



# 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](http://www.pearlApartments.co.in)

Email Id: [pearl.secretarial@pearlmail.com](mailto:pearl.secretarial@pearlmail.com)

05<sup>th</sup> September, 2020

The Head-Listing & Compliance  
Metropolitan Stock Exchange of India Ltd.  
Vibgyor Towers, 4<sup>th</sup> floor, plot no. C62, G-Block,  
Opposite Trident Hotel, Bandra Kurla Complex  
Bandra (East), Mumbai- 400098

Symbol: PEARLAPT  
Series: BE

**Sub: Submission of Annual Report of Pearl Apartments Limited ("the Company") along with Notice of the 41<sup>st</sup> Annual General Meeting ("AGM") for the financial year ended March 31, 2020**

Dear Sir/Madam,

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find enclosed Notice convening the 41<sup>st</sup> Annual General Meeting ("AGM") of the Company and the Annual Report for the financial year ended March 31, 2020, which have been sent through electronic mode to the Members of the Company who have registered their e-mail address with the Company/Registrar & Share Transfer Agent or the concerned Depository (ies) and physical copies have been sent by permitted mode to Members who have not registered their email addresses as mentioned above.

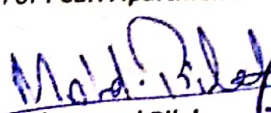
The Annual Report and Notice of AGM is also uploaded on the Company's website [www.pearlApartments.co.in](http://www.pearlApartments.co.in).

This is for your information and records.

Thanking you,

Yours Faithfully,

For Pearl Apartments Limited

  
Mohammad Bilal

(Company Secretary and Compliance Officer)



**Encl.: As above**

# ***PEARL APARTMENTS LIMITED***



## **41<sup>ST</sup> ANNUAL REPORT**

***2019-2020***

**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. Mohammad Bilal

**REGISTERED OFFICE**

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

**REGISTRAR & SHARE TRANSFER AGENT**

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

**41<sup>ST</sup> AGM**

**Date:** 30.09.2020  
**Day:** Wednesday  
**Venue:** 903, Rohit House 3, Tolstoy Marg, New  
Delhi-110001

**PEARL APARTMENTS LIMITED**

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**NOTICE**

Notice is hereby given that the 41<sup>st</sup> (Forty First) Annual General Meeting of the members of **PEARL APARTMENTS LIMITED** will be held on **Wednesday, the 30<sup>th</sup> day of September, 2020 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, 2020 together with the Reports of the Board of Directors and Auditors thereon.
2. To re-appoint Mrs. Rita Seth (DIN: 00005797), who retires by rotation and being eligible for re-appointment, offers herself to be re-appointed.

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

**Place: New Delhi  
Date: 31<sup>st</sup> August, 2020**

**Sd/-  
Mohammad Bilal  
(Company Secretary)  
Membership No: A56327**

**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, Ms. Rita Seth, Director, is liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers herself for reappointment. Brief profile, information and relevant details, pursuant to regulation 36(3) of 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 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 **Thursday, 24<sup>th</sup> September, 2020 to Wednesday, 30<sup>th</sup> September, 2020 (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").

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14. The requirement to place the matter relating to appointment of auditors for ratification by members at every Annual General meeting is done away by the Ministry of Corporate Affairs (MCA) vide notification dated 07th May 2018. Accordingly, no resolution is proposed for ratification of appointment of auditors, who were appointed in the Annual General Meeting held on 28<sup>th</sup> September, 2017.
15. 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.
16. The Members whose names appear on the Company's Register of Members as on **Wednesday, September 23, 2020** ("cut-off date") will be eligible to attend and vote at the AGM.
17. 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.
18. 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.
19. Pursuant to Sections 101 and 136 of the Companies Act, 2013 read with relevant Rules framed thereunder, the Annual Report for financial year 2019-20 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 2019-20 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.
20. 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.
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 41<sup>st</sup> Annual General Meeting will also be available on the Company's website [www.pearlapartments.co.in](http://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(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 41<sup>st</sup> 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	<b>Sunday, September 27, 2020 at 10:00 A.M.</b>
End of remote e-voting	<b>Tuesday, September 29, 2020 at 05:00 P.M.</b>

The cut-off date (i.e. the record date) for the purpose of remote e-voting is **Wednesday, September 23, 2020** (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 41<sup>st</sup> AGM to be held on September 30, 2020. The members desirous to vote through remote e-voting are requested to refer to the detailed procedure given below:

**How do I vote electronically using NSDL e-Voting system?**

The way to vote electronically on NSDL e-Voting system consists of "Two Steps" which are mentioned below:

**Step 1 : Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2 : Cast your vote electronically on NSDL e-Voting system.**

**Details on Step 1 is mentioned below:**

<b>How to Log-in to NSDL e-Voting website?</b>			
1.	Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile.		
2.	Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.		
3.	A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen. <i>Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <a href="https://eservices.nsdl.com/">https://eservices.nsdl.com/</a> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.</i>		
4.	Your User ID details are given below :		
	<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>	
	a)	For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
	b)	For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
	c)	For Members holding shares in Physical Form	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***
5.	Your password details are given below:		
	a)	If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.	
	b)	If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.	
	c)	How to retrieve your 'initial password'?	
		(i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial	(ii) If your email ID is not registered, your 'initial password' is communicated to you on your postal address.

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		password’.
6.	If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:	
	a)	Click on “ <a href="#">Forgot User Details/Password?</a> ”(If you are holding shares in your demat account with NSDL or CDSL) option available on <a href="http://www.evoting.nsdl.com">www.evoting.nsdl.com</a> .
	b)	<a href="#">Physical User Reset Password?</a> ” (If you are holding shares in physical mode) option available on <a href="http://www.evoting.nsdl.com">www.evoting.nsdl.com</a>
	c)	If you are still unable to get the password by aforesaid two options, you can send a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> mentioning your demat account number/folio number, your PAN, your name and your registered address.
	d)	Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7.	After entering your password, tick on Agree to “Terms and Conditions” by selecting on the check box.	
8.	Now, you will have to click on “Login” button.	
9.	After you click on the “Login” button, Home page of e-Voting will open.	

**Details on Step 2 is given below:**

<b>How to cast your vote electronically on NSDL e-Voting system?</b>	
1.	After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2.	After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3.	Select “EVEN” of company for which you wish to cast your vote.
4.	Now you are ready for e-Voting as the Voting page opens.
5.	Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on “Submit” and also “Confirm” when prompted.
6.	Upon confirmation, the message “Vote cast successfully” will be displayed.
7.	You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8.	Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**IV. General Guidelines for shareholders for e-Voting:**

- (a) 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [pcsabhishekgupta@gmail.com](mailto:pcsabhishekgupta@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
- (b) It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the “[Forgot User Details/Password?](#)” or “[Physical User Reset Password?](#)” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
- (c) In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

**v. Other 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. **Wednesday, September 23, 2020**, (end of day) may cast their vote electronically. The remote e-voting module shall be disabled by NSDL for voting thereafter.
- (b) 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. The EVSN Number of our company as generated at NSDL e-voting site is 114104.
- (c) 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).
- (d) The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date i.e. **Wednesday, September 23, 2020** (end of day).



- (e) 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. **Wednesday, September 23, 2020** (end of day), may obtain the login ID and password by sending a request to NSDL at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or to the Company's Registrar - Beetal Financial & Computer Services Pvt Ltd. at [beetalrta@gmail.com](mailto: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](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.*

25. 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.
26. 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.
27. 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.
28. 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.
29. 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 48 hours 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.
30. The result declared along with the report of the Scrutinizer shall be placed on the website of the Company [www.pearlapartments.co.in](http://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.

**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:

<b>S.No.</b>	<b>Particulars</b>	<b>Details</b>
<b>1.</b>	Name of the Director	Mrs. Rita Seth
<b>2.</b>	DIN	00005797
<b>3.</b>	Date of Birth	February 03, 1955
<b>4.</b>	Brief profile	Mrs. Rita Seth is a Non Executive & Non- Independent Director. She has done graduation from Jesus & Marry College, New Delhi. She has the expertise in the field of Management with an experience of over 35 years and has a vast exposure in the industry.
<b>5.</b>	Relationship with other Directors, Manager and other Key Managerial Personnel	Mrs. Rita Seth is a wife of Mr. Krishen Kumar Seth and mother of Mr. Arjun Seth, the Directors of the Company.
<b>6.</b>	Directorship held in other Listed Company	NIL
<b>7.</b>	Shareholding in Pearl Apartments Limited	Mrs. Rita Seth is holding 6250 Equity Shares representing 1.25% in the share capital of the Company.

**BOARD'S REPORT**

Dear Members,

Your Directors have pleasure in presenting the 41<sup>st</sup> (Forty First) Board's Report of the Company together with the Audited Financial Statements for the year ended March 31, 2020.

**1. FINANCIAL RESULTS:**

The financial performance of the Company for the year ended March 31, 2020 is summarized below:

Particulars	(Amount in Rupees)	
	For Financial Year 2019-20	For Financial Year 2018-19
Revenue from Operation	62,50,000	62,50,000
Other Income	84,84,475	84,42,063
<b>Total Revenue</b>	<b>1,47,34,475</b>	<b>1,46,92,063</b>
Total Expenditure	79,54,159	90,12,919
Profit/(Loss) before Exceptional Items and Tax	67,80,316	56,79,144
Exceptional Items (Income/(Exps))	-	-
Profit/(Loss) before Tax	67,80,316	56,79,144
Tax expense	13,03,750	9,81,918
<b>Net Profit/ (Loss) for the period</b>	<b>54,76,566</b>	<b>46,97,226</b>

**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, 2020.

**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 like Rs. 62,50,000/- in the relevant previous financial year. The company has recorded Net profit Rs. 54,76,566 in the current year as compared to profit of Rs. 46,97,226/- in the previous financial year due to increase in total Revenue and decrease in expenditure. 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, 2020, the Company does not have any Associate or Subsidiary or Joint Venture Company as per the Companies Act, 2013.

**6. DIVIDEND:**

With a view to provide a cushion for any financial contingencies in the future and to strengthen the financial position of the Company, the Board of Directors of the Company is not recommending any dividend for the financial year ended 31<sup>st</sup> March, 2020.

**7. RESERVES:**

Your Directors propose to retain an amount of Rs. 54,76,566/- being the profit for the current year during the financial year ended 31<sup>st</sup> March, 2020.

**8. 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.

**9. CHANGE IN SHARE CAPITAL DURING THE FINANCIAL YEAR 2019-20:**

The Company's Capital Structure remains unchanged during the financial year 2019-20.

**10. DIRECTORS AND KEY MANAGERIAL PERSONNEL:****a) Appointment/Re-appointment of Director**

Pursuant to the provisions of Section 152(6) of the Companies Act, 2013, Ms. Rita Seth (DIN: 00005797) Director of the Company is liable to retire by rotation at the ensuing Annual General Meeting, and being eligible, offers herself for re-appointment.

**b) Number of meetings of the Board of Directors**

During the year 2019-20, the Board met 11 (Eleven) times viz. 15<sup>th</sup> April, 2019, 03<sup>rd</sup> May, 2019, 06<sup>th</sup> May, 2019, 30<sup>th</sup> May, 2019, 13<sup>th</sup> August, 2019, 26<sup>th</sup> August, 2019, 14<sup>th</sup> November, 2019, 28<sup>th</sup> November, 2019, 20<sup>th</sup> December, 2019, 06<sup>th</sup> January, 2020 and 14<sup>th</sup> February, 2020.

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
15.04.2019	Present	Absent	Present	Present	Absent
03.05.2019	Present	Absent	Absent	Present	Absent
06.05.2019	Present	Absent	Present	Present	Absent
30.05.2019	Present	Present	Present	Present	Present
13.08.2019	Present	Present	Present	Present	Present
26.08.2019	Present	Absent	Present	Absent	Absent
14.11.2019	Present	Present	Absent	Present	Present
28.11.2019	Present	Absent	Present	Present	Absent
20.12.2019	Present	Absent	Present	Present	Absent
06.01.2020	Present	Absent	Absent	Present	Absent
14.02.2020	Present	Present	Absent	Present	Present

**c) Changes in Key Managerial Personnel**

During the year, Mr. Krishen Kumar Seth has been re-appointed as Managing Director and Chief Financial Officer of the Company for a further period of 5 (five) years with effect from March 01, 2019 to February 29, 2024 by the members of the Company at the Annual General Meeting held on 30<sup>th</sup> September, 2019.

Further, during the year Mr. Manan Khadria has resigned from the post of Company Secretary & Compliance Officer of the Company w.e.f. 20<sup>th</sup> December, 2019.

**d) Changes in Independent Director**

During the year, Mr. Ramesh Mehra and Mr. Rakesh Dua have been re-appointed as Non Executive & Independent Director of the Company for a further period of 5 (five) years with effect from September 30, 2019 up to September 29, 2024, not liable to retire by rotation during the tenure at the Annual General Meeting held on 30<sup>th</sup> September, 2019 by the members of the Company.

**e) Change in Composition of Directors**

There was no change in composition of the Board of Directors of the Company during the Financial Year 2019-20.

Name of the Director	DIN	Designation	Whether attended AGM held on 30.09.2019
Mr. Krishen Kumar Seth	00005765	Managing Director & CFO	Yes
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	No

**f) 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.

In the opinion of the Board of the Company, Independent Directors fulfill the conditions specified in the Act, Rules made thereunder and listing regulations and are independent of the management. However, the online proficiency self assessment test is yet to be given by the Independent Directors.

**g) 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.

**11. 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, 2020, 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, 2020 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.

**12. 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 2019-2020 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>

**13. 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 **Mr. Abhishek Gupta (C.P No. 12262)**, Practicing Company Secretary to conduct Secretarial Audit for the financial year 2019-20.

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**

Nikhil 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 2019-20, 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.

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

During the financial year ended 31<sup>st</sup> March, 2020, 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.

**15. LOAN FROM DIRECTORS:**

During the period under review, the Company has not taken any loan from its Directors.

**16. 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 2019-20 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.

**17. 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.

**18. 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>.

**19. 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.

**20. GENERAL MEETING:**

During the year, only one General Meeting i.e. Annual General Meeting was conducted on September 30, 2019 and total 14 members were present in the meeting.

**21. 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 detailed terms of reference of Audit Committee is available on the website of the Company at <https://pearlapartments.co.in>.

The Composition of Audit Committee is given below:

**I. Composition of Audit 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. Krishen Kumar Seth	Executive Director	Member

**II. Number of meetings of the Audit Committee:**

Date of Audit Committee Meeting	Krishen Kumar Seth	Ramesh Mehra	Rakesh Dua
30.05.2019	Present	Present	Present
13.08.2019	Present	Present	Present
14.11.2019	Present	Present	Present
14.02.2020	Present	Present	Present

The previous Annual General Meeting of the Company was held on September 30, 2019 and attended by Mr. Krishen Kumar Seth, 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
13.08.2019	Present	Present	Present

The previous Annual General Meeting of the Company was held on September 30, 2019 and was not attended by any Member of the Nomination & Remuneration Committee.

**22. 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 Nomination and Remuneration Policy is available on the website of the Company at <https://pearlapartments.co.in>.

**23. PARTICULARS OF EMPLOYEES:**

During the year, there was only one employee in the Company which had resigned within the same Financial Year. Accordingly, no disclosure is required to be given 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.

**24. LISTING WITH STOCK EXCHANGES:**

Our Company is listed with the Metropolitan Stock Exchange of India Limited (MSEIL).



**25. 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 2019-20, 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>.

**26. 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.

**27. 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.

**28. 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.

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

During the financial year 2019-20, the Company did not have any women employee. Hence, the provisions relating to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 was not applicable on the Company.

**30. 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: 31<sup>st</sup> August, 2020

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 31<sup>ST</sup> MARCH, 2020**

[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:**

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

**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-2019]				No. of Shares held at the end of the year [As on 31-March-2020]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
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
<b>Sub-total(A)(1):-</b>	<b>198040</b>	<b>0</b>	<b>198040</b>	<b>39.61</b>	<b>198040</b>	<b>0</b>	<b>198040</b>	<b>39.61</b>	<b>0.00</b>
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
<b>Sub-total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Total Shareholding of Promoter A=(A)(1)+(A)(2)</b>	<b>198040</b>	<b>0</b>	<b>198040</b>	<b>39.61</b>	<b>198040</b>	<b>0</b>	<b>198040</b>	<b>39.61</b>	<b>0.00</b>
<b>B. Public Shareholding</b>									
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
<b>Sub-total (B)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
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>b) Individuals</b>									
(i) Individual shareholders holding nominal share capital upto Rs. 1 lakh	13500	18550	32050	6.41	26650	5400	32050	6.41	0.00
(ii) Individual shareholders holding nominal share capital in excess of Rs 1 lakh	124700	0	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
<b>Sub-total (B)(2)</b>	<b>138200</b>	<b>163760</b>	<b>301960</b>	<b>60.39</b>	<b>151350</b>	<b>150610</b>	<b>301960</b>	<b>60.39</b>	<b>0.00</b>
<b>Total Public Shareholding (B)=(B)(1)+ (B)(2)</b>	<b>138200</b>	<b>163760</b>	<b>301960</b>	<b>60.39</b>	<b>151350</b>	<b>150610</b>	<b>301960</b>	<b>60.39</b>	<b>0.00</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0.00</b>
<b>Grand Total (A+B+C)</b>	<b>336240</b>	<b>163760</b>	<b>500000</b>	<b>100.00</b>	<b>349390</b>	<b>150610</b>	<b>500000</b>	<b>100.00</b>	<b>0.00</b>

ii) Shareholding of Promoters (Including Promoter Group)

Sr. No	Shareholder's Name	Shareholding at the beginning of the year (As on 01.04.2019)			Shareholding at the end of the year (As on 31.03.2020)			% 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 01.04.2019)		Cumulative Shareholding during the year (from 01.04.2019 to 31.03.2020)	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>During the Year, there were no changes in the Promoters' Shareholding</b>					

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 01.04.2019)		Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of Shares	% of total shares of the Company	No. of shares	% of total shares of the Company
<b>1</b>	<b>M/s. M R K Overseas (P) Ltd.</b>				
	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
	<b>At the End of the year</b>			<b>66960</b>	<b>13.39</b>
<b>2</b>	<b>Mr. Sambhav Kapur</b>				
	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
	<b>At the End of the year</b>			<b>29000</b>	<b>5.80</b>
<b>3</b>	<b>M/s. Pearl Polymers Limited</b>				
	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
	<b>At the End of the year</b>			<b>27750</b>	<b>5.55</b>
<b>4</b>	<b>M/s. Ravison Drugs Private Limited</b>				
	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
	<b>At the End of the year</b>			<b>25450</b>	<b>5.09</b>
<b>5</b>	<b>Mrs. Vibha Kapur</b>				
	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
	<b>At the End of the year</b>			<b>24500</b>	<b>4.90</b>
<b>6</b>	<b>Mr. Vipin Kapur</b>				
	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
	<b>At the End of the year</b>			<b>24500</b>	<b>4.90</b>

<b>7</b>	<b>Mr. Sushil Kapur</b>				
	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
	<b>At the End of the year</b>			<b>24500</b>	<b>4.90</b>
<b>8</b>	<b>Mr. Rajiv Mehra</b>				
	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
	<b>At the End of the year</b>			<b>11100</b>	<b>2.22</b>
<b>9</b>	<b>Mr. Rakesh Mehra</b>				
	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
	<b>At the End of the year</b>			<b>11100</b>	<b>2.22</b>
<b>10</b>	<b>M/s. Gikasha Investment and Financial Consultancy Private Limited</b>				
	At the beginning of the year	10000	2.00	10000	2.00
	Date wise Increase / Decrease in Shareholding during the year	-	-	10000	2.00
	<b>At the End of the year</b>			<b>10000</b>	<b>2.00</b>

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 01.04.2019)		Cumulative Shareholding during the year (01.04.2019 to 31.03.2020)	
		No. of Shares	% of total shares of the company	No. of shares	% of total shares of the company
<b>1.</b>	<b>Mr. Krishen Kumar Seth (Managing Director and CFO)</b>				
	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
	<b>At the End of the year</b>			<b>49310</b>	<b>9.86</b>
<b>2.</b>	<b>Mr. Arjun Seth (Director)</b>				
	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
	<b>At the End of the year</b>			<b>0</b>	<b>0.00</b>
<b>3.</b>	<b>Mr. Ramesh Mehra (Director)</b>				
	At the beginning of the year	0	0.00	0	0.00
	Date wise Increase / Decrease in Shareholding during the year	-	-	0	0.00
	<b>At the End of the year</b>			<b>0</b>	<b>0.00</b>
<b>4.</b>	<b>Mr. Rakesh Dua (Director)</b>				
	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
	<b>At the End of the year</b>			<b>0</b>	<b>0.00</b>

<b>5.</b>	<b>Mrs. Rita Seth (Director)</b>				
	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
	<b>At the End of the year</b>			<b>6250</b>	<b>1.25</b>
<b>6.</b>	<b>Mr. Manan Khadria Company Secretary (KMP)</b>				
	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
	<b>At the End of the year</b>			<b>0</b>	<b>0.00</b>

#### 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
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	48,72,542	37,52,575	-	86,25,117
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>48,72,542</b>	<b>37,52,575</b>	<b>-</b>	<b>86,25,117</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	95,00,000	81,00,000	-	1,76,00,000
-Reduction	51,39,220	67,02,575	-	1,18,41,795
Net Change	<b>43,60,780</b>	<b>13,97,425</b>	<b>-</b>	<b>57,58,205</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	92,33,322	51,50,000	-	1,43,83,322
ii) Interest due but not paid	-	1,72,080	-	1,72,080
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>92,33,322</b>	<b>53,22,080</b>	<b>-</b>	<b>1,45,55,402</b>

#### 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
<b>1.</b>	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	(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	<b>During the Year, no remuneration was paid.</b>
2.	Stock Option	
3.	Sweat Equity	
4.	Commission - as % of profit - Others, specify...	
5.	Others, please specify	
	Total (A)	

**B. Remuneration to other directors:**

<u>Independent Directors</u>			
Particulars of Remuneration	Mr. Ramesh Mehra	Mr. Rakesh Dua	Total Amount
Fee for attending board committee meeting	<b>During the Year, no remuneration was paid.</b>		
Commission			
Others, please specify			
<b>Total (B)(1)</b>			
<u>Non Executive Directors</u>			
Particulars of Remuneration	Mr. Arjun Seth	Mrs. Rita Seth	Total Amount
Fee for attending board committee meeting	<b>During the Year, no remuneration was paid.</b>		
Commission			
Others, please specify			
<b>Total (B)(2)</b>	-	-	-
<b>Total (B) =(B)(1)+(B)(2)</b>	-	-	-
<b>Total Managerial Remuneration</b>	-	-	-
<b>Overall ceiling as per the Act</b>			

**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	3,50,250



	(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	-
	<b>Total</b>	<b>3,50,250/-</b>

**VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES**

During the year 2019-20, 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: 31<sup>st</sup> August, 2020**

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

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

*Annexure II***SECRETARIAL AUDIT REPORT**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2020*[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]*

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

I have conducted the Secretarial Audit of the compliance of the applicable statutory provisions and the adherence to good corporate practices by **Pearl Apartments Limited (CIN: L70101DL1979PLC009901)** (herein after referred to as 'the Company'), having its Registered Office at 903, Rohit House 3, Tolstoy Marg, New Delhi, Central Delhi-110001. Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

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

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2020 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018 and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of External Commercial Borrowings. Further, there was no transaction of Overseas Direct Investment which was required to be reviewed during the period under audit. **(Not applicable to the Company during the Audit Period);**
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
  - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 **(Not applicable to the Company during the Audit Period);**
  - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 **(Not applicable to the Company during the Audit Period);**

- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the Audit Period);**
- f) The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Redeemable Preference Shares) Regulations, 2013 **(Not applicable to the Company during the Audit Period);**
- g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period);**
- i) The Securities and Exchange Board of India (Investor Protection and Education Fund) Regulations, 2009 **(Not applicable to the Company during the Audit Period);**
- j) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during the Audit Period);**
- k) The Securities and Exchange Board of India SEBI (Prohibition of Fraudulent and Unfair Trade Practices relating to Securities Market) Regulations, 2003; and
- l) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

**I further report that** as per the information and explanations as provided to me, by the officers and management of the Company during Secretarial Audit, the Company has complied to the extent as applicable with the provisions of Labour Laws & other General Laws which may be specifically applicable to the Company, except The Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, which were not applicable on the Company during the Financial Year.

**I have also examined** compliance with the various clauses of the Secretarial Standards issued and notified by The Institute of Company Secretaries of India (ICSI). During the period under review, the company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. as mentioned above.

**I further report that** on the basis of the forms, returns and registers maintained, 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 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 and the records of which were properly recorded in the Minutes Book/registers maintained for the purpose.

As per the minutes of the meetings of the Board and Committees of the Board signed by the Chairman, all the decisions of the Board were adequately passed and the dissenting members' views, if any, was captured and recorded as part of the minutes.

As per the records, the Company filed all the forms, returns, documents and resolutions as were required to be filed with the Registrar of Companies and other authorities and all the formalities relating to the same is in compliance with the Act.

**I further report that** on review of the compliance mechanism established by the Company, I am of the opinion that the management has adequate systems and processes in the Company commensurate with the size and

operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**I further report that** the compliance by the company of applicable financial laws like Direct and Indirect Tax Laws and maintenance of financial records, books of accounts and internal financial control has not been reviewed in this audit since the same have been subject to review by statutory financial audit and other designated professionals. However, the management has provided an assurance that adequate system exists to ensure compliances with those laws.

**I further report that** during the audit period the Company does not have specific event(s)/action(s) having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. referred to above.

**For Abhishek Gupta & Associates  
Company Secretaries**

**Sd/-  
Abhishek Gupta  
Proprietor  
UDIN: F009857B000637319  
M. No.: 9857 C.P. No.: 12262**

**Place: New Delhi  
Date: 31<sup>st</sup> August, 2020**

Note: This report is to be read with '**Annexure I**' is attached herewith and forms an integral part of this report.

Annexure – I

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

My Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2020 of even date is to be read along with this letter:

**Management's Responsibility**

1. It is the responsibility of management of the Company to maintain secretarial records, devise proper systems to ensure compliance with the provisions of all applicable laws and regulations and to ensure that the systems are adequate and operate effectively.

**Auditor's Responsibility**

2. My responsibility is to express an opinion on these secretarial records, standards and procedures followed by the Company with respect to secretarial compliances.
3. I believe that audit evidence and information obtained from the Company's management is adequate and appropriate for me to provide a basis for my opinion.
4. Wherever required, I have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

**Disclaimer**

5. The Secretarial Audit Report is neither an assurance as to future viability of the Company nor of the efficacy or effectiveness with which the management has conducted affairs of the Company.
6. I have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.

**For Abhishek Gupta & Associates**  
**Company Secretaries**

**Sd/-**  
**Abhishek Gupta**  
**Proprietor**  
**UDIN: F009857B000637319**  
**M. No.: 9857 C.P. No.: 12262**

**Place: New Delhi**  
**Date: 31<sup>st</sup> August, 2020**

## 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 2019-20.

**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, 2020 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	01-04-2019 to 31-03-2020
(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	14.02.2019
(g)	Amount paid as advances, if any	NIL

**Note:**

However, the related party transactions as per AS-18 for Financial Year 2019-20 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: 31<sup>st</sup> August, 2020*

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

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

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT****ECONOMICS & INDUSTRY SCENERIO AND OUTLOOK**

Real Estate Sector, a key sector of the Indian economy, (with construction being the 2<sup>nd</sup> largest employment generator, next to agriculture only), has witnessed several structural reforms over the last few years. The government has also supported the demands of the industry and announced several relief measures. However, The COVID-19 pandemic has thrown up big challenges for India's real estate industry. The real estate sector, which has been facing a slowdown over the last five years, trying to come to terms with plethora of reforms and changes like RERA, GST, NBFC crisis was already struggling due to liquidity crisis, regulatory hurdles and weak consumer sentiment. Off late, real estate sector has been hit adversely by liquidity crisis post IL&FS default in 2018, and subsequent risk aversion of lenders.

The COVID-19 outbreak and the subsequent lockdown has led to a slump in sales, halt in construction at ongoing projects and considerable postponement of new project launches. With threat of job losses keeping the consumer sentiment down, people are deferring their big-ticket purchases like homes. Given the current negative sentiment, it will take some time for the demand to revive in the residential real estate. The lockdown and the ensuing Work-From-Home (WFH) concept has the potential to negatively impact commercial real estate demand in the coming years. The social distancing concept will also reduce the demand for shared co-working spaces.

In face of such challenges, one emerging positive is the falling interest rates. The RBI has reduced Repo Rates from 6% in March, 2019 to 4% at present and that has been a cascading effect on the home loan interest rates. Effectively the reduced EMIs have made home mortgages more affordable.

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.

Though the government attempted a host of reforms like reduction in corporate income tax rates, ease of doing business, agri reforms and farmers income support, the short term growth has shown a declining trend, as both consumer and business sentiments declined during the year. Government has infused Rs. 70,000 Cr in Public Sector Banks to improve liquidity and drive lending activities but the liquidity crunch continued throughout the year.

**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 2020.

The sector is expected to face major headwinds amidst the challenges posed by COVID-19 which is likely to put the consolidation in this sector at an accelerated pace. Only high-quality players with a long-term view and proven track record of delivery are posed to weather this storm. This disruption has come after the sector was gaining stability post demonetization, GST, RERA, IBC and NBFC crisis and cost rationalisation and customer referrals will be the way forward atleast in the short term. We believe that we will survive this pandemic and all these developments will create a strong business development opportunity for us in the medium to long term.

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 2020 as well.

In addition, to support the industry the government has initiated some measures like:

1. Suo-moto enhancement of project completion dates by 6 months under RERA.
2. Setting up an Alternative Investment Fund [AIF] to lend money to stalled real estate projects.
3. Interest subvention schemes for middle income and affordable housing projects.

### **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.

### **IMPACT OF COVID-19 ON INDIAN ECONOMY**

India's GDP growth in FY 19-20 has slowed down to a 11 year low of 4.2%. This is the lowest GDP growth since the Great Financial Crises of 2008. Driving this decline in GDP growth is a fall in private consumption, slowdown in CAPEX, overall contraction in global trade volumes and imposition of COVID-19 driven lockdown in March. Stress in the financial sector and weak rural demand have added to this slowdown.

The nationwide lockdown and the consequent suspension of economic activity, due to the COVID-19 pandemic will severely impact economic growth during the first quarter of FY 20-21. The COVID-19 pandemic shows no signs of abating, with India emerging as the new pandemic hotspot.

As on date, the government has started opening up the lockdown gradually, but economic activity being curtailed during the lockdown will need time to recover from the demand and supply shock given by COVID-19 situation. Most of the sectors except Agriculture, Pharma, Information Technology and Telecom along with allied activities have been severely impacted and have had zero to very little activity during the lockdown. A prolonged impact of the COVID disease could impact global demand, with supply chains getting impacted and creating uncertainties for both consumers and businesses. There is also the danger of large scale unemployment if economic activity continues to remain subpar. The government revenues have been hit in a big way and that will have some big implications on the government capital spending. The outcome of stimulus given by the government will be a critical thing to monitor. Reduction of Repo rate by RBI, 4% in May 2020 and lowering of home loan rates, coupled with a lowering inflation should augur well for home buyers and developers.

Most of the Rating Agencies are forecasting a negative GDP growth for the current year. The scale of the decline will be function of how soon the lockdown is lifted completed and the economic activity returns to normal. But in the latest World Economic Outlook report, the IMF projects a rebound in the growth of the Indian economy in FY 20-21, at a rate of 6% and FY 19-20 growth at 4.2%, down from 4.8% as estimated in January 2020. India has been placed among the fastest-growing emerging economies of the world.

### **SEGMENT AND PRODUCTWISE PERFORMANCE**

Company's main business is operating only in one segment the performance of which is already discussed in the board report which is to be read as a part of this report. 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 31<sup>st</sup>, 2020.



**RETURN ON NETWORTH**

The return on Net Worth has been changed to 34.29% as compared to in the previous year 96.21%.

**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.

**HUMAN RESOURCES**

During the year, there was only one employee on the roll of the Company which had already resigned within the same Financial Year.

**SIGNIFICANT CHANGES**

The details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, is provided with the following:

- (i) Debtors Turnover: No Change
- (ii) Inventory Turnover: No Change
- (iii) Interest Coverage Ratio: 7.92 Times as compared to in the previous year 57.46 Times
- (iv) Current Ratio: 0.59 Times as compared to in the previous year 0.48 Times
- (v) Debt Equity Ratio: 0.07 Times as compared to in the previous year 0.4 Times
- (vi) Operating Profit Margin (%): 91.66% in comparison of the previous year 72.78%
- (vii) Net Profit Margin (%): 37.17% in comparison of the previous year 31.97%

**CAUTIONARY STATEMENT**

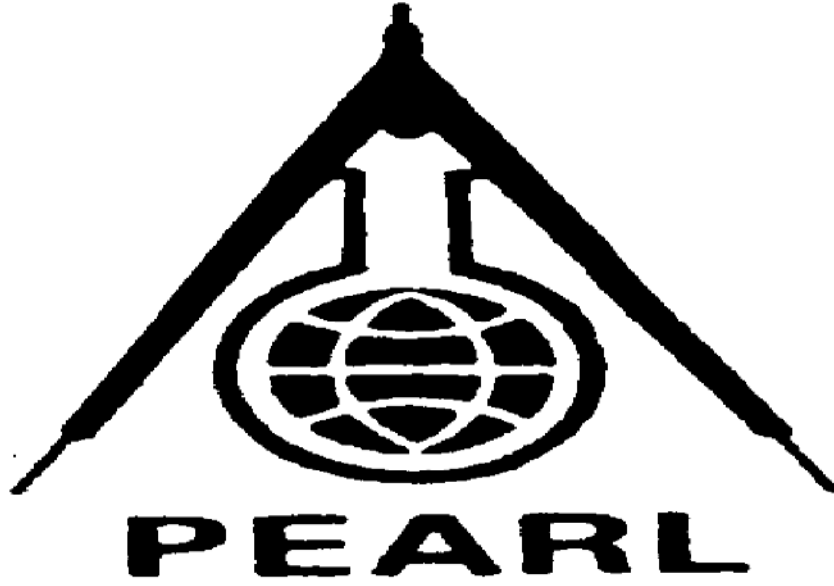
Statements made in the Management Discussion and Analysis Report may be forward looking statements within the meaning of applicable laws and regulations, based on beliefs of the management of your Company. Such statements reflect the Company's current views with respect to the future events and are subject 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: 31<sup>st</sup> August, 2020**

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



***FINANCIAL STATEMENTS***

**INDEPENDENT AUDITOR'S REPORT**

To  
**THE MEMBERS OF  
M/s PEARL APARTMENTS LTD.  
A-97/2, Industrial Area, Phase-II,  
Okhla, New Delhi-110020**

**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, 2020, 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, 2020, the profit and total comprehensive profit, 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 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.

### **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 Annexures 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.

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.

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

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

## PEARL APARTMENTS LIMITED

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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 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.

### **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, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- f) With respect to the adequacy of the internal financial controls 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:
  - 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.

**PEARL APARTMENTS LIMITED**

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- 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: 31<sup>st</sup> July, 2020

**UDIN:- 20081482AAAAAZ9964**

**For Sehgal Mehta & Co.  
Chartered Accountants  
FRN-003330N**

**Sd/-**

**(CA Naresh Khanna)  
Partner  
M. No. 081482**

**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 Apartments 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 Limited ("the Company")** as of 31<sup>st</sup> March 2020 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 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.

### **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 2020, 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: 31<sup>st</sup> July, 2020

**UDIN:- 20081482AAAAAZ9964**

**For Sehgal Mehta & Co.  
Chartered Accountants  
FRN-003330N**

**Sd/-  
(CA Naresh Khanna)  
Partner  
M. No. 081482**

**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 2020, 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.
- 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 31<sup>st</sup> March, 2020 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.
- 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.

**PEARL APARTMENTS LIMITED**

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- 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.
- 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: 31<sup>st</sup> July, 2020

**For Sehgal Mehta & Co.**  
**Chartered Accountants**  
**FRN-003330N**

**UDIN:- 20081482AAAAAZ9964**

**Sd/-**  
**(CA Naresh Khanna)**  
**Partner**  
**M. No. 081482**

## BALANCE SHEET AS AT 31ST MARH 2020

	<b>PARTICULARS</b>	<b>Note No.</b>	<b>As at 31st March 2020</b>	<b>As at 31st March 2019</b>
			<b>(Rs.)</b>	<b>(Rs.)</b>
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
<b>I</b>	<b>ASSETS</b>	-		
1	<b>Non-current assets</b>			
(a)	Property, Plant & Equipment	2	1,20,48,212	61,34,146
(b)	Investment Property	3	18,54,04,261	18,54,04,261
(c)	Financial Assets			
(i)	Investments in Shares	4	2,45,40,000	2,45,40,000
(d)	Deferred Tax Assets (Net)	13	5,97,001	4,18,899
(e)	Other Non-Current Assets	5	79,94,644	78,53,540
	<b>Sub total Non Current Assets</b>		23,05,84,118	22,43,50,846
2	<b>Current assets</b>			
(a)	Financial Assets			
(i)	Investments in Mutual Funds	6	15,92,883	15,84,129
(ii)	Cash and Cash Equivalents	7	7,31,772	12,32,530
(b)	Current Tax Assets (Net)	8	4,77,125	21,02,035
(c)	Other Current Assets	9	17,59,125	5,72,837
	<b>Sub total Current Assets</b>		45,60,905	54,91,531
	<b>TOTAL ASSETS</b>		23,51,45,023	22,98,42,377
<b>II</b>	<b>EQUITY AND LIABILITIES</b>	-		
1	<b>Equity</b>	-		
(a)	Equity Share Capital	10	50,00,000	50,00,000
(b)	Other Equity	11	21,28,50,166	20,73,73,599
	<b>Sub Total Equity</b>		21,78,50,166	21,23,73,599
2	<b>Non-current liabilities</b>			
(a)	Financial Liability			
(i)	Borrowings	12	74,23,066	40,33,409
(b)	Deferred Tax Liability (Net)	13	-	-
(c)	Other Non Current Liabilities	14	21,00,000	21,00,000
	<b>Sub total Non Current Liability</b>		95,23,066	61,33,409
3	<b>Current liabilities</b>			
(a)	Financial Liability			
(i)	Borrowings	15	71,32,336	45,91,708
(ii)	Other Financial Liabilities	16	-	85,777
(b)	Other Current Liabilities	17	6,39,456	66,57,884
	<b>Sub total Current Liability</b>		77,71,792	1,13,35,369
	<b>TOTAL EQUITY AND LIABILITY</b>		23,51,45,023	22,98,42,377

**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: 27th July 2020**

**Sd/-**  
**Mohammad Bilal**  
**Company Secretary**  
**M. No. 56327**

## STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH 2020

	<b>PARTICULARS</b>	<b>- Note No.</b>	<b>For the year ended 31st March 2020</b>	<b>For the year ended 31st March 2019</b>
			<b>(Rs.)</b>	<b>(Rs.)</b>
	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>
1	Revenue from Operations	18	62,50,000	62,50,000
2	Other Income	19	84,84,475	84,42,063
3	<b>Total Income (1+2)</b>		<b>1,47,34,475</b>	<b>1,46,92,063</b>
4	<b>Expenses</b>			
	(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	12,29,529	39,99,255
	(v) Finance Costs	21	9,79,944	1,00,590
	(vi) Depreciation and Amortization Expense	22	10,90,866	6,11,581
	(vii) Other Expenses	23	46,53,820	43,01,493
	<b>Total Expenses (4)</b>		<b>79,54,159</b>	<b>90,12,919</b>
5	<b>Profit/(loss) before exceptional items and tax (3-4)</b>		<b>67,80,316</b>	<b>56,79,144</b>
6	Exceptional Items			
7	<b>Profit/(loss) before tax (5-6)</b>		<b>67,80,316</b>	<b>56,79,144</b>
8	<b>Tax Expenses:</b>			
	(i) Current Tax		13,04,533	10,92,667
	(ii) Tax for earlier years		-	-
	(iii) Mat credit availed		1,77,319	3,28,442
	(iii) Deferred Tax		(1,78,102)	(4,39,191)
9	<b>Profit (Loss) for the period from continuing operations (7-8)</b>		<b>54,76,566</b>	<b>46,97,226</b>
10	Profit/(loss) from discontinued operations		-	-
11	Tax expense of discontinued operations		-	-
12	<b>Profit/(loss) from Discontinued operations (after tax) (10-11)</b>		<b>-</b>	<b>-</b>
13	<b>Profit/(loss) for the period (9+12)</b>		<b>54,76,566</b>	<b>46,97,226</b>
14	<b>Other Comprehensive Income</b>			
	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		-	-
15	<b>Total Comprehensive Income for the period (13+14) (Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>		<b>54,76,566</b>	<b>46,97,226</b>
16	<b>Earnings per equity share (for continuing operation):</b>			
	(i) Basic		10.95	9.39
	(ii) Diluted		10.95	9.39
17	<b>Earnings per equity share (for discontinued operation):</b>			
	(i) Basic		0.00	0.00
	(ii) Diluted		0.00	0.00
18	<b>Earnings per equity share (for discontinued &amp; continuing operation):</b>			
	(i) Basic	24	10.95	9.39
	(ii) Diluted		10.95	9.39

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**

**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: 27th July 2020**

**Sd/-**  
**Mohammad Bilal**  
**Company Secretary**  
**M. No. 56327**

## Cash Flow Statement For The Year Ended March 31, 2020

	For the year Ended 31-03-2020 (Rs.)	For the year Ended 31-03-2019 (Rs.)
<b>A. Cash flow from operating activities:</b>		
Net (loss)/profit before tax	67,80,316	56,79,144
Adjustments for :		
Depreciation/Amortisation	10,90,866	6,11,581
Interest Expense	9,79,944	1,00,590
Interest Income	84,473	-
(Income)/expense from revaluation of investments	5,91,245	(39,743)
(Profit)/loss on sale of assets	9,84,747	19,15,018
(Profit)/loss on sale of Shares/Investment	-	(2,320)
<b>Operating profit before working capital changes</b>	<b>1,05,11,591</b>	<b>82,64,270</b>
<b>Adjustments for changes in working capital :</b>		
- (Increase)/Decrease in Sundry Debtors	-	-
- (Increase)/Decrease in Other Receivables	2,97,517	(4,44,369)
- (Increase)/Decrease in Inventories	-	-
- Increase/(Decrease) in Trade and Other Payables	(61,04,205)	60,38,966
<b>Cash generated from operations</b>	<b>47,04,903</b>	<b>1,38,58,866</b>
- Taxes (Paid) / Received	(14,81,851)	(14,21,110)
<b>Net cash from operating activities (a)</b>	<b>32,23,052</b>	<b>1,24,37,757</b>
<b>B. Cash flow from Investing activities:</b>		
Additions during the period	(1,24,91,997)	(62,21,865)
Proceeds from Sale of fixed assets	45,02,319	8,10,000
Purchase of Investment	(8,754)	(6,42,063)
Sale of Investment	-	24,00,000
Income from revaluation of investments	(5,91,245)	39,743
Profit on sale of Investments	-	2,320
Interest Received (Revenue)	(84,473)	-
<b>Net cash used in investing activities (b)</b>	<b>(86,74,151)</b>	<b>(36,11,865)</b>
<b>C. Cash flow from financing activities:</b>		
Proceeds from calls in arrears	-	-
Proceeds from Long Term Borrowings	33,89,657	40,33,409
Proceeds/payment from/to Other Long Term Liability	25,40,628	(1,16,58,292)
Proceeds from Short Term Borrowing	-	-
Interest Paid	(9,79,944)	(1,00,590)
Dividend Paid (including dividend Tax)	-	-
<b>Net cash used in financing activities (c)</b>	<b>49,50,341</b>	<b>(77,25,473)</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (a+b+c)</b>	<b>(5,00,758)</b>	<b>11,00,419</b>
<b>Cash and cash equivalents in the opening</b>	<b>12,32,530</b>	<b>1,32,111</b>
<b>Cash and cash equivalents in the end</b>	<b>7,31,772</b>	<b>12,32,530</b>
<b>Cash and cash equivalents comprise</b>		
Cash in hand	1,05,000	1,85,701
Balance with Scheduled Banks	6,26,772	10,46,829
	<b>7,31,772</b>	<b>12,32,530</b>

## NOTES:

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

## For and on behalf of the board of directors

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

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

Sd/-  
Arjun Seth  
Director  
DIN No.-00005826

Sd/-  
Naresh Khanna  
Partner  
M.No 081482

Sd/-  
Mohammad Bilal  
Company Secretary  
M. No. 56327

Place: New Delhi  
Dated: 27th July, 2020

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 31st MARCH, 2020****1. COMPANY OVERVIEW**

Pearl Apartments Limited is a listed company incorporated on 24<sup>th</sup> 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 **July 27, 2020**.

**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 for year ended 31st March 2017, the Company prepared its financial statements in accordance with accounting standards notified under section 133 of the Companies Act 2013, read together with paragraph 7 of the Companies (Accounts) Rules, 2014 i.e. Indian GAAP. These financial statements for the year ended 31st March 2018 are the first that Company has prepared in accordance with Ind-AS along with the comparative figures for the year ended 31st March 2017. Some of the Company's Ind-AS accounting policies used in the opening balance sheet are different from its previous GAAP policies applied as at 31st March, 2016, and accordingly the adjustments were made to restate the opening balances as per Ind-AS. The resulting adjustments arose from the events and transactions before the date of transition to Ind-AS. Therefore, as required by Ind-AS 101, those adjustments were recognized directly through retained earnings as at 1st April, 2016. This is the effect of the general rule of Ind-AS 101 which is to apply Ind-AS retrospectively.

**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 is 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:

<b>Category</b>	<b>Useful life (Years)</b>
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).

#### **D. Intangible assets**

##### **i. Goodwill**

Goodwill on acquisitions of subsidiaries is included in intangible assets. Goodwill is not amortized but it is tested for impairment annually, or more frequently if events or changes in circumstances indicate that it might be impaired, and is carried at cost less accumulated impairment losses. Gains and losses on the disposal of an entity include the carrying amount of goodwill relating to the entity sold.

Goodwill is allocated to cash-generating units for the purpose of impairment testing. The allocation is made to those cash-generating units or groups of cash-generating units that are expected to benefit from the business combination in which the goodwill arose. The units or groups of units are identified at the lowest level at which goodwill is monitored for internal management purposes, which in our case are the operating segments.

##### **ii. Patents, copyrights and other rights**

Separately acquired patents and copyrights are shown at historical cost. Patents, copyrights and non-compete acquired in a business combination are recognized at fair value at the acquisition date. They have a finite useful life and are subsequently carried at cost less accumulated amortization and impairment losses.

##### **iii. Computer software**

Costs associated with maintaining software programmes are recognized as an expense as incurred. Development costs that are directly attributable to the design and testing of identifiable and unique software products controlled by the group are recognized as intangible assets when the following criteria are met:

- it is technically feasible to complete the software so that it will be available for use
- management intends to complete the software and use or sell it
- there is an ability to use or sell the software

- it can be demonstrated how the software will generate probable future economic benefits
- adequate technical, financial and other resources to complete the development and to use or sell the software are available, and
- the expenditure attributable to the software during its development can be reliably measured.

Directly attributable costs that are capitalized as part of the software include employee costs and an appropriate portion of relevant overheads.

Capitalized development costs are recorded as intangible assets and amortized from the point at which the asset is available for use.

#### **iv. Research and development**

Research expenditure and development expenditure that do not meet the criteria in (iii) above are recognized as an expense as incurred. Development costs previously recognized as an expense are not recognized as an asset in a subsequent period.

#### **v. Amortization methods and periods**

The group amortizes intangible assets with a finite useful life using the straight-line method over the following periods:

- |                                      |         |
|--------------------------------------|---------|
| ➤ Patent, copyright and other rights | 5 years |
| ➤ Computer software                  | 5 years |
| ➤ 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 is 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.

**2. PROPERTY, PLANT AND EQUIPMENT**

The following table shows changes in Property, Plant and Equipment during the period ended 31st March 2020

	Office Equipments	Vehicles	Computers	Total
<b>Cost or Valuation</b>				
<b>As at 1.4.2019</b>	1,55,800.00	62,21,865.18	16,500.00	63,94,165.18
Additions	-	1,24,91,997.32	-	1,24,91,997.32
Disposals	-	(62,21,865.18)	-	(62,21,865.18)
<b>As at 31.03.2020</b>	1,55,800.00	1,24,91,997.32	16,500.00	1,26,64,297.32
<b>Depreciation</b>				
<b>As at 1.4.2019</b>	70,853.57	1,78,133.15	11,032.15	2,60,018.87
Charges for the year	29,663.08	10,56,559.79	4,642.85	10,90,865.73
Disposals	-	(7,34,799.15)	-	(7,34,799.15)
<b>As at 31.03.2020</b>	1,00,516.65	4,99,893.79	15,675.00	6,16,085.45
<b>Net Block</b>				
<b>As at 31.03.2020</b>	55,283.35	1,19,92,103.53	825.00	1,20,48,211.87
As at 1.4.2019	84,946.43	60,43,732.03	5,467.85	61,34,146.31

**3. INVESTMENT PROPERTY**

The following table shows changes in investment Property during the period ended 31st March 2020

	Building	Total (Rs. in lakhs)
<b>Cost or Valuation</b>		
<b>As at 1.4.2019</b>	18,54,04,261.00	18,54,04,261.00
Additions	-	-
Disposals	-	-
<b>As at 31.03.2020</b>	18,54,04,261.00	18,54,04,261.00
<b>Depreciation</b>		
<b>As at 1.4.2019</b>	-	-
Charges for the year	-	0.00
Disposals	-	-
<b>As at 31.03.2020</b>	-	0.00
<b>Net Block</b>		
<b>As at 31.03.2020</b>	18,54,04,261.00	18,54,04,261.00
As at 1.4.2019	18,54,04,261.00	18,54,04,261.00

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

<b>(i) Amount recognised in Statement of profit and loss for investment properties</b>	<b>Year Ended 31.03.2020</b>	<b>Year Ended 31.03.2019</b>
Rental income	84,00,000	84,00,000
Direct operating expenses from property that generated rental income		
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.

<b>(iv) Fair Value of investment property</b>	<b>Year Ended 31.03.2020</b>	<b>Year Ended 31.03.2019</b>
Investment properties		

**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 by ....., accredited registered valuer holding the recognised and relevant professional qualification and has recent experience in the location and category of the investment property being valued. 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.

## NOTES TO FINANCIAL STATEMENTS FOR THE PERIOD ENDED 31st MARCH 2020

**NON CURRENT ASSETS**

2	Particulars	As at 31st March 2020	As at 31st March 2019
	<b>Property Plant &amp; Equipment</b>		
	Property, Plant & Equipment (Ref Note 2)	1,20,48,212	61,34,146
	<b>Total Property Plant &amp; Equipment</b>	1,20,48,212	61,34,146

3	Particulars	As at 31st March 2020	As at 31st March 2019
	<b>Investment Property</b>		
	Investment Property (Ref Note 3)	18,54,04,261	18,54,04,261
	<b>Total Capital work in progress</b>	18,54,04,261	18,54,04,261

**FINANCIAL ASSETS**

4	Investments	As at 31st March 2020	As at 31st March 2019
	<b>Investments in Associates (Fully paid)</b>		
	<b>Investment in Equity Shares Shares-Unquoted</b>		
	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	2,45,40,000
	<b>Total Investments</b>	2,45,40,000	2,45,40,000

5	Other Non Current Assets	As at 31st March 2020	As at 31st March 2019
	MAT Recoverable	78,44,644	78,53,540
	Security Deposit	1,50,000	-
		-	-
	<b>Total Other Non Current Assets</b>	79,94,644	78,53,540

**CURRENT ASSETS****FINANCIAL ASSETS**

6	Investments	As at 31st March 2020	As at 31st March 2019
	<b>Investments at fair value through OCI (Fully paid)</b>		
	<b>Investment in Mutual Funds</b>		
	Aditya Birla Sun Life Advantage Fund Growth (1,061.55 units (760.282 units in previous year))	3,18,115	3,07,352
	SBI Blue Chip Fund-Regular Plan Growth (11,097.477 units (8025.823 units in previous years))	3,30,168	3,14,660
	HDFC Balanced Advantage Fund-G (2,256.778 Units (1632.971 units in previous years))	3,39,061	3,28,330
	Franklin India Smaller Companies-G (7,723.7620 units (5406.993 units in previous years))	2,60,723	2,97,579
	ICICI Pru Focused Bluechip Equity-G (10,846.727 units (7968.896 units in previous years))	3,44,817	3,36,208
	<b>Total Investments</b>	15,92,883	15,84,129

Profit on revaluation

books	Units	MV	PFT
4,27,352.00	1,061.55	3,18,114.69	(1,09,237.31)
4,34,660.00	11,097.48	3,30,167.70	(1,04,492.30)
4,48,329.43	2,256.78	3,39,060.58	(1,09,268.85)
4,17,579.00	7,723.76	2,60,722.54	(1,56,856.46)
4,56,208.00	10,846.73	3,44,817.45	(1,11,390.55)
<b>21,84,128.43</b>		<b>15,92,882.96</b>	<b>(5,91,245.47)</b>



<b>7</b>	<b>Cash and Cash Equivalents</b>	As at 31st March 2020	As at 31st March 2019
	Balances with Banks		
	- Current account	6,26,772	10,46,829
	Cash in hand	1,05,000	1,85,701
	<b>Total Cash and Cash Equivalents</b>	<b>7,31,772</b>	<b>12,32,530</b>

<b>8</b>	<b>Current Tax Assets (Net)</b>	As at 31st March 2020	As at 31st March 2019
	Income tax advances (net of tax liability)	4,77,125	21,02,035
	<b>Total Current Tax Assets (Net)</b>	<b>4,77,125</b>	<b>21,02,035</b>

<b>9</b>	<b>Other Current Assets</b>	As at 31st March 2020	As at 31st March 2019
	Staff Advance	3,36,023	5,22,500
	Osj Investments Pvt Ltd	12,08,921	-
	GST Input Credit	-	15,876
	T&T Motors Pvt. Ltd.	1,69,158	24,561
	Shashi Prakash Chopra	45,023	-
	IGST receivable	-	9,900
	<b>Total Other Current Assets</b>	<b>17,59,125</b>	<b>5,72,837</b>

**EQUITY AND LIABILITIES****STATEMENT OF CHANGE IN EQUITY FOR THE PERIOD ENDED 31st MARCH, 2020****10 EQUITY SHARE CAPITAL**

Particulars	As at 31st March 2020	As at 31st March 2019
<b>AUTHORISED</b>		
9,50,00(Previous Year-9,50,00) Equity shares of Rs.10/- each	95,00,000	95,00,000
50,000(Previous Year-50,000) 7% Preference Shares of Rs.100/- each	50,00,000	50,00,000
<b>Total Authorised Capital</b>	<b>1,45,00,000</b>	<b>1,45,00,000</b>
<b>ISSUED, SUBSCRIBED &amp; FULLY PAID UP</b>		
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
	-	-
<b>Total issued, subscribed and paid-up capital</b>	<b>50,00,000</b>	<b>50,00,000</b>

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

Particulars	No. of Shares	Amount
<b>As at 1st April 2019</b>	5,00,000	50,00,000
Add/(less): Issued/(redeemed) during the year	-	-
<b>As at 31st March 2020</b>	<b>5,00,000</b>	<b>50,00,000</b>

**(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
<b>As at 31st March 2019</b>		
SH.CHAND SETH	37,170	7.43%
SH.KRISHEN KUMAR SETH	49,310	9.86%
SH. HARISH SETH	38,310	7.66%
M/S. MRK OVERSEAS (P) LTD.	66,960	13.39%
M/S. PEARL POLYMERS PVT. LTD.	27,750	5.55%
M/S. RAVISON DURGS PVT. LTD.	25,450	5.09%
MR. SAMBHAV KAPUR	29,000	5.80%
<b>As at 31st March 2020</b>		
SH.CHAND SETH	37,170	7.43%
SH.KRISHEN KUMAR SETH	49,310	9.86%
SH. HARISH SETH	38,310	7.66%
M/S. MRK OVERSEAS (P) LTD.	66,960	13.39%
M/S. PEARL POLYMERS PVT. LTD.	27,750	5.55%
M/S. RAVISON DURGS PVT. LTD.	25,450	5.09%
MR. SAMBHAV KAPUR	29,000	5.80%

11 OTHER EQUITY	As at 31st March 2020	As at 31st March 2019
<b>(a) Reserve and Surplus</b>		
<b>Capital Reserve</b>		
Balance at the commencement of the year	-	-
Add: Addition/(deletion) during the year	-	-
<b>Balance at the end</b>	-	-
<b>Capital Redemption Reserve</b>		
Balance at the commencement of the year	-	-
Add: Addition/(deletion) during the year	-	-
<b>Balance at the end</b>	-	-
<b>Securities Premium Reserve</b>		
Balance at the commencement of the year	-	-
Add: Addition/(deletion) during the year	-	-
<b>Balance at the end</b>	-	-
<b>General Reserve</b>		
Balance at the commencement of the year	17,53,200	17,53,200
Add: Addition/(deletion) during the year	-	-
<b>Balance at the end</b>	17,53,200	17,53,200
<b>Retained Earnings</b>		
Balance at the commencement of the year	20,56,20,399	20,09,23,174
Add: Profit/(loss) during the year	54,76,566	46,97,226
<b>Balance at the end</b>	21,10,96,966	20,56,20,399
<b>Total (a)</b>	21,28,50,166	20,73,73,599
<b>(a) Other Components of Equity</b>		
<b>Remeasurement of net defined benefit plan</b>		
Balance at the commencement of the year	-	-
Add: Profit/(loss) during the year	-	-
<b>Balance at the end</b>	-	-
<b>Total (a)</b>		
<b>Total (a+b)</b>	21,28,50,166	20,73,73,599

**NON CURRENT LIABILITIES****FINANCIAL LIABILITIES**

12 Borrowings	As at 31st March 2020	As at 31st March 2019
<b>Other loans and advances</b>		
Loan from ICICI Bank for Car *	-	40,33,409
Loan from Dialmer Financial Services India Pvt Ltd	74,23,066	-
<b>Total Borrowings</b>	74,23,066	40,33,409

**\*Vehicles Loans**

Vehicle loans of Rs.92.33 lakhs (Rs.48.73 lakhs) are secured against hypothecation of respective vehicles. Repayments - in monthly installment till 04.12.2024

**Repayments of above Vehicles Loans are as follows:**

- (i) From 0 to 1 years - Rs. 18.1 lakhs
- (ii) From 1 to 2 years - Rs. 17.96 lakhs
- (iii) From 2 to 3 years - Rs. 19.24 lakhs
- (iv) From 3 to 4 years - Rs. 20.61 lakhs
- (v) From 4 to 5 years - Rs. 16.42 lakhs

**NON FINANCIAL LIABILITIES****Deferred Tax Liability (Net)**

13 Deferred Tax (assets)/liabilities relate to the following	As at 31st March 2020	As at 31st March 2019
<b>Deferred Tax Assets</b>		
Property, Plant and Equipment and Investment Property	5,97,001	4,29,232
	5,97,001	4,29,232
<b>Deferred Tax Liabilities</b>		
Income from revaluation of Investments	-	10,333
	-	10,333
<b>Total Deferred Tax Liability (Net)</b>	(5,97,001)	(4,18,899)

14	<b>Other Non Current Liabilities</b>	As at 31st March 2020	As at 31st March 2019
	<b>Others</b>		
	Security Deposits Received	21,00,000	21,00,000
	<b>Total Other Non Current Liabilities</b>	21,00,000	21,00,000

**CURRENT LIABILITIES****FINANCIAL LIABILITIES**

15	<b>Borrowings</b>	As at 31st March 2020	As at 31st March 2019
	<b>Other loans and advances</b>		
	Loan from Directors and their relatives (unsecured)	9,00,000	37,52,575
	Loan from ICDs (Aashray Portfolio Pvt Ltd)	44,22,080	-
	Loan from ICICI Bank for Car (Refer Note 12)	-	8,39,133
	Loan from Dialmer Financial Services India Pvt Ltd	18,10,256	-
	<b>Total Borrowings</b>	71,32,336	45,91,708

16	<b>Other Financial Liabilities</b>	As at 31st March 2020	As at 31st March 2019
	Salary Payable	-	85,777
		-	-
	<b>Total Other Financial Liabilities</b>	-	85,777

**NON FINANCIAL LIABILITIES**

17	<b>Other Current Liabilities</b>	As at 31st March 2020	As at 31st March 2019
	<b>Expense Payable-</b>		
	GST Payable	56,423	1,26,000
	Consultancy Payable	20,250	-
	Audit fees payable	90,000	90,000
	TDS Payable	1,05,706	6,414
	Interest accrued but not due	78,388	19,280
	Interglobe Technology Quotient Pvt Ltd	-	62,50,000
	Pearl International Tours & Travels Ltd.	94,861	52,830
	Sehgal Mehta & Co.	-	32,400
	Zeal Advertising Pvt Ltd	10,676	19,790
	National Securities Depository Limited	15,340	11,800
	SGC SERVICES PRIVATE LIMITED	45,430	
	Beetal Financial and Computer	10,310	
	Sarita Choudhari	45,000	
	Other payables	67,072	49,370
	<b>Total Other Current Liabilities</b>	6,39,456	66,57,884

<b>18 Revenue from Operations</b>	As at 31st March 2020	As at 31st March 2019
<b>Operating Income</b>		
Commission Received	62,50,000	62,50,000
	62,50,000	62,50,000

<b>19 Other Income</b>	As at 31st March 2020	As at 31st March 2019
Rent received	84,00,000	84,00,000
Interest Received On Loan	14,204	
Interest on income tax refund	70,269	
Balancs Written Back	2	
Income from revaluation of mutual fund	-	39,743
Profit on sale of Mutual fund	-	2,320
<b>Total Other Income</b>	84,84,475	84,42,063

<b>20 Employee benefit Expenses</b>	As at 31st March 2020	As at 31st March 2019
Salary, Wages, Bonus & Other Allowance	3,50,250	39,94,155
Contribution to P.F, ESI & other Funds	8,48,279	-
Staff Welfare expenses	31,000	5,100
<b>Total Employee benefit Expenses</b>	12,29,529	39,99,255

<b>21 Finance Costs</b>	As at 31st March 2020	As at 31st March 2019
<b>Others</b>		
Interest paid on ICD	4,71,203	
Interest paid on CAR Loan	5,08,741	1,00,590
<b>Total Finance Cost</b>	9,79,944	1,00,590

<b>22 Depreciation and Amortization</b>	As at 31st March 2020	As at 31st March 2019
Depreciation	10,90,866	6,11,581
<b>Total Depreciation and Amortization</b>	10,90,866	6,11,581

<b>23 Other Expenses</b>	As at 31st March 2020	As at 31st March 2019
Advertisement Expenses	50,132	55,574
Filing Fees	-	600
Legal & Professional Charges	2,44,305	73,500
Audit Fees	1,00,000	1,30,000
Bank charges	2,29,311	2,198
Business Promotion	92,565	-
Travelling & Conveyance	4,01,108	25,870
Listing fees	55,000	11,290
Security Expenses	1,05,919	5,04,154
Miscellaneous Expenses	4,299	3,300
Telephone Expenses	-	1,000
Water & Electricity Expenses	86,060	4,28,818
Loss on sale of Assets	9,84,747	19,15,018
Insurance Expense	-	20,084
Property Tax	29,590	29,322
Office Repair & Maintenance	49,000	-
Printing & Stationary and postage	-	420
Rent Paid	8,92,900	4,57,200
Stamp Duty Expense	-	930
Donation	9,600	
Loss on revaluation of Investments	5,91,245	
Vehicle Maintenance	14,968	4,24,543
Subscription Expenses	3,390	5,890
Prior Period Expenses	1,200	2,10,000
Medical Expenses	22,581	
Consultancy Paid	6,85,600	
Interest on GST paid	300	1,782
<b>Total Other Expenses</b>	46,53,820	43,01,493

Payment to Auditors	Statutory Auditors	Statutory Auditors
<b>Audit Fees</b>		
Statutory Audit Fees	1,00,000	1,00,000
Limited Review Fee		30,000
<b>Total Payment to Auditors</b>	1,00,000	1,30,000

**Prior period adjustments**

<b>Expenditure/(Income)</b>		
Legal & Professional	1,200	2,10,000
<b>Total</b>	1,200	2,10,000

**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 2020	As at 31st March 2019
Opening equity shares (Nos.)	5,00,000	5,00,000
Equity shares issued during the year (nos.)	-	-
Closing equity shares (Nos.)	5,00,000	5,00,000
Weighted average number of equity shares used as denominator for basic/diluted EPS (Nos.)	5,00,000	5,00,000
Net profit/(loss) after tax used as numerator for basic/diluted EPS	54,76,566	46,97,226
Basic Earning per share (Rs.)	10.95	9.39
Diluted Earning per share (Rs.)	10.95	9.39
Face value per equity shares (Rs.)	10	10

**25 RELATED PARTY DISCLOSURE****(A) Related parties as identified by the management are given below:-****Key Management Personnel**

Mr. Krishen Kumar Seth - Chairman &amp; 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

Aashray Portfolio Private Limited

Pearl International Tours &amp; 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 Person		Other Related Parties	
	31.03.2020	31.03.2019	31.03.2020	31.03.2019	31.03.2020	31.03.2019
<b>Loans taken</b>						
Krishen Kumar Seth	10,00,000	34,00,000				
Nakul Seth			25,00,000			
Aashray Portfolio Pvt Ltd					46,00,000	
<b>Loans repaid</b>						
Krishen Kumar Seth	47,52,575	1,58,97,425				
Nakul Seth			16,00,000			
Aashray Portfolio Pvt Ltd					3,50,000	
<b>Rent Paid</b>						
Pearl International Tours & Travels Ltd.					3,42,900	4,57,200
<b>Interest Paid</b>						
Aashray Portfolio Pvt Ltd					1,91,200	
<b>Remuneration Paid</b>						
Krishen Kumar Seth		18,00,000				
<b>Balance outstanding {receivable/(payable)}</b>						
Aashray Portfolio Pvt Ltd					(44,22,080)	
Krishen Kumar Seth	-	(37,52,575)				
Nakul Seth		-	(9,00,000)		-	

**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  
F.R.N: 003330N

Sd/-  
Naresh Khanna  
Partner  
M. No 081482

Place: New Delhi  
Date: 27th July 2020

**For and on behalf of the board of directors**

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

Sd/-  
Mohammad Bilal  
Company Secretary  
M. No. 56327

Sd/-  
Arjun Seth  
Director  
DIN No.-00005826

## 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 41<sup>st</sup> Annual General Meeting of the company, to be held on Wednesday the 30<sup>th</sup> day of September, 2020 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
<b>ORDINARY BUSINESS</b>			
1.	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2020 together with the Reports of the Board of Directors and Auditors thereon.		
2.	To appoint a Director in place of Mrs. Rita Seth (DIN: 00005797), who retires by rotation and being eligible offers herself for re-appointment.		

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2020.

\_\_\_\_\_  
Signature of shareholder

\_\_\_\_\_  
Signature of Proxy holder(s)

Affix Revenue Stamp of Re. 1/- value
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**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 v 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

41<sup>st</sup> Annual General Meeting – 30<sup>th</sup> September, 2020

Registered Folio No.

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Number of Shares held

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I hereby record my presence at the 41<sup>st</sup> Annual General Meeting of the Company at the registered office of the Company at 903, Rohit House, 3, Tolstoy Marg, New Delhi-110001, on Wednesday the 30<sup>th</sup> day of September, 2020, 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.**

LOCATION TO THE ANNUAL GENERAL MEETING  
(PEARL APARTMENTS LIMITED)

