lease term as lease rental expense.

J. Revenue

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are exclusive of GST and net of returns, trade allowances, rebates, value added taxes and amount collected on behalf of third parties.

The company recognizes revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for

each of the group's activity as described below. The company bases its estimates on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement.

Revenue from sale of flat/plots

Revenue from the sale of Flat/Plots is measured at the fair value of the consideration received or receivable, net of returns, trade discounts and volume rebates. Revenue is recognized when the significant risks and rewards of ownership have been transferred to the buyer, recovery of the consideration is probable, the associated costs and possible return of goods can be estimated reliably, there is no continuing management involvement with the goods, and the amount of revenue can be measured reliably.

Revenue from services-Consulting

Revenue from consulting services is recognized in the accounting period in which the services are rendered. For fixed-price contracts, revenue is recognized based on actual service provided to the end of the reporting period as a proportion of the total services to be provided (percentage of completion method).

Estimates of revenue, costs or extent of progress towards completion are revised if circumstances change. Any resulting increases or decreases in estimated revenues or costs are reflected in profit or loss in the period in which the circumstances that give rise to the revision became known by management.

Other revenue

Interest income is recognized as it accrues in Statement of Profit and Loss using the effective interest method. Profit on trading of mutual fund units is recognized only on redemption of units.

K. Impairment of non-financial assets

The carrying amount of the Company's non-financial assets, other than deferred tax assets are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

The recoverable amount of an asset or cash generating unit is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risk specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from the continuing use that are largely independent of cash inflows of other assets or group of assets (the cash generating unit).

An impairment loss is recognized if the carrying amount of an asset or its cash generating unit exceeds its estimated recoverable amount. Impairment losses are recognized in the Statement of Profit and Loss. Impairment losses are recognized in respect of cash generating units are allocated first to reduce the carrying amount of any goodwill allocated to the units and then to reduce the carrying amount of the other assets in the unit or group of units on a pro rata basis.

Reversal of impairment loss

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists.

An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation

or amortization, if no impairment loss had been recognized directly in other comprehensive income and presented within equity.

L. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash on hand, cash at banks, demand deposits, short-term deposits with balance maturity of three months or less as at the balance sheet date, which are subject to an insignificant risk of changes in value.

For the purpose of Statement of Cash Flows, cash and cash equivalents comprise cash on hand, cash at banks, demand deposits, short-term deposits with balance maturity of three months or less from the balance sheet date and other short term investments, that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

M. Employee Benefits

i. Short Term Benefits

Employee benefits (other than post-employment benefits) which fall due wholly within twelve months after the end of the year in which the employees render the related service are recognized at the amount expected to be paid for it.

ii. Post Employment Benefits

The Company participates in various employee benefit plans. Post-employment benefits are classified as either defined contribution plans or defined benefit plans. Under a defined contribution plan, the Company's only obligation is to pay a fixed amount with no obligation to pay further contributions if the fund does not hold sufficient assets to pay all employee benefits. The related actuarial risks fall on the employee. The expenditure for defined contribution plans is recognized as expense during the period when the employee provides service. Under a defined benefit plan, it is the Company's obligation to provide agreed benefits to the employees. The related actuarial and investment risks fall on the Company. The present value of the defined benefit obligations is calculated using the projected unit credit method.

The Company has the following post employment benefit plans:

Gratuity

In accordance with the Payment of Gratuity Act, 1972, the Company provides for a lump sum payment to eligible employees, at retirement or termination of employment based on the last drawn salary and years of employment with the Company. The Company's obligation in respect of the gratuity plan, which is a defined benefit plan, is provided for based on actuarial valuation using the projected unit credit method. Actuarial gains or losses are recognized in other comprehensive income and are not reclassified to profit or loss in subsequent periods.

iii. Other long term employee benefits

Leave Encashment

The employees of the Company are entitled to leave encashment. The employees can carry forward a portion of the unutilized accumulating leaves and utilize it in future periods or receive cash at retirement or termination of employment. The Company records an obligation for leave encashment in the period in which the employee renders the services that increases this entitlement. The Company measures the expected cost of leave encashment as the additional amount that the Company expects to pay as a result of the unused entitlement that has accumulated at the end of the reporting period. The Company recognizes accumulated leave encashment based on actuarial valuation. Non-accumulating leave encashment are recognized in

the period in which the absences occur. The Company recognizes actuarial gains and losses immediately in the statement of profit and loss.

N. Provisions & Contingencies

A provision arising from claims, litigation, assessment, fines, penalties, etc. is recognized when the Company has a present obligation (legal or constructive) as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. These are reviewed at each balance sheet date and adjusted to reflect current management estimates. Contingent liabilities are disclosed in respect of possible obligations that have arisen from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the enterprise. When there is a possible obligation or present obligation where the likelihood of an outflow is remote, no disclosure or provision is made.

A contingent asset is a possible asset that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity. A contingent asset is disclosed, where an inflow of economic benefits is probable.

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

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

O. Income Taxes

Income tax comprises current tax and deferred tax. Income tax expense is recognized in the statement of profit and loss except to the extent it relates to items directly recognized in equity or in other comprehensive income.

Current Tax

Current tax for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authorities based on the taxable income for the period. The tax rates and tax laws used to compute the current tax amount are those that are enacted or substantively enacted by the reporting date and applicable for the period. The Company offsets current tax assets and current tax liabilities, where it has a legally enforceable right to set off the recognized amounts and where it intends either to settle on a net basis or to realize the asset and liability simultaneously.

Deferred Tax

Deferred tax is recognized using the balance sheet approach. Deferred tax assets and liabilities are recognized for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount in standalone financial statements, except when the deferred tax arises from the initial recognition of goodwill or an asset or liability in a transaction that is not a business combination and affects neither accounting nor taxable profits or loss at the time of the transaction.

Deferred tax assets are recognized to the extent that it is probable that taxable profit will be available against which the deductible temporary differences, and the carry forward of unused tax credits and unused tax losses can be utilized.

Deferred tax liabilities are recognized for all taxable temporary differences.

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

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

P. Segment reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker.

The board of directors of the company has appointed a strategic steering committee which assesses the financial performance and position of the company and makes strategic decisions. The steering committee, which has been identified as being the chief operating decision maker, consists of the chief executive officer and the manager for corporate planning. Refer note.... for segment information presented.

Q. Government grants

Grants from the government are recognized at their fair value where there is a reasonable assurance that the grant will be received and the group will comply with all the attached conditions.

Government grants relating to income are deferred and recognized in the profit or loss over the period necessary to match them with the costs that they are intended to compensate and presented within other income.

Government grants relating to the purchase of property, plant and equipment are included in non-current liabilities as deferred income and are credited to profit or loss on a straight-line basis over the expected lives of the related assets and presented within other income.

R. Non-current assets held for sale and discontinued operations

Non-current assets (or disposal groups) are classified as held for sale if their carrying amount will be recovered principally through a sale transaction rather than through continuing use and a sale is considered highly probable. They are measured at the lower of their carrying amount and fair value less costs to sell, except for assets such as deferred tax assets, assets arising from employee benefits, financial assets and contractual rights under insurance contracts, which are specifically exempt from this requirement.

An impairment loss is recognized for any initial or subsequent write-down of the assets (or disposal group) to fair value less costs to sell. A gain is recognized for any subsequent increase in fair value less costs to sell of an asset (or disposal group), but not in excess of any cumulative impairment loss previously recognized. A gain or loss not previously recognized by the date of the sale of the non-current assets (or disposal groups) is recognized at the date of de-recognition.

Non-current assets (including those that are part of a disposal group) are not depreciated or amortized while they are classified as held for sale. Non-current assets classified as held for sale are presented separately from the other assets in the balance sheet. The liabilities of disposal group classified as held for sale are presented separately from other liabilities in the balance sheet.

A discontinued operation is a component of the entity that has been disposed of or is classified as held for sale and that represents a separate major line of business or geographical area of operations, is a part of single co-ordinated plan to dispose of such a line of business or area of

operation, or is a subsidiary acquired exclusively with a view to resale. The results of discontinued operations are presented separately in the profit and loss.

S. Contributed Equity

Equity shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

T. Dividends

Provision is made for the amount of any dividend declared, being appropriately authorized and no longer at the discretion of the entity, on or before the end of the reporting period but not distributed at the end of the reporting period.

U. Earnings per share

i. Basic earnings per share

Basic earnings per share are calculated by dividing:-

- The profit attributable to owners of the group
- By the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares.

ii. Diluted earnings per share

Diluted earnings per share adjust the figures used in the determination of basic earnings per share to take into account:-

- The after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- The weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

V. Rounding of amounts

All amount disclosed in the financial statement and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

PEARL APARTMENTS LIMITED

ANNUAL REPORT 2018-19

2. PROPERTY, PLANT AND EQUIPMENT

The following table shows changes in Property, Plant and Equipment during the period ended 31st March 2019

	Office Equipments	Vehicles	Computers	Total
Cost or Valuation				
As at 1.4.2018	155,800	4,174,330	16,500	4,346,630
Additions		6,221,865		6,221,865
Disposals		(4,174,330)		(4,174,330)
As at 31.03.2019	155,800	6,221,865	16,500	6,394,165
Depreciation				
As at 1.4.2018	41,252	1,050,691	5,807	1,097,749
Charges for the year	29,602	576,754	5,225	611,581
Disposals		(1,449,312)		(1,449,312)
As at 31.03.2019	70,854	178,133	11,032	260,019
Net Block				
As at 31.03.2019	84,946	6,043,732	5,468	6,134,147
As at 31.3.2018	114,548	3,123,639	10,693	3,248,881

3. INVESTMENT PROPERTY

The following table shows changes in investment Property during the period ended 31st March 2019

	Building	Total (Rs. in lakhs)
Cost or Valuation		
As at 1.4.2018	185,404,261	185,404,261
Additions	0	0
Disposals	0	0
As at 31.03.2019	185,404,261	185,404,261
Depreciation		
As at 1.4.2018	0	0
Charges for the year	0	0
Disposals	0	0
As at 31.03.2019	0	0
Net Block		
As at 31.03.2019	185,404,261	185,404,261
As at 31.3.2018	185,404,261	185,404,261

PEARL APARTMENTS LIMITED

ANNUAL REPORT 2018-19

Other disclosures as per Ind-AS 40 "Investment Property"

	Year Ended 31.03.2019	Year Ended 31.03.2018
(i) Amount recognised in Statement of profit and loss for investment properties		
Rental income	8,400,000	8,043,750
Direct operating expenses from property that generated rental income	29,322	29,590
Direct operating expenses from property that did not generate rental income		

(ii) Contractual Obligations and restrictions

The Company has no restrictions on the realisability of its investment properties and no contractual obligations to purchase, construct or develop investment properties or for repairs, maintenance and enhancements.

	Year Ended 31.03.2019	Year Ended 31.03.2018
(iv) Fair Value of investment property		
Investment properties	237263843	204932808

Estimation of fair value

The company obtains independent valuations for its investment properties at least annually. The best evidence of fair value is current prices in an active market for similar properties. Where such information is not available, the company considers information from a variety of source including:

- Current prices in an active market for properties of different nature or recent prices of similar properties in less active markets, adjusted to reflect those differences
- Discounted cash flow projections based on reliable estimates of future cash flows
- Capitalised income projections based upon a property's estimated net market income and a capitalisation rate derived from an analysis of market evidence

The fair values of investment properties have been determined as per circle rate of stamp valuation authority of state in which property situated.

The main inputs used are the local enquiries and prevailing market trends adjusted for location, size, utility, condition and other factors having influence over the fair value. All resulting fair value estimates for investment properties are included in level 3.

PEARL APARTMENTS LIMITED

ANNUAL REPORT 2018-19

NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31ST MARCH 2019

NON CURRENT ASSETS

2 Particulars	As at 31st March 2019	As at 31st March 2018
Property Plant & Equipment		
Property, Plant & Equipment (Ref Note 2)	61,34,147	32,48,881
Total Property Plant & Equipment	61,34,147	32,48,881

3 Particulars	As at 31st March 2019	As at 31st March 2018
Investment Property		
Investment Property (Ref Note 3)	18,54,04,261	18,54,04,261
Total Capital work in progress	18,54,04,261	18,54,04,261

FINANCIAL ASSETS

4 Investments	As at 31st March 2019	As at 31st March 2018
Investments in Associates (Fully paid)		
Investment in Equity Shares Shares-Unquoted		
i) 12,27,000 (Previous Year -12,27,000) Equity shares of Rs.20 each (including premium of Rs.10 each) of Pearl International Tours And Travels Ltd.	2,45,40,000.00	2,45,40,000.00
Investment in Preference Shares-Unquoted		
i) NIL (Previous Year -24,000) Redeemable Cumulative Preference shares of Rs.100 each of Pearl International Tours And Travels Ltd.	-	24,00,000.00
Total Investments	2,45,40,000.00	2,69,40,000.00

5 Other Non Current Assets	As at 31st March 2019	As at 31st March 2018
MAT Recoverable	78,53,540	81,81,982
Total Other Non Current Assets	78,53,540	81,81,982

CURRENT ASSETS**FINANCIAL ASSETS**

6 Investments	As at 31st March 2019	As at 31st March 2018
Investments at fair value through OCI (Fully paid)		
Investment in Mutual Funds		
Aditya Birla Sun Life Advantage Fund Growth (760.282 units (461.087 units in previous year))	3,07,352	1,89,231
SBI Blue Chip Fund-Regular Plan Growth (8025.823 units (4820.942 units in previous years))	3,14,660	1,81,043
HDFC Balanced Advantage Fund-G (1632.971 units)	3,28,330	1,77,718
Franklin India Smaller Companies-G (5406.993 units (3336.839 units in previous years))	2,97,579	1,99,244
ICICI Pru Focused Bluechip Equity-G (7968.896 units (4993.551 units in previous years))	3,36,208	1,94,830
Total Investments	15,84,129	9,42,066

7 Cash and Cash Equivalents	As at 31st March 2019	As at 31st March 2018
Balances with Banks		
- Current account	10,46,829	1,08,100
Cash in hand	1,85,701	24,011
Total Cash and Cash Equivalents	12,32,530	1,32,111

8 Current Tax Assets (Net)	As at 31st March 2019	As at 31st March 2018
Income tax advances (net of tax liability)	21,02,035	15,15,175
Total Current Tax Assets (Net)	21,02,035	15,15,175

PEARL APARTMENTS LIMITED

ANNUAL REPORT 2018-19

Other Current Assets	As at 31st March 2019	As at 31st March 2018
9 Staff Advance	522500	2,19,000
Prepaid Expenses	-	20,084
GST Input Credit	15876	1,47,802
T&T Motors Pvt. Ltd.	24561	-
IGST receivable	9900	-
Total Other Current Assets	5,72,837	3,86,886

EQUITY AND LIABILITIES**EQUITY SHARE CAPITAL**

Particulars	As at 31st March 2019	As at 31st March 2018
AUTHORISED		
9,50,000(Previous Year-9,50,000) Equity shares of Rs.10/- each	95,00,000	95,00,000
50,000(Previous Year-50,000) 7% Preference Shares of Rs.10/- each	5,00,000	5,00,000
Total Authorised Capital	1,00,00,000	1,00,00,000
ISSUED, SUBSCRIBED & FULLY PAID UP		
5,00,000(Previous Year 5,00,000) Equity shares of `10/-each.	50,00,000	50,00,000
Less : Calls in Arrears	-	-
	50,00,000	50,00,000
	-	-
Total issued, subscribed and paid-up capital	50,00,000	50,00,000

(a) The reconciliation of the number of equity shares outstanding is set out below:-

Particulars	No. of Shares	Amount
As at 1st April 2018	5,00,000	50,00,000
Add/(less): Issued/(redeemed) during the year	-	-
As at 31st March 2019	5,00,000	50,00,000

(b) Number of shares held by each equity shareholder holding more than 5 percent of the issued share capital:

Particulars	No. of Shares	% of holding
As at 31st March 2018		
SH.CHAND SETH	37170.00	7.43%
SH.KRISHEN KUMAR SETH	49310.00	9.86%
SH. HARISH SETH	38310.00	7.66%
M/S. MRK OVERSEAS (P) LTD.	66960.00	13.39%
M/S. PEARL POLYMERS PVT. LTD.	27750.00	5.55%
M/S. RAVISON DURGS PVT. LTD.	25450.00	5.09%
MR. SAMBHAV KAPUR	29000.00	5.80%
As at 31st March 2019		
SH.CHAND SETH	37170.00	7.43%
SH.KRISHEN KUMAR SETH	49310.00	9.86%
SH. HARISH SETH	38310.00	7.66%
M/S. MRK OVERSEAS (P) LTD.	66960.00	13.39%
M/S. PEARL POLYMERS PVT. LTD.	27750.00	5.55%
M/S. RAVISON DURGS PVT. LTD.	25450.00	5.09%
MR. SAMBHAV KAPUR	29000.00	5.80%

PEARL APARTMENTS LIMITED

ANNUAL REPORT 2018-19

OTHER EQUITY		As at 31st March 2019	As at 31st March 2018
11	(a) Reserve and Surplus		
	Capital Reserve		
	Balance at the commencement of the year	0.00	0.00
	Add: Addition/(deletion) during the year	0.00	0.00
	Balance at the end	0.00	0.00
	Capital Redemption Reserve		
	Balance at the commencement of the year	0.00	0.00
	Add: Addition/(deletion) during the year	0.00	0.00
	Balance at the end	0.00	0.00
	Securities Premium Reserve		
	Balance at the commencement of the year	0.00	0.00
	Add: Addition/(deletion) during the year	0.00	0.00
	Balance at the end	0.00	0.00
	General Reserve		
	Balance at the commencement of the year	1753200.00	1753200.00
	Add: Addition/(deletion) during the year	0.00	0.00
	Balance at the end	1753200.00	1753200.00
	Retained Earnings		
	Balance at the commencement of the year	200923173.81	199190269.79
	Add: Profit/(loss) during the year	4697225.62	1732904.02
	Balance at the end	205620399.43	200923173.81
	Total (a)	207373599.43	202676373.81
	(a) Other Components of Equity		
	Remeasurement of net defined benefit plan		
	Balance at the commencement of the year	0.00	
	Add: Profit/(loss) during the year		
	Balance at the end	0.00	0.00
	Total (a)		
	Total (a+b)	207373599.43	202676373.81

NON CURRENT LIABILITIES

FINANCIAL LIABILITIES

Borrowings		As at 31st March 2019	As at 31st March 2018
12	Other loans and advances		
	Loan from ICICI Bank for Car *	40,33,409	-
	Total Borrowings	40,33,409	-

***Vehicles Loans**

Vehicle loans of Rs.48.73 lakhs (Previous Year NIL) are secured against hypothecation of respective vehicles. Repayments - in monthly installment till 15.01.2024

Repayments of above Vehicles Loans are as follows:

- (i) From 0 to 1 years - Rs. 8.39 lakhs
- (ii) From 1 to 2 years - Rs. 9.20 lakhs
- (iii) From 2 to 3 years - Rs.10.08 lakhs
- (iv) From 3 to 4 years - Rs.11.05 lakhs
- (v) From 4 to 5 years - Rs.10.01 lakhs

NON FINANCIAL LIABILITIES

Deferred Tax Liability (Net)

Deferred Tax (assets)/liabilities relate to the following		As at 31st March 2019	As at 31st March 2018
13	Deferred Tax Assets		
	Income from revaluation of Investments		
	Property, Plant and Equipment and Investment Property	4,29,232	
		4,29,232	-
	Deferred Tax Liabilities		
	Property, Plant and Equipment and Investment Property	-	12,573
	Income from revaluation of Investments	10,333	7,719
		10,333	20,292
	Total Deferred Tax Liability (Net)	(4,18,899)	20,292

PEARL APARTMENTS LIMITED

ANNUAL REPORT 2018-19

14 Other Non Current Liabilities	As at 31st March 2019	As at 31st March 2018
Others		
Security Deposits Received	21,00,000	21,00,000
Total Other Non Current Liabilities	21,00,000	21,00,000

CURRENT LIABILITIES
FINANCIAL LIABILITIES

Borrowings	As at 31st March 2019	As at 31st March 2018
15 Other loans and advances		
Loan from Directors (unsecured)	37,52,575	1,62,50,000
Loan from ICICI Bank for Car (Refer Note 12)	8,39,133	
Total Borrowings	45,91,708	1,62,50,000

16 Other Financial Liabilities	As at 31st March 2019	As at 31st March 2018
Salary Payable	85,777	3,23,061
	-	-
Total Other Financial Liabilities	85,777	3,23,061

NON FINANCIAL LIABILITIES

Other Current Liabilities	As at 31st March 2019	As at 31st March 2018
17 Expense Payable-		
GST Payable	1,26,000	1,26,000
Audit fees payable	90,000	1,84,800
TDS Payable	6,414	70,834
Interest accrued but not due	19,280	
Interglobe Technology Quotient Pvt Ltd	62,50,000	
Pearl International Tours & Travels Ltd.	52,830	
Sehgal Mehta & Co.	32,400	
Zeal Advertising Pvt Ltd	19,790	
National Securities Depository Limited	11,800	
Other payables(Abhishek Kumar Pandey)	49,370	
Total Other Current Liabilities	66,57,884	3,81,634

Revenue from Operations	As at 31st March 2019	As at 31st March 2018
18 Operating Income		
Management Consultancy Fees	-	23,00,000
Commission Received	62,50,000	-
	62,50,000	23,00,000

Other Income	As at 31st March 2019	As at 31st March 2018
19 Rent received		
Rent received	84,00,000	80,43,750
Balance written off (advance against property)		991
Interest on Income tax refund		39,040
Income from revaluation of mutual fund	39,743	29,977
Profit on sale of Mutual fund	2,320	8,955
Total Other Income	84,42,063	81,22,713

Employee benefit Expenses	As at 31st March 2019	As at 31st March 2018
20 Salary, Wages, Bonus & Other Allowance		
Salary, Wages, Bonus & Other Allowance	39,99,255	47,61,284
Total Employee benefit Expenses	39,99,255	47,61,284

PEARL APARTMENTS LIMITED

ANNUAL REPORT 2018-19

21	Finance Costs	As at 31st March 2019	As at 31st March 2018
	Others		
	Interest paid on ICD		1,00,000
	Interest paid on CAR Loan	1,00,590	
	Other Borrowing Cost		
	Others	-	19,719
	Total Finance Cost	1,00,590	1,19,719
22	Depreciation and Amortization	As at 31st March 2019	As at 31st March 2018
	Depreciation	6,11,581	5,59,852
	Total Depreciation and Amortization	6,11,581	5,59,852

23	Other Expenses	As at 31st March 2019	As at 31st March 2018
	Advertisement Expenses	55,574	3,764
	Filing Fees	600	35,200
	Legal & Professional Charges	73,500	36,240
	Audit Fees	1,30,000	2,60,000
	Bank charges	2,198	4,137
	Business Promotion		26,860
	Travelling & Conveyance	25,870	84,325
	Listing fees	11,290	55,000
	Security Expenses	5,04,154	4,51,967
	Miscellaneous Expenses	500	1,190
	Telephone Expenses	1,000	6,000
	Water & Electricity Expenses	4,28,818	5,82,920
	Loss on sale of Assets	19,15,018	-
	Insurance Expense	20,084	49,849
	Property Tax	29,322	29,590
	Office Repair & Maintenance		1,700
	Printing & Stationary and postage	420	212
	Rent Paid	4,57,200	4,57,200
	Other Charges	2,800	-
	Stamp Duty Expense	930	-
	Swatch Bharat Cess		1,401
	Vehicle Maintenance	4,24,543	1,69,052
	Subscription Expenses	5,890	4,320
	Prior Period Expenses	2,10,000	3,96,712
	Interest on GST paid	1,782	-
	Total Other Expenses	43,01,493	26,57,639
	Payment to Auditors	Statutory Auditors	Statutory Auditors
	Audit Fees		
	Statutory Audit Fees	1,00,000.00	2,30,000.00
	Limited Review Fee	30,000.00	30,000.00
	Total Payment to Auditors	1,30,000.00	2,60,000.00
	Prior period adjustments		
	Expenditure/(Income)		
	Legal & Professional	2,10,000.00	-
	Interest on ICD's	0	3,96,712.00
	Total	2,10,000.00	3,96,712.00

24 EARNINGS PER SHARES

The following is a reconciliation of the equity shares used in the computation of basic and diluted earnings per share:-

Particulars	As at 31st March 2019	As at 31st March 2018
Opening equity shares (Nos.)	5,00,000.00	5,00,000.00
Equity shares issued during the year (nos.)	-	-
Closing equity shares (Nos.)	5,00,000.00	5,00,000.00
Weighted average number of equity shares used as denominator for basic/diluted EPS (Nos.)	5,00,000.00	5,00,000.00
Net profit/(loss) after tax used as numerator for basic/diluted EPS	46,97,225.62	17,32,904.02
Basic Earning per share (Rs.)	9.39	3.47
Diluted Earning per share (Rs.)	9.39	3.47
Face value per equity shares (Rs.)	10.00	10.00

25 RELATED PARTY DISCLOSURE

(A) Related parties as identified by the management are given below:-

Key Management Personnel

Mr. Krishen Kumar Seth - Chairman & Managing Director
 Mrs. Rita Seth - Director
 Mr. Arjun Seth - Director
 Mr. Ramesh Mehra - Independent Director
 Mr. Rakesh Dua - Independent Director

Relatives of Key Management personnel and their enterprises where transactions have taken place

Mr. Nakul Seth
 Mrs. Meha Seth
 Mrs. Taruna Seth
 Mrs. Nidhi Coudhary

Related parties where control exists

Gama Investments Private Limited
 Pearl International Tours & Travels Limited

(B) Transaction with Related parties in the ordinary course of business and outstanding balances as at end of the year.

Nature of transaction	Key Managerial Personnel		Relatives of Key Managerial		Other Related Parties	
	31.03.2019	31.03.2018	31.03.2019	31.03.2018	31.03.2019	31.03.2018
Loans taken						
Krishen Kumar Seth	3,400,000	18,000,000				
Nakul Seth				200,000		
Pearl International Tours & Travels Ltd.						13,000,000
Gama Investment pvt. Ltd.						-
Loans repaid						
Krishen Kumar Seth	15,897,425	2,600,000				
Nakul Seth				200,000		
Pearl International Tours & Travels Ltd.						13,000,000
Gama Investment pvt. Ltd.						-
Rent Paid						
Pearl International Tours & Travels Ltd.					457,200	457,200
Remuneration Paid						
Krishen Kumar Seth	1,800,000	2,400,000				
Balance outstanding{receivable/(payable)}						
Krishen Kumar Seth	(3,752,575)	(16,250,000)				
Rita Seth						

26 SEGMENT REPORTING

The Company has only one reportable segment and there is no separate reportable segment as per the Ind-AS 108 on 'Segment Reporting' comply with the Indian Accounting Standards prescribed by Section 133 of the Companies Act, 2013 ('the Act') read with Rule 7 of the Companies (Accounts) Rules, 2014

27 Previous Year figures have been regrouped/reclassified, wherever considered necessary to conform to current year's classification.

For Sehgal Mehta & Co
 CHARTERED ACCOUNTANTS
 (FRN No.003330N)

On Behalf of the Board

Sd/-
NARESH KHANNA
 Partner
 Membership No. 081482
 Place: New Delhi
 Date : 30th May, 2019

Sd/-
Krishen Kumar Seth
 Managing Director & CFO
 DIN No.- 00005765

Sd/-
Arjun Seth
 Director
 DIN No.-00005826

Sd/-
Manan Khadria
 Company Secretary
 M.No. 51520

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]

Name of the member(s):

Registered address:

E-mail Id:

Folio No/ DP & Client Id:

I/We, being the member (s) of _____ shares of the above named company, hereby appoint

1. Name: _____ E-mail: _____
Address: _____

Signature: _____, or failing him

2. Name: _____ E-mail: _____
Address: _____

Signature: _____, or failing him

3. Name: _____ E-mail: _____
Address: _____

Signature: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 40th Annual General Meeting of the company, to be held on Monday the 30th day of September, 2019 at 4:00 P.M. at the registered office of the Company at 903, Rohit House, 3, Tolstoy Marg, New Delhi-110001 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	For	Against
ORDINARY BUSINESS			
1.	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2019 together with the Reports of the Board of Directors and Auditors thereon.		
2.	To appoint a Director in place of Mr. Arjun Seth (DIN: 00005826), who retires by rotation and being eligible offers himself for re-appointment.		
SPECIAL BUSINESS			
3.	Re-appointment of Mr. Krishen		

PEARL APARTMENTS LIMITED

ANNUAL REPORT 2018-19

	Kumar Seth as Managing Director & Chief Financial Officer (KMP) of the Company.		
4.	Re-appointment of Mr. Ramesh Mehra (DIN: 00003334) as an Independent Director for a second term of five consecutive years, in terms of Section 149 of the Companies Act, 2013.		
5.	Re-appointment of Mr. Rakesh Dua (DIN: 00542650) as an Independent Director for a second term of five consecutive years, in terms of Section 149 of the Companies Act, 2013.		

Signed this ____ day of _____ 2019.

Signature of shareholder

Signature of Proxy holder(s)

Affix
Revenue
Stamp of Re.
1/- value

Note:

1. This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company at 903, Rohit House, 3, Tolstoy Marg, New Delhi-110001, not less than 48 hours before the commencement of the Meeting.
2. Please put a √ in the appropriate column against the resolutions indicated in the Box.
3. In case of joint holders, the signature of any one holder will be sufficient, provided name of all the joint holders should be stated.

ATTENDANCE SLIP

40th Annual General Meeting – 30th September, 2019

Registered Folio No.

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Number of Shares held

--	--	--	--	--	--

I hereby record my presence at the 40th Annual General Meeting of the Company at the registered office of the Company at 903, Rohit House, 3, Tolstoy Marg, New Delhi-110001, on Monday the 30th day of September, 2019, at 4:00 P.M.

Name of the member/ proxy
(In BLOCK letters)

Signature of the members/ proxy

Note:

Please fill up this attendance slip and hand it over at the entrance of the meeting hall. Members are requested to bring their copies of the Annual Report to the AGM.

PEARL APARTMENTS LIMITED

ANNUAL REPORT 2018-19

**LOCATION TO THE ANNUAL GENERAL MEETING
(PEARL APARTMENTS LIMITED)**

