

## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of Panchmahal Properties Limited**

**Report on Audit of the Financial Statements**

### **Opinion**

We have audited the financial statements of Panchmahal Properties Limited ("the Company"), which comprise the Balance Sheet as at 31st March 2021, the Statement of Profit and Loss, 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 then ended, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (herein after referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, its Profit including Other Comprehensive income, changes in equity and its cash flows for the year ended on that date.

### **Basis of Opinion**

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

### **Information other than the Financial Statements and Auditors Report Thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Board's Report, but does not include the Ind AS financial statements and our auditor's report thereon. The board report is expected to be made available to us after the date of this auditor's report. Our opinion on the Ind AS financial statement 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 in the 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. When we read the Board Report, if we conclude that there is a material Misstatement therein, we are required to communicate the matter to those charged with governance and take necessary actions, as applicable under the applicable laws and regulations.



## **Responsibility of Management 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 state of affairs, financial performance, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (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 of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the 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 also responsible for overseeing the Company's financial reporting process.

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

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

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

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



- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company 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.


### **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - c) The Balance Sheet, the Statement of Profit and Loss including other comprehensive income, the Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.
  - d) In our opinion, the aforesaid financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
  - e) On the basis of the written representations received from the directors as on 31<sup>st</sup> March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2021 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 B". 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 Auditor's Report in accordance with requirement of Section 197(16) of the Act, as amended, the company has not paid/provided for any remuneration to its directors, Accordingly, provisions of section 197 of the Act are not applicable on the Company.
- h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements - Refer Note No. - 16 of the Ind-AS Financial statements
  - ii. The Company has made provision, as required under the applicable law or Indian accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the Company

For **S.B.G & Co.**  
Chartered Accountants  
Firm Registration No. 001818N

  
(Suresh Kumar)  
Partner  
Membership No. 072921



Place: New Delhi  
Date: 18/05/2021  
UDIN: 21072921AAAA DM0031

## Annexure A to the Auditors' Report


The Annexure referred in the Independent Auditors Report to the members of the Panchmahal Properties Limited on the financial statements for the year ended 31<sup>st</sup> March, 2021, we report that:-

- (i) As per records and information and explanations given to us and on the basis of our examination of the records of the company, the company does not have any fixed assets and therefore clause 3(i) of the order is not applicable on the company.
- (ii) As per records and information and explanations given to us and on the basis of our examination of the records of the company, the company does not have any inventory. Accordingly, we are not offering any comments under clause 3(ii) of the order.
- (iii) As per records, information and explanations given to us, the Company has not granted any loans, secured or unsecured to any companies, firm, LLP or other parties covered in register maintained under section 189 of the companies Act, 2013. Accordingly, we are not offering any comments under 3(iii) (a), (b) & (c) of the order.
- (iv) According to the information and explanation given to us, on the basis of examination of the records of the company, the Company has not given any loans, guarantees and security and has not made any investment under the provisions of Section 185 and 186 of the Act.
- (v) In our opinion and according to the information and explanation provided to us, the Company has not accepted any deposits from public within the provisions of Section 73 to 76 of the act or any other relevant provisions of the act and rules frames thereunder (to the extent applicable). We have been informed that no order has been passed by the Company law Board or National company Law Tribunal or Reserve bank of India or any court or other Tribunal in this regard.
- (vi) The maintenance of Cost records has not been specified by the Central Government under section 148(1) of the Companies Act, 2013 for the business activities carried out by the Company. Thus, reporting under Clause 3(vi) of the Order is not applicable.
- (vii) According to the records of the company and information and explanations given to us, in respect of statutory dues:
  - (a) The Company is generally regular in depositing undisputed statutory dues including provident fund, employees' state insurance, income-tax, Goods and service tax, Customs duty, Cess and other material statutory dues with the appropriate authorities, to the extent applicable. There are no undisputed statutory dues payable as at the March 31, 2021 which were outstanding for a period of more than six months from the date, they became payable.
  - (b) According to the information and explanation given to us, there are no dues in respect of Income Tax, Sales Tax, Service Tax, Goods and Services Tax, Excise duty and value added tax which have not been deposited with the appropriate authorities, to the extent applicable, on account of any dispute.
- (viii) The Company has not taken any loans or borrowings from financial institutions, banks and government or has not issued any debentures. Hence reporting under clause 3(viii) of the order is not applicable to the company.



- (ix) The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) hence reporting under clause 3(ix) of the order is not applicable to the company.
- (x) Based on the audit procedure performed and according to the information and explanation given to us by the management, no fraud by the company or no fraud on the company by its officers or employees has been noticed or reported during the year.
- (xi) The company has not paid/provided any remuneration to its directors. Accordingly, provisions of section 197 of the Act are not applicable on the company. Accordingly provisions of Clause 3(xi) of the order are not applicable.
- (xii) The Company is not a Nidhi Company and hence reporting clause (xii) of para 3 of the Order is not applicable to the Company.
- (xiii) The company is a public unlisted company and accordingly the requirements as stipulated by the provisions of section 177 are not applicable to the company, Moreover, as per the information and explanations and records made available by the management of the company as per and audit procedure performed, for transactions with the related parties during the year, the company has complied with the provisions of the Section 188 of the act, where applicable. As explained and as per records, details of related party transaction have been disclosed in the Ind AS Financial statements as per the applicable Accounting Standards.
- (xiv) The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under audit and hence reporting clause (xiv) of the Order is not applicable to the Company.
- (xv) In our opinion and according to the information and explanations given to us, during the year, the company has not entered into non-cash transactions with directors or persons connected with him and hence provisions of Section 192 of the Companies Act 2013, are not applicable to the company.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **S.B.G & Co.**  
Chartered Accountants  
Firm Registration No. 001818N

  
(Suresh Kumar)  
Partner  
Membership No. 072921



Place: New Delhi  
Date: 10/05/2021  
UDIN: 21071921AAAA DM8831

## **Annexure B to the Independent Auditor's Report**

**[Referred to in paragraph 2 under 'Report on other Legal and Regulatory Requirements' in the Independent Auditor's Report of even date]**

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

We have audited the internal financial controls over financial reporting of **Panchmahal Properties Limited** ("the Company") as of March 31, 2021 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 Company's management is responsible for establishing and maintaining internal financial controls based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India". These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing 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; (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 March 31, 2021, based on "the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India".

For **S.B.G & Co.**  
Chartered Accountants  
Firm Registration No. 001818N

  
(Suresh Kumar)  
Partner  
Membership No. 072921



Place: New Delhi  
Date: 18/05/2021  
UDIN: 21072921AAAAADM8831

Panchmahal Properties Limited  
BALANCE SHEET AS AT 31st March 2021

(Amount in ₹ lakhs, except otherwise stated)

Particulars	Note No.	As at 31st March, 2021	As at 31st March, 2020
<b>Assets</b>			
<b>1 Non Current Assets</b>			
(a) Deferred Tax Assets (Net)	2	12.87	13.67
<b>Total Non Current Assets</b>		<b>12.87</b>	<b>13.67</b>
<b>2 Current Assets</b>			
<b>(a) Financial Assets</b>			
(i) Cash and cash equivalents	3	9.03	12.11
(ii) Bank Balance other than (i) above	4	213.00	203.00
(iii) Other Financial Assets	5	0.34	-
(b) Current Tax Assets (Net)	6	0.10	0.62
<b>Total Current Assets</b>		<b>222.47</b>	<b>215.73</b>
<b>Total Assets</b>		<b>235.34</b>	<b>229.40</b>
<b>Liabilities and Equity</b>			
<b>1 Equity</b>			
(a) Equity Share capital	7	35.12	35.12
(b) Other Equity	8	200.08	194.21
<b>Total Equity</b>		<b>235.20</b>	<b>229.33</b>
<b>Liabilities</b>			
<b>2 Non-current Liabilities</b>			
<b>Total Non Current Liabilities</b>		-	-
<b>3 Current Liabilities</b>			
<b>(a) Financial Liabilities</b>			
(i) Other financial liabilities	9	0.14	0.07
<b>Total Current Liabilities</b>		<b>0.14</b>	<b>0.07</b>
<b>Total Liabilities and Equity</b>		<b>235.34</b>	<b>229.40</b>
Summary of significant accounting policies	1		
See accompanying notes forming part of the financial statements			

As per our report of even date attached

For S.B.G & Co.

Chartered Accountants

FRN Registration No. 001818N

  
Suresh Kumar  
Partner

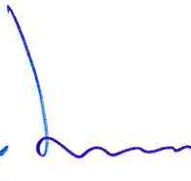
Membership No - 72921  
Place: New Delhi

Date: 18th May, 2021

UDIN: 21072921AAAADM8831



  
Directors

  
Directors

Panchmahal Properties Limited  
STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED ON 31st March, 2021

(Amount in ₹ lakhs, except otherwise stated)

Particulars	Note No.	For the Year ended on 31st March, 2021	For the year ended on 31st March, 2020
<b>Revenue</b>			
(I) Revenue from operations			
(II) Other Income		-	-
<b>(III) Total Income (I+II)</b>	10	7.95	10.51
<b>(IV) Expenses</b>		7.95	10.51
Other expenses			
<b>(IV) Total Expenses (IV)</b>	11	0.26	0.23
<b>(V) Profit before tax (III -IV)</b>		0.26	0.23
<b>(VI) Tax Expense:</b>		7.69	10.28
- Current Tax			
- Tax Adjustment for Earlier Years		2.03	2.67
<b>(VII) Profit for the year(V-VI)</b>		(0.21)	-
<b>(VIII) Other Comprehensive Income</b>		5.87	7.61
(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		-	-
Subtotal (A)		-	-
(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		-	-
Subtotal (B)		-	-
<b>Other Comprehensive Income (A + B)</b>		-	-
<b>(IX) Total Comprehensive Income for the year (VII+VIII)</b>		-	-
<b>(X) Earnings per equity share of ₹ 10 each</b>		5.87	7.61
Basic (₹)			
Diluted (₹)	12	1.67	2.17
		1.67	2.17

Summary of significant accounting policies  
See accompanying notes forming part of the financial statements

1

As per our report of even date attached

For S.B.G & Co.

Chartered Accountants

FRN Registration No. 001818N

  
Suresh Kumar

Partner

Membership No - 72921

Place: New Delhi

Date: 18th May, 2021



   
Directors

Panchmahal Properties Limited  
STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED ON 31st March, 2021

(Amount in ₹ lakhs, except otherwise stated)

A. Equity Share Capital (of ₹ 10 each)

Particulars	No. of Equity Shares	Amount
Balance as at April 1, 2019	3,51,230	35.12
Changes in Equity Share Capital from April 1, 2019 to March 31, 2020	-	-
Balance as at March 31, 2020	3,51,230	35.12
Changes in Equity Share Capital from April 1, 2020 to March 31, 2021	-	-
Balance as at March 31, 2021	3,51,230	35.12

B	Other Equity	Retained Earnings	Items of Other Comprehensive Income	Total
	Balance as at 1 April, 2019			
	Profit / (loss) for the financial year 2019-20	186.60	-	186.60
	Other Comprehensive Income (net of tax)	7.61	-	7.61
	Balance as at 31 March, 2020	-	-	-
	Profit / (loss) for the financial year 2020-21	194.21	-	194.21
	Other Comprehensive Income (net of tax)	5.87	-	5.87
	Balance as at 31 March, 2021	200.08	-	200.08

See accompanying notes forming part of the financial statements

As per our report of even date attached  
For S.B.G & Co.

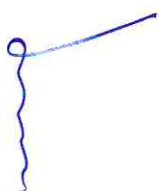
Chartered Accountants  
FRN Registration No. 001818N

  
Suresh Kumar  
Partner  
Membership No - 72921  
Place: New Delhi  
Date: 18th May, 2021



  
Directors



  
Directors

**Panchmahal Properties Limited**

Notes forming part of the financial statement for year ended 31st March 2021

(Amount in ₹ lakhs, except otherwise stated)

**1.1 Corporate Information**

Panchmahal Properties Limited is a Public Company and is registered at Registrar of Companies, Delhi having registered office at Nehru House 4, Bahadur Shah Zafar Marg, New Delhi - 110002. It is involved in the business of renting of property. These financial statements were approved and adopted by board of directors of the Company in their meeting held on 18th May, 2021.

**1.2 Basis of Preparation of financials Statements**

**(i) Statement of Compliance**

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 ('the Act') read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended from time to time on accrual basis. The Financial Statements comply with IND AS notified by the Ministry of Corporate Affairs ("MCA"). The Company has consistently applied the accounting policies used in the preparation for all periods presented.

**(ii) Basis of Preparation**

The financial statements have been prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the section 133 of the Companies Act, 2013 read together with Companies (Indian Accounting Standards) Rule, 2015 and the Companies (Accounting Standards) Amendment Rules, 2016, other relevant provisions of the Act.

The financial statements correspond to the classification provisions contained in Ind AS-1 (Presentation of Financial Statements).

**(iii) Basis of Measurement**

The financial statements have been prepared on accrual basis and under the historical cost convention except for the items that have been measured at fair value as required by relevant IND AS.

**(iv) Functional and Presentation Currency**

The financial statements are presented in Indian Rupees (₹), which is also the Company's functional currency and all values are rounded to the nearest lakh (INR 00,000), except when otherwise indicated.

**(v) Fair value measurement**

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

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

**(vi) Current and Non- Current Classification**

All Assets and Liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of activities of the Company and their realisation in cash and cash equivalent, the Company has determined its operating cycle as twelve months for the purpose of current and non-current classification of assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**(vii) Significant accounting judgements, estimates and assumptions:**

The preparation of these financial statements requires management judgments, estimates and assumptions that affect the application of accounting policies, the accounting disclosures made and the reported amounts of assets, liabilities, income and expenses.

Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates are made in the period, in which, the estimates are revised and in any future periods, effected pursuant to such revision.

**1.3 Significant Accounting Policies**

**1.3.1 Property, plant and equipment and depreciation/amortisation**

**A. Property, Plant and Equipment**

Property, plant and equipment are measured at cost less accumulated depreciation and impairment losses, if any. Cost includes expenses directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

**B. Depreciation and Amortization**

Depreciation on Property, Plant and Equipment is provided as per Straight Line Method over their useful lives and in the manner specified in Part "C" of Schedule II of the Companies Act, 2013.

Depreciation on Fixed assets added/ disposed off during the year is provided on pro rata basis with reference to the date of addition / disposal.

**C. Impairment of property, plant and equipment**

An assessment is done at each balance sheet date as to whether there are any indications that an asset may be impaired. If any such indication exists, an estimate of the recoverable amount of the asset/Cash Generating Unit (CGU) is made. Where the carrying value of the asset/CGU exceeds the recoverable amount, the carrying value is written down to the recoverable amount.



**1.3.2 Cash and Cash Equivalents**

Cash and Cash Equivalents includes cash on hand and balance with banks on current accounts and Fixed Deposits with maturity period less than 3 months.

**1.3.3 Financial Instruments**

A Financial Instrument is any contract that gives rise to a financial **asset** of one entity and a financial liability or equity instrument of another entity.

**1 Financial Assets**

Financial **Assets** includes Investments, Cash and Cash Equivalents, Bank Balance other than cash and cash equivalents and Other Financial **Assets**.

Financial **Assets** are measured at amortised cost or fair value through Other Comprehensive Income or fair value through Statement of Profit or Loss, depending on its business model for managing those financial **assets** and the **assets** contractual cash flow characteristics.

Subsequent measurements of financial **assets** are dependent on initial classification. For impairment purposes significant financial **assets** are tested on an individual basis, other financial **assets** are assessed collectively in groups that share similar credit risk characteristics.

The company derecognizes a financial **assets** when the contractual rights to the cash flows from the financial **assets** expire or it transfers the financial **assets** and the transfer qualifies for the derecognition under Ind AS 109.

The company assesses impairment based on the expected credit losses (ECL) model to all its financial **assets** measured at amortised cost.

**2 Financial Liabilities**

Financial liabilities include Other Current Financial Liabilities.

All financial liabilities recognized initially at fair value, and in case of other payables, net of directly attributable transaction cost.

After initial recognition, financial liabilities are classified under one of the following two categories:

**Financial liabilities at amortised cost:** Other Current Financial Liabilities are measured at amortised cost.

**Financial liabilities at fair value through profit or loss:** Financial liabilities which are designated as such on initial recognition, or which are held for trading. Fair value gains / losses attributable to changes in own credit risk is recognised in OCI. These gains / losses are not subsequently transferred to Statement of Profit and Loss. All other changes in fair value of such liabilities are recognised in the Statement of Profit and Loss.

**De-recognition of Financial Liability**

A Financial Liability is derecognized when the obligation under the liability is discharged or cancelled or expires.

**1.3.4 Earnings per share**

Basic earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares outstanding during the period.

Diluted earnings per equity share is computed by dividing the net profit attributable to the equity holders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares. Dilutive potential equity shares are deemed converted as of the beginning of the period, unless issued at a later date. Dilutive potential equity shares are determined independently for each period presented.

**1.3.5 Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognized when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate **asset**, but only when the reimbursement is virtually certain. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement. 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.

Contingent liability is disclosed in the case of:

- A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation.

- A present obligation arising from past events, when no reliable estimate is possible:

- A possible obligation arising from past events, unless the probability of outflow of resources is remote.

Provisions, contingent liabilities & contingent assets are reviewed at each balance sheet date.



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**1.3.6 Revenue recognition**

The Company's revenue is based on a comprehensive assessment model as set out in IND AS 115. The company identifies contract with the customer and its performance obligation under the contract, determines the transaction price and its allocation to the performance obligations in the contract and recognises revenue only on satisfactory completion of performance obligation. Revenue is measured at fair value of the consideration received or receivable.

**(i) Other Income**

Other Income include interest income and net unrealised gain on fair valuation of mutual fund investments. Any differences between the fair values of the investment in mutual funds classified as fair value through the profit or loss, held by the Company on the balance sheet date is recognised as an unrealised gain/loss in the statement of profit and loss. In cases there is a net gain in aggregate, the same is recognised in "Net gains or fair value changes" under other income and if there is a net loss the same is disclosed under "Expenses", in the statement of profit and loss.

**(ii) Interest Income**

Interest income is recognized on time proportion basis using the effective interest method.

**1.3.7 Borrowing cost**

The finance costs includes interest on financial liabilities measured at amortised cost. The interest on financial liabilities is calculated as per the effective interest method as per Ind AS 107.

**1.3.8 Taxes on Income**

**a) Current Tax**

Tax on income for the current period is determined on the basis of estimated taxable income and tax credits computed in accordance with the provisions of the relevant tax laws and based on the expected outcome of assessments / appeals.

Current income tax relating to items recognized directly in equity is recognized in equity and not in the statement of profit and loss. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

**b) Deferred Tax**

Deferred tax is provided using the balance sheet approach on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes at the reporting date.

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. Unrecognized deferred tax assets are reassessed at each reporting date and are recognized to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

Deferred tax assets and liabilities are measured at the tax rates that are applicable at the reporting date.

Deferred tax relating to items recognized outside the Statement of Profit and Loss is recognized under Other Comprehensive Income (OCI).

Deferred tax items are recognized in correlation to the underlying transaction either in other comprehensive income or directly in equity.

The break-up of the major components of the deferred tax assets and liabilities as at balance sheet date has been arrived at after setting off deferred tax assets and liabilities.

**c) Minimum Alternate Tax**

Minimum Alternate Tax (MAT) paid in a year is charged to the Statement of Profit and Loss as current tax for the year. The deferred tax asset is recognised for MAT credit available only to the extent that it is probable that the Company will pay normal income tax and thereby utilising MAT credit during the specified period, i.e., the period for which MAT credit is allowed to be carried forward and utilised. In the year in which the Company recognises MAT credit as an asset, it is created by way of credit to the Statement of Profit and Loss and shown as part of deferred tax asset. The Company reviews the 'MAT credit entitlement' asset at each reporting date and writes down the asset to the extent that it is no longer probable that it will pay normal tax during the specified period.

**1.3.9 Statement of Cash Flows**

Cash flows are reported using the indirect method, whereby profit for the period is adjusted for the effects of transactions of a non-cash nature, any deferrals or accruals of past or future operating cash receipts or payments and item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.



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Panchmahal Properties Limited

Notes forming part of the financial statement for year ended 31st March 2021

(Amount in ₹ lakhs, except otherwise stated)

2	Deferred Tax Assets (Net)	As at 31st March, 2021	As at 31st March, 2020
	Mat Credit Entitlement	12.87	13.67
	<b>Total</b>	<b>12.87</b>	<b>13.67</b>

3	Cash & Cash Equivalents	As at 31st March, 2021	As at 31st March, 2020
	Cash on Hand	0.01	0.01
	<b>Balance with banks :</b>		
	On Current Accounts	4.02	7.10
	Fixed Deposit with maturity of less than 3 months from the date of acquisition	5.00	5.00
	<b>Total</b>	<b>9.03</b>	<b>12.11</b>

4	Bank Balance other than Cash & Cash Equivalents	As at 31st March, 2021	As at 31st March, 2020
	Fixed Deposit	213.00	203.00
	<b>Total</b>	<b>213.00</b>	<b>203.00</b>

5	Other Financial assets	As at 31st March, 2021	As at 31st March, 2020
	Accrued Interest	0.34	-
	<b>Total</b>	<b>0.34</b>	<b>-</b>

6	Current Tax Assets (Net)	As at 31st March, 2021	As at 31st March, 2020
	Current Tax Assets (Net)	0.10	0.62
	<b>Total</b>	<b>0.10</b>	<b>0.62</b>



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7	Share capital	As at 31st March, 2021	As at 31st March, 2020
A.	<b>Authorised Capital</b> 5,00,000 ( Previous year 5,00,000 ) equity shares of ₹10 each	50.00	50.00
	<b>Total Authorised Capital</b>	50.00	50.00
B.	<b>Issued, Subscribed and fully paid-up</b> 3,51,230 ( Previous year 3,51,230 ) equity shares of ₹ 10 each fully paid	35.12	35.12
		35.12	35.12

C. **Reconciliation of the numbers of shares outstanding at the beginning and at the end of the reporting period**

Particulars	As at	As at
	31st March, 2021	31st March, 2020
At the beginning of year	No. of Shares	No. of Shares
Add:- Issued during the year	3,51,230	3,51,230
Outstanding at the end of period	3,51,230	3,51,230

D. **Details of each equity shareholder holding more than 5% shares :-**

Name of Shareholders	As at	As at	As at	As at
	31st March, 2021	31st March, 2021	31st March, 2020	31st March, 2020
	No. of Shares	%	No. of Shares	%
Bengal & Assam Company Ltd.	3,51,230	100%	3,51,230	100%

E. **Shares held by its Holding Company or its Ultimate Holding Company**

Company Name	Relationship	As at	As at
		31st March, 2021	31st March, 2020
Bengal & Assam Co. Ltd.	Holding Company	3,51,230	3,51,230

F. **Rights and preferences attached to Equity Shares :**

- The Company has only one class of Equity Shares having a par value of Rs.10/- per share. Each shareholder is entitled to one vote per share.
- In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.
- The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting, except in case of interim dividend.

G. In preceding five (5) years, there was no issue of bonus, buy back, cancellation and issue of shares for other than cash consideration.

8	Other Equity	Retained Earnings	Items of Other Comprehensive Income	Total
	Balance as at 1 April, 2019	186.60	-	186.60
	Profit / (loss) for the financial year 2019-20	7.61	-	7.61
	Other Comprehensive Income (net of tax)	-	-	-
	<b>Balance as at 31 March, 2020</b>	<b>194.21</b>	<b>-</b>	<b>194.21</b>
	Profit / (loss) for the financial year 2020-21	5.87	-	5.87
	Other Comprehensive Income (net of tax)	-	-	-
	<b>Balance as at 31 March, 2021</b>	<b>200.08</b>	<b>-</b>	<b>200.08</b>

Notes: Nature and purpose of reserve

(i) **Retained Earnings**

Surplus in the statement of profit and loss is the accumulated available profit of the Company carried forward from earlier years. These reserve are free reserves which can be utilised for any purpose as may be required.



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Panchmahal Properties Limited

Notes forming part of the financial statement for year ended 31st March 2021

(Amount in ₹ lakhs, except otherwise stated)

9	Other financial liabilities	As at 31st March, 2021	As at 31st March, 2020
	Expenses Payable	0.14	0.07
	<b>Total</b>	<b>0.14</b>	<b>0.07</b>

10	Other Income	For the Year ended on 31st March, 2021	For the year ended on 31st March, 2020
	<b>On Financial Assets measured at Amortised Cost</b>		
	Interest on deposits with Banks	7.90	10.51
	Others		
	Interest on Income tax refund	0.05	-
	<b>Total</b>	<b>7.95</b>	<b>10.51</b>

11	Other expenses	For the Year ended on 31st March, 2021	For the year ended on 31st March, 2020
	Rent, taxes and energy costs		
	<b>Auditor's fees and expenses</b>	-	0.03
	-Audit Fees		
	-Certification	0.07	0.07
	Legal and Professional charges	-	0.01
	Insurance (2020-21 : ₹ 118, 2019-20: ₹ 118)	0.16	0.11
	Bank Charges, Travelling & Other Miscellaneous Expenses	0*	0*
	<b>Total</b>	<b>0.03</b>	<b>0.01</b>
		<b>0.26</b>	<b>0.23</b>

\*Amount Less than ₹ 500



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Panchmahal Properties Limited

Notes forming part of the financial statement for year ended 31st March 2021

(Amount in ₹ lakhs, except otherwise stated)

12 Earnings per share (EPS)

The following reflects the profit / (loss) and share data used in the basic and diluted EPS computations:

Particulars	(Amount in ₹ lakhs, except otherwise stated)	
	For the Year ended on 31st March, 2021	For the year ended on 31st March, 2020
(a) Net (loss) / profit for calculation of basic EPS (₹ in Lacs)	5.87	7.61
Net (loss) / profit for calculation of basic Diluted EPS (₹ in Lacs)	5.87	7.61
(b) Weighted average number of equity shares during the year - basic & diluted	3,51,230	3,51,230
Earning Per Share - Basic (₹)	1.67	2.17
Earning Per Share - Diluted (₹)	1.67	2.17
Face Value per share (₹)	10.00	10.00

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**13 Fair Value of Financial Assets and Liabilities:**

Set out below, is a comparison by class of the carrying amounts and fair value of the financial instruments of the Companies

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Carrying Amount	Fair Value	Carrying Amount	Fair Value
<b>Financial Assets</b>				
<b>At Amortized cost</b>				
Cash & Cash Equivalent	9.03	9.03	12.11	12.11
Bank Balance other than Cash & Cash Equivalent	213.00	213.00	203.00	203.00
Other Financial Assets	0.34	0.34	-	-
<b>Total</b>	<b>222.37</b>	<b>222.37</b>	<b>215.11</b>	<b>215.11</b>
<b>Financial Liabilities</b>				
<b>At Amortized Costs</b>				
Other Current Financial Liabilities	0.14	0.14	0.07	0.07
<b>Total</b>	<b>0.14</b>	<b>0.14</b>	<b>0.07</b>	<b>0.07</b>

**Fair Valuation Techniques:**

The Company maintains policies and procedures to value Financial Assets & Financial Liabilities using the best and most relevant data available. The Fair Values of the Financial Assets and Liabilities are included at the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The Company has disclosed financial instruments such as cash and cash equivalents, bank balance other than cash & cash equivalents, other financial assets and other current financial liabilities at carrying value because their carrying amounts are a reasonable approximation of the fair values due to their short term nature.



## 14 Income Tax

(A) The major components of income tax expense for the financial year ended 31st March, 2021 are as follows:-

Particulars	For the Year ended on 31st March, 2021	For the year ended on 31st March, 2020
Current Income Tax		
- Current year	2.03	2.67
- Adjustment in respect of current income tax of earlier year	(0.21)	-
<b>Total tax expense reported in the statement of profit &amp; loss</b>	<b>1.82</b>	<b>2.67</b>

## (B) Reconciliation of effective tax

Particulars	For the Year ended on 31st March, 2021	For the year ended on 31st March, 2020
Accounting Profit/(Loss) before income tax	7.69	10.28
At Statutory Income Tax Rate @ 26.00%	2.00	2.67
Tax Effect of		
Earlier Year Tax Adjustment	(0.21)	-
Others	0.03	-
<b>Current Tax expense/(income) reported in Statement of Profit or Loss</b>	<b>1.82</b>	<b>2.67</b>

## C) Reconciliation of deferred tax assets/Deferred Tax (Liabilities)

Particulars	For the Year ended on 31st March, 2021	For the year ended on 31st March, 2020
Opening Balance	13.67	8.01
Deferred tax expense/(Income) during the year in Profit & Loss Statement	-	-
MAT Credit	(0.80)	5.66
<b>Closing Balance</b>	<b>12.87</b>	<b>13.67</b>

## 15 The Micro, Small and Medium Enterprises Development (MSMED) Act, 2006

Amounts outstanding under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) and other information to the extent available with the Company -

Particulars	As at 31st March, 2021	As at 31st March, 2020
Principal amount and Interest due thereon remaining unpaid to any supplier	-	-
Interest paid by the Company in terms of Section 16 of the MSMED Act along with the amounts of the payment made to the supplier beyond the appointed day during the accounting year	-	-
The amount of interest due and payable for the year of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under this Act	-	-
The amount of interest accrued and remaining unpaid	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise for the purpose of disallowance as a deductible expenditure under section 23 of this Act.	-	-



Panchmahal Properties Limited

Cash Flow Statement for the Year ended 31st March 2021

(Amount in ₹ lakhs, except otherwise stated)

Particulars	For the year ended 31st March , 2021		For the year ended 31st March , 2020	
<b>A. Cash Flow From Operating Activities</b>				
Profit / (Loss) Before Tax		7.69		10.28
Adjustments for:				
Interest Income	(7.95)	(7.95)	(10.51)	(10.51)
Operating Profit/(Loss) before Working Capital Changes		(0.26)		(0.23)
Increase / (Decrease) in Other Financial Liabilities (Increase) / Decrease in Financial Assets	0.07 (0.34)	(0.27)	-	0.15
Cash generated from / (used in) Operations before Tax		(0.53)		(0.08)
Net Direct Taxes paid		(0.50)		(2.23)
Net Cash Flow from / (used in) Operating Activities		(1.03)		(2.31)
<b>B. Cash Flow From Investing Activities</b>				
Movement in Fixed Deposits	(10.00)		(3.00)	
Interest Received	7.95		10.51	
Net Cash Flow from / (used in) Investing Activities		(2.05)		7.51
Net Cash from / (used in) Operating and Investing Activities		(3.08)		5.20
<b>C. Cash Flow From Financing Activities</b>				
Net Cash from / (used in) Financing Activities		-		-
Net Cash from / (used in) Operating, Investing & Financing Activities		(3.08)		5.20
Opening balance of Cash and Cash Equivalents		12.11		6.91
Closing balance of Cash and Cash Equivalents		9.03		12.11

Cash and Cash Equivalents included in the Statement of Cash Flow comprise of the following:

i) Cash on Hand				
ii) Balance with Banks :	0.01		0.01	
- On Current Accounts				
- Cheques, Drafts on Hand , Fixed Deposits	4.02		7.10	
Total	5.00		5.00	
		9.03		12.11

The above cash flow statement has been prepared under the indirect method set out in Ind AS 7 - Statement of Cash Flows

Accompanying notes form an integral part of the financial statements

As per our report of even date

For S.B.G & CO.

Chartered Accountants

FRN Registration No. 001818N

  
Suresh Kumar  
Partner

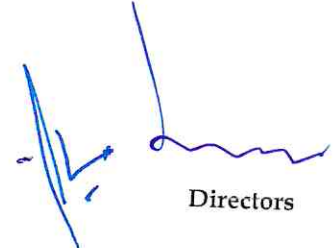


Membership No -72921

Place: New Delhi

Date: 18th May, 2021

  
Directors

  
Directors