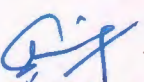


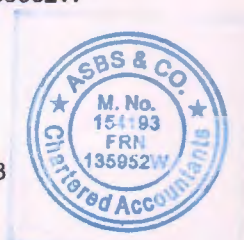
**CHOICE REALTY PRIVATE LIMITED**  
**BALANCE SHEET AS AT MARCH 31, 2021**

		(INR in Lakhs)	
Particulars	Note No.	As at March 31, 2021	As at March 31, 2020
<b>I ASSETS</b>			
<b>1. Non Current Assets</b>			
(a) Property, Plant and Equipment	3	9.08	-
(b) Financial Assets		-	-
(c) Deferred Tax Assets	4	0.15	-
(d) Other Non Current Assets	5	30.23	25.48
		<b>39.46</b>	<b>25.48</b>
<b>2. Current Assets</b>			
(a) Financial Assets			
(i) Cash and Cash Equivalents	6	7.64	12.79
(ii) Loans	7	0.34	-
(b) Other Current Assets	8	217.14	203.19
		<b>225.13</b>	<b>215.98</b>
<b>Total Assets</b>		<b>264.58</b>	<b>241.46</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	9	21.00	21.00
(b) Other Equity	10	1.68	12.71
		<b>22.68</b>	<b>33.71</b>
<b>LIABILITIES</b>			
<b>1. Non Current Liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	11	113.03	96.25
(b) Provisions		-	-
(c) Other Non-Current Liabilities		-	-
		<b>113.03</b>	<b>96.25</b>
<b>2. Current Liabilities</b>			
(a) Financial Liabilities			
(i) Trade Payables	12		
(a) total outstanding dues of micro enterprises and small enterprises		-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		2.87	0.40
(b) Other Current Liabilities	13	126.01	111.10
		<b>128.88</b>	<b>111.49</b>
<b>Total Equity and Liabilities</b>		<b>264.58</b>	<b>241.46</b>
Summary of Significant Accounting Policies	2		

The notes referred to above are an integral part of the financial statements

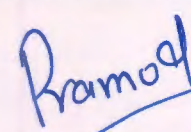
For ASBS & Co.  
Chartered Accountants  
Firm Registration Number: 135952W

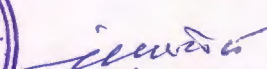
  
Sushil Goyal  
Partner  
Membership Number: 154193

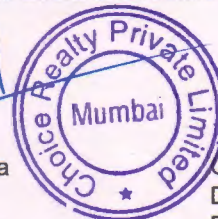


Place : Mumbai  
Date : June 26, 2021

For and on behalf of the Board of Directors

  
Pramod Kumar Patodia  
Director  
DIN : 03502738

  
Chandrakant Dattatray P  
Director  
DIN : 03539748



Place : Mumbai  
Date : June 26, 2021

CHOICE REALTY PRIVATE LIMITED

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2021

		(INR in Lakhs)		
	Particulars	Note No.	For the Year ended March 31, 2021	For the Year ended March 31, 2020
I	Revenue			
	Revenue from Operations		-	-
	Other Income		-	-
	Total Revenue		-	-
II	Expenses			
	Employee Benefit Expenses	14	2.08	2.14
	Finance Cost	15	0.22	-
	Depreciation	3	1.35	-
	Other Expenses	16	7.53	599.94
	Total Expenses		11.18	602.08
III	Profit / (Loss) before tax (I- II)		(11.18)	(602.08)
IV	Less: Tax Expense:			
	Current Tax		-	-
	Deferred Tax		(0.15)	-
	Total Tax Expense		(0.15)	-
V	Profit / (Loss) for the Year (III-IV)		(11.04)	(602.08)
VI	Other Comprehensive Income		-	-
VII	Total Comprehensive Income for the year (V+VI)		(11.04)	(602.08)
VIII	Earnings Per Share (Face Value INR 10 Per Equity Share):	17		
	Basic and Diluted (INR)		(5.26)	(286.70)
	Summary of Significant Accounting Policies	2		
	The notes referred to above are an integral part of the financial statements			

For ASBS & Co.  
Chartered Accountants  
Firm Registration Number: 135952W

Sushil Goyal  
Partner  
Membership Number: 154193

Place : Mumbai  
Date : June 26, 2021

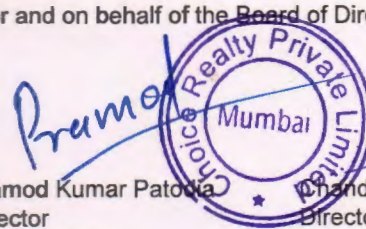


For and on behalf of the Board of Directors

Pramod Kumar Patodia  
Director  
DIN : 03502738

Chandrakant Dattatray Patil  
Director  
DIN : 03539748

Place : Mumbai  
Date : June 26, 2021





## CHOICE REALTY PRIVATE LIMITED

## CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2021

Particulars	(INR in Lakhs)	
	For the Year ended March 31, 2021	For the year ended March 31, 2020
<b>A. Cash Flow from Operating Activities</b>		
Net profit before tax	(11.18)	(602.08)
Adjustments:		
Finance costs	0.22	-
Other Income	-	-
Sundry Balance written off	-	592.75
Depreciation	1.35	-
Adjustment for change in Working Capital	(9.62)	(9.33)
Increase / (Decrease) in Trade Payables	2.47	0.08
Increase / (Decrease) in Other Current Liabilities	14.91	19.51
Decrease/(Increase) in Other Current Assets	(13.96)	(8.17)
Decrease/(Increase) in Loans Given	(0.34)	-
Decrease/(Increase) in Other Non Current Assets	(4.76)	(25.48)
<b>Cash Generated From Operations</b>	<b>(11.29)</b>	<b>(23.39)</b>
Income taxes paid	-	-
<b>Net cash flow from operating activities (A)</b>	<b>(11.29)</b>	<b>(23.39)</b>
<b>B. Cash Flow from Investing Activities</b>		
Acquisition of Fixed Assets	(10.42)	-
Decrease/(Increase) in Financial assets - loans	-	-
Interest Income received	-	-
<b>Net Cash used in Investing Activities (B)</b>	<b>(10.42)</b>	<b>-</b>
<b>C. Cash Flow from Financing Activities</b>		
Increase / (Decrease) in Non-current Financial Borrowings	16.78	34.05
Finance costs	(0.22)	-
<b>Net Cash from Financing Activities (C)</b>	<b>16.56</b>	<b>34.05</b>
<b>Net cash Increase/(decrease) in cash and cash equivalents (A+B+C)</b>	<b>(5.15)</b>	<b>10.66</b>
Cash and cash equivalents at the beginning of the year	12.79	2.13
Cash and cash equivalents at the end of the year	7.64	12.79
<b>Net cash Increase/(decrease) in cash and cash equivalent</b>	<b>(5.15)</b>	<b>10.66</b>

Note:

The notes referred to above are an integral part of the financial statements

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

For ASBS &amp; Co.

Chartered Accountants

Firm Registration Number: 135952W

For and on behalf of the Board of Directors



Sushil Goyal

Partner

Membership Number: 154193

Place: Mumbai

Date: June 26, 2021

Pramod Kumar Patodia

Director

DIN : 03502738

Place: Mumbai

Date: June 26, 2021

Chandrakant Dattatray Patil

Director

DIN : 03539748



**CHOICE REALTY PRIVATE LIMITED**

**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2021**

**A : Equity Share Capital (Equity shares of INR 10 each issued, subscribed and fully paid)**

Particulars	Note No.	Numbers (in Lakhs)	Amount (in Lakhs)
Balance as at the April 1, 2019		2.10	21.00
Changes in equity share capital during the year 2019-2020		-	-
Balance as at March 31, 2020	9	2.10	21.00
Changes in equity share capital during the year 2020-2021		-	-
Balance as at March 31, 2021	9	2.10	21.00

**B : Other Equity**

(INR in Lakhs)

Particulars	Note No.	Reserve and Surplus			Total Other Equity
		General Reserve	Securities Premium	Retained Earnings	
Balance as at April 1, 2019		-	640.00	(25.21)	614.79
Total Comprehensive income for the year		-	-	(602.08)	(602.08)
Profit / (Loss) for the year		-	-	-	-
Other Comprehensive Income		-	-	-	-
Balance as at March 31, 2020	10	-	640.00	(627.29)	12.71
Total Comprehensive income for the year		-	-	(11.04)	(11.04)
Profit / (Loss) for the year		-	-	-	-
Other Comprehensive Income		-	-	-	-
Balance as at March 31, 2021	10	-	640.00	(638.32)	1.68

The notes referred to above are an integral part of the financial statements.

As per our report of even date attached

For ASBS & Co.  
Chartered Accountants  
Firm Registration Number: 135952W

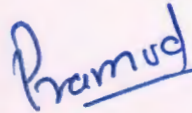
  
Sushil Goyal  
Partner

Membership Number: 154193

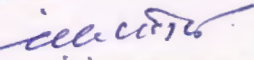
Place : Mumbai  
Date : June 26, 2021



For and on behalf of the Board of Directors

  
Pramod Kumar Patodia  
Director  
DIN : 03502738

Place : Mumbai  
Date : June 26, 2021

  
Chandrakant Dattatray Patil  
Director  
DIN : 03539748



**CHOICE REALTY PRIVATE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**

**Note 3 : Property, Plant and Equipment**

Particulars	Motor Vehicles	Total
<b>Gross Carrying Amount as at April 1, 2019</b>	-	-
Additions / Transfer	-	7.17
Disposals	-	-
<b>As at March 31, 2020</b>	-	<b>7.17</b>
Additions / Transfer	10.42	10.42
Disposals	-	-
<b>As at March 31, 2021</b>	<b>10.42</b>	<b>17.59</b>
<b>Accumulated depreciation as at April 1, 2019</b>	-	-
Depreciation charge during the year	-	-
Accumulated depreciation on deletions	-	-
<b>As at March 31, 2020</b>	-	-
Depreciation charge during the year	1.35	1.35
Accumulated depreciation on deletions	-	-
<b>As at March 31, 2021</b>	<b>1.35</b>	<b>1.35</b>
<b>Net carrying amount as at March 31, 2021</b>	9.08	16.25
<b>Net carrying amount as at March 31, 2020</b>	-	7.17
<b>Net carrying amount as at April 1, 2019</b>	-	-



CHOICE REALTY PRIVATE LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

**Note 4 : Deferred Tax Assets (Net)**

The major components of Deferred Tax Assets/(Liabilities) as recognized in the financial statements are as follows:

(INR in Lakhs)		
Particulars	As at March 31, 2021	As at March 31, 2020
Deferred Tax Assets/(Liabilities) arising on account of timing differences in: Property, Plant and Equipment including Intangible Assets - Depreciation	0.15	-
<b>Deferred Tax Assets (net)</b>	<b>0.15</b>	<b>-</b>

**Note 5 : Other Non-Current Assets**

(INR in Lakhs)		
Particulars	As at March 31, 2021	As at March 31, 2020
Advance given to vendors	30.23	25.48
<b>Total</b>	<b>30.23</b>	<b>25.48</b>

**Note 6 : Current Financial Assets - Cash and Cash Equivalents**

(INR in Lakhs)		
Particulars	As at March 31, 2021	As at March 31, 2020
Bank Balances - In current accounts	6.54	11.62
Cash on Hand	1.10	1.17
<b>Total</b>	<b>7.64</b>	<b>12.79</b>

**Note 7 : Current Financial Assets - Loans**

(INR in Lakhs)		
Particulars	As at March 31, 2021	As at March 31, 2020
Unsecured, considered good Advances to Employees	0.34	-
<b>Total</b>	<b>0.34</b>	<b>-</b>

**Note 8 : Other Current Assets**

(INR in Lakhs)		
Particulars	As at March 31, 2021	As at March 31, 2020
Advance given to vendors	1.60	1.60
Balance with revenue authorities	0.95	0.18
Others	214.60	201.41
<b>Total</b>	<b>217.14</b>	<b>203.19</b>

**Note 9 : Share Capital**

(INR in Lakhs)		
Particulars	As at March 31, 2021	As at March 31, 2020
<b>Authorised Capital</b> 250,000 (March 31, 2020: 250,000) Equity shares of Rs. 10 each	25.00	25.00
	<b>25.00</b>	<b>25.00</b>
<b>Issued, Subscribed and Paid up Capital</b> 210,000 (March 31, 2020: 210,000) Equity shares of Rs. 10 each	21.00	21.00
<b>Total</b>	<b>21.00</b>	<b>21.00</b>

**(a) Terms / rights attached to:**

**Equity Shares**

The Company has one class of equity shares having a par value of Rs. 10 per share. Each shareholder is eligible for one vote per share held. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation, the equity share holders are eligible to receive the remaining assets of the company after distribution of all preferential amounts in proportion to their share holding.

**(b) Reconciliation of number of shares outstanding at the beginning and at the end of the reporting year**

**Equity Shares:**

Particulars	As at March 31, 2021		As at March 31, 2020	
	Number of shares (In Lakhs)	Amount (INR in Lakhs)	Number of shares (In Lakhs)	Amount (INR in Lakhs)
Balance as at the Beginning of the year	2.10	21.00	2.10	21.00
Add: Shares allotted as bonus shares	-	-	-	-
<b>Balance as at the end of the year</b>	<b>2.10</b>	<b>21.00</b>	<b>2.10</b>	<b>21.00</b>





## CHOICE REALTY PRIVATE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

## (c) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:

## Equity Shares

Shares held by	As at March 31, 2021		As at March 31, 2020	
	Number of shares (in Lakhs)	%	Number of shares (in Lakhs)	%
Paramone Concepts Limited	2.10	100.00%	2.10	100.00%

As per the records of the Company, including its register of the members and other declarations received from the shareholder regarding

## Note 10 : Other Equity

Particulars	(INR in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Securities Premium	640.00	640.00
Retained Earnings	(638.32)	(627.29)
<b>Total</b>	<b>1.68</b>	<b>12.71</b>

## (i) Securities Premium :

Particulars	(INR in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year	640.00	640.00
Add : Additions during the year	-	-
<b>Balance as at the end of the year</b>	<b>640.00</b>	<b>640.00</b>

## (ii) Retained Earnings:

Particulars	(INR in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Balance as at the beginning of the year	(627.29)	(25.21)
Add: Profit / (Loss) for the year	(11.04)	(602.08)
<b>Balance as at the end of the year</b>	<b>(638.32)</b>	<b>(627.29)</b>

## Note 11 : Non-current Financial Liabilities - Borrowings

Particulars	(INR in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
<b>Secured Loans</b>		
HDFC Bank Ltd. (Car Loan)	7.63	-
<b>Unsecured Loans (Repayable on demand)</b>		
Loan from parent company (Interest Free and repayable on demand)	105.40	96.25
<b>Total</b>	<b>113.03</b>	<b>96.25</b>

## Notes:

## (a) Nature of security and terms of repayment for Secured Borrowings :

Nature of Security	Terms of Repayment
Rupee Term Loan from HDFC Bank Ltd. amounting to Rs. 7.63 lakhs (March 31, 2020 : nil) secured by the vehicles purchased from the loan proceedings.	The loan is repayable in 60 monthly principal installments and interest payable @ 8.30%, ending in November 2025.

## Note 12 : Current Financial Liabilities - Trade Payables

Particulars	(INR in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
<b>Trade Payable</b>		
Dues to Micro and Small Enterprises	-	-
Others	2.87	0.40
<b>Total</b>	<b>2.87</b>	<b>0.40</b>

## Note 13 : Other Current Liabilities

Particulars	(INR in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Advance received from customers	125.93	111.04
Statutory liabilities	0.08	0.08
Expenses Payable	-	-
<b>Total</b>	<b>126.01</b>	<b>111.10</b>



## CHOICE REALTY PRIVATE LIMITED

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

## Note 14 : Employee Benefits Expenses

Particulars	(INR in Lakhs)	
	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Salaries and allowances	2.08	2.14
<b>Total</b>	<b>2.08</b>	<b>2.14</b>

## Note 15 : Finance Cost

Particulars	(INR in Lakhs)	
	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Interest on Loan	0.22	-
<b>Total</b>	<b>0.22</b>	<b>-</b>

## Note 16 : Other Expenses

Particulars	(INR in Lakhs)	
	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Audit fees	0.03	0.05
Legal Expenses	2.71	0.95
Electricity Expenses	0.42	0.28
Bank charges	0.08	-
Food Expenses	0.14	-
Insurance exp	-	0.10
General Expenses	1.60	2.48
Labour Charges	0.23	0.26
Rates and taxes	1.82	1.68
Repair and maintenance	0.29	1.01
Sundry Balance written off	-	592.75
Transportation and Conveyance expenses	0.21	0.13
Marketing & Advertisement	-	0.24
<b>Total</b>	<b>7.53</b>	<b>599.94</b>

## Note 17 : Earnings Per Share

Particulars	For the Year ended March 31, 2021	For the Year ended March 31, 2020
Net Profit after tax attributable to Equity Shareholders for Basic and Diluted EPS	(11.04)	(602.08)
Weighted average number of Equity Shares outstanding during the year	2.10	2.10
Face Value per Equity Share (INR)	10	10
Basic and Diluted EPS (INR)	(5.26)	(286.70)

## Note 18 : Sundry Balances written off

During the year, the Company has written off an amount of Rs. Nil (Year ended March 31, 2020 : Rs. 592.75 lakhs) towards amounts advanced to different parties, but could not be realised nor the value be received from them.





## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

## Note 19:- Financial Assets at Amortised Cost Method

The carrying value of the following financial assets recognised at amortised cost:

Particulars	(INR in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
<b>Current Financial Assets</b>		
Cash and Cash Equivalents	7.84	12.79
Advances to Employees	0.34	-
<b>Total</b>	<b>7.98</b>	<b>12.79</b>

Note: The fair value of the above financial assets are approximately equivalent to carrying values as recognised above.

## Note 20:- Financial Liabilities at Amortised Cost Method

The carrying value of the following financial liabilities recognised at amortised cost:

Particulars	(INR in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
<b>Current Financial Liabilities</b>		
Borrowings	113.03	96.25
Trade Payable	2.87	0.40
<b>Total</b>	<b>115.90</b>	<b>96.65</b>

Note: The fair value of the above financial liabilities are approximately equivalent to carrying values as recognised above.

## Note 21 : Financial Risk Management Objectives and Policies

The Company's principal financial liabilities comprise of loans and borrowings, trade and other payables. The main purpose of these financial liabilities is to finance the Company's operations directly or indirectly. The Company's principal financial assets include investments, loans, trade and other receivables, cash and cash equivalents that derive directly from its operations.

The Company is exposed to market risk, credit risk and liquidity risk. The below note explains the sources of risk which the entity is exposed to and how the entity manages the risk:

Risk	Exposure arising from	Measurement	Management
Credit Risk	Cash and cash equivalents, trade receivables, financial instruments, Fixed Deposit with Banks, financial assets measured at amortised cost.	Aging analysis and Credit ratings	Diversification of Existing credit limits Unutilised from Consortium Bankers.
Liquidity Risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market Risk - Interest rate	Long-Term borrowings at variable rates	Sensitivity analysis	Comparison of available options.

**Credit Risk**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including Fixed deposits with banks and financial institutions and other financial instruments.

**Financial instruments and cash deposits**

Credit risk from balances with banks and financial institutions is managed by the Company's finance department in accordance with the Company's policy. Investments of surplus funds are made generally in the fixed deposits and for funding to subsidiary company. The investment limits are set to minimise the concentration of risks and therefore mitigate financial loss to make payments for vendors.

The Company's maximum exposure to credit risk for the components of the balance sheet at March 31, 2021 and March 31, 2020 is the carrying amounts as stated in balance sheet.

**Liquidity Risk**

The Company monitors its risk of a shortage of funds using a liquidity planning tool.

The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of unsecured loans. The Company believes that the working capital is sufficient to meet its current requirements.

The table below provides details regarding the maturities of significant financial liabilities as of March 31, 2021 and March 31, 2020:

Particulars	(INR in Lakhs)			
	Less than 3 Months	3 to 12 months	1 to 5 years	> 5 years
<b>Year ended March 31, 2021</b>				
Borrowings - Secured	0.34	1.06	6.23	-
Borrowings - Unsecured	-	105.40	-	-
Trade Payables	2.87	-	-	-
<b>Year ended March 31, 2020</b>				
Borrowings	-	96.25	-	-
Trade Payables	0.40	-	-	-

**Market Risk**

Market risk comprises of interest rate risk. Financial instruments affected by market risk comprises of loans and borrowings.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company's exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings. The Company's policy is to keep balance between its borrowings at fixed rates of interest. The difference between fixed and variable rate interest amounts calculated by reference to an agreed-upon notional principal amount.

The exposure of the Company to interest rate changes at the end of the reporting period are as under:

Particulars	(INR in Lakhs)	
	As at March 31, 2021	As at March 31, 2020
Fixed Rate Borrowing	7.63	-
Variable Rate Borrowing	-	-
<b>Total</b>	<b>7.63</b>	<b>-</b>

## Note 22 : Capital Management



For the purpose of the Company's capital management, capital includes issued equity share capital, securities premium and all other reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to maximise the value of the share and to reduce the cost of capital.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company can adjust the dividend payment to shareholders, issue new shares, etc. The Company monitors capital using a gearing ratio, which is net debt divided by total equity. The Company includes within net debt, interest bearing loans and borrowings, less cash and cash equivalents.

		(INR in Lakhs)	
Particulars		As at March 31, 2021	As at March 31, 2020
<b>A) Net Debt</b>			
Borrowings (Current and Non-Current)		113.03	96.25
Cash and Cash Equivalents		(7.64)	(12.79)
	<b>Net Debt (A)</b>	<b>105.39</b>	<b>83.46</b>
<b>B) Equity</b>			
Equity share capital		21.00	21.00
Other Equity		1.68	12.71
	<b>Total Equity (B)</b>	<b>22.68</b>	<b>33.71</b>
<b>Gearing Ratio (Net Debt / Capital) i.e. (A / B)</b>		<b>464.75%</b>	<b>247.56%</b>

**Note 23 : Related Party Disclosure**

**Details of Related Parties**

Description of Relationship	Names of Related Parties
a. Holding Company	Paramore Concepts Limited (formerly known as Aqua Pumps Infra Ventures Limited)
b. Key Management Personnel (KMP) and their relatives	Pramod Kumar Patodia (Director) Chandrakant Dattatray Patil (Director) Rupali Patil Chandrakant (Director w.e.f. 10.10.2020)
c. Enterprises over which KMP exercises significant influence	Weat & Best Trading Private Limited Skybridge Cargo World Private Limited The Byke Hospitality Limited Blazing Star Properties Private Limited

**Details of Related Party transactions during the Year ended March 31, 2021:-**

		(INR in Lakhs)		
Particulars	Holding Company	KMP and their relatives	Enterprises over which KMP exercises significant influence	Total
Loan taken	9.15 (34.05)	-	-	9.15 (34.05)
Repayment of Loan	-	-	-	-
<b>Balances outstanding at the end of the year</b>				
Short Term Borrowings	105.40 (96.25)	-	-	105.40 (96.25)
Advances Received	-	10.00 (10.00)	-	10.00 (10.00)

\* Previous year figures are in brackets

**Note 24 : Impact of Covid-19**

Due to the outbreak of COVID-19 globally and in India, the Company's management has made initial assessment of likely adverse impact on business and financial risks on account of COVID-19, and believes that the impact is likely to be short term in nature. The management does not see any medium to long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due, and compliance with the debt covenants, as applicable.

**Note 25 : Previous Years' Figures**

The Company has re-grouped, re-classified and/or re-arranged figures for previous year, wherever required to confirm with current year's classification.

The accompanying notes are an integral part of these financial statements

For ASBS & Co.  
Chartered Accountants  
Firm Registration Number: 135952W

Sushil Goyal  
Partner  
Membership Number: 154193

Place : Mumbai  
Date : June 26, 2021

For and on behalf of the Board of Directors

Pramod Kumar Patodia  
Director  
DIN : 03502738

Place : Mumbai  
Date : June 26, 2021

Chandrakant Dattatray Patil  
Director  
DIN : 03539748





## CHOICE REALTY PRIVATE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

#### Note 1: Company Overview

Choice Realty Private Limited (the "Company") is a Private Limited Company domiciled in India and incorporated on January 06, 2010 under the provisions of Companies Act, 1956. The registered office of the Company is located at 374, Powai Plaza Building, Hiranandani Bus Park, A.S. Marg, Powai, Mumbai – 400076, Maharashtra, India. The Company is a wholly owned subsidiary of Paramone Concepts Limited, whose shares are listed on the Bombay Stock Exchange (BSE).

The Company is engaged in the business of real estate development and multi-expertise consulting.

The financial statements are authorized for issue in accordance with a resolution of the Board of Directors on June 26, 2021.

#### Note 2 : Summary of Significant Accounting Policies

##### A. Basis of preparation of financial statements

###### (i) Statement of compliance

These financial statements have been prepared in accordance with Indian Accounting Standards ("Ind-AS") under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 ("Act") (to the extent notified) and guidelines issued by the Securities and Exchange Board of India (SEBI). The Ind-AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The Company has adopted the Indian Accounting standards in accordance with Ind-AS 101 "First time adoption of Indian Accounting Standards" during the year ended March 31, 2018.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

###### (ii) Basis of preparation

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

- certain financial assets and liabilities (including derivative instruments) are measured at fair value;
- assets held for sale- measured at fair value less cost to sell;
- defined benefit plans- plan assets measured at fair value; and

The functional currency of the Company is the Indian Rupee. These financial statements are presented in Indian Rupees and all values are rounded to the nearest lakhs, except when otherwise stated.

###### (iii) Current versus non-current classification

The Company presents assets and liabilities in the balance sheet based on current/ non-current classification. An asset is treated as current when it is expected to be realised or intended to be sold or consumed in normal operating cycle, held primarily for the purpose of trading, expected to be realized within twelve months after the reporting period and cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period. All other assets are classified as non-current.





## CHOICE REALTY PRIVATE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

A liability is current when it is expected to be settled in normal operating cycle, it is held primarily for the purpose of trading, it is due to be settled within twelve months after the reporting period and there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period. The Company classifies all other liabilities as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities.

The operating cycle is the time between the acquisition of assets for processing and their realization in cash and cash equivalents. The Company has identified twelve months as its operating cycle.

#### B. Use of estimates

The preparation of the financial statements in conformity with Ind-AS requires management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the period. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements have been disclosed in note C below. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

#### C. Critical accounting estimates

##### (i) Income taxes

The Company's major tax jurisdiction is India. Significant judgements are involved in determining the provision for income taxes, including amount expected to be paid/ recovered for uncertain tax positions.

##### (ii) Property, plant and equipment

Property, plant and equipment represent a significant proportion of the asset base of the Company. The charge in respect of periodic depreciation is derived after determining an estimate of an asset's expected useful life and the expected residual value at the end of its life. The useful lives and residual values of Company's assets are determined by management at the time the asset is acquired and reviewed periodically, including at each financial year end. The lives are based on historical experience with similar assets as well as anticipation of future events, which may impact their life, such as changes in technology.

##### (iii) Defined benefit plans

The cost of the defined benefit gratuity plan and other post-employment benefits and the present value of the gratuity obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The parameter most subject to change is the discount rate. In determining the appropriate discount rate for plans operated in India, the management considers the interest rates of government bonds in currencies consistent with the currencies of the post-employment benefit obligation.





## CHOICE REALTY PRIVATE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

The mortality rate is based on publicly available mortality tables. Those mortality tables tend to change only at interval in response to demographic changes. Future salary increases and gratuity increases are based on expected future inflation rates.

#### (iv) Fair value measurement of financial instruments

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments. See Note 19-21 for further disclosures.

#### (v) Revenue from contracts with customers

The Company's contracts with customers include promises to provide the goods & services to the customers. Judgement is required to determine the transaction price for the contract. The transaction price could be either fixed amount of customer consideration or variable consideration with elements such as schemes, incentives, cash discounts etc. The estimated amount of variable consideration is adjusted in the transaction price only to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognized will not occur and is reassessed at the end of the each period.

Estimates of rebates and discounts are sensitive to changes in circumstances and the Company's past experience regarding returns and rebate entitlements may not be representative of customer's actual returns and rebate entitlements in the future.

Costs to obtain a contract are generally expensed as incurred. The assessment of this criteria requires the application of judgement, in particular when considering if costs generate or enhance resources to be used to satisfy future performance obligations and whether costs are expected to be recovered.

#### D. Property, Plant and Equipment

Land (including Land Developments) is carried at historical cost. All other items of property, plant and equipment are stated in the balance sheet at cost historical less accumulated depreciation and accumulated impairment losses, if any. Such cost includes the cost of replacing part of the plant and equipment and borrowing costs for long-term construction projects if the recognition criteria are met. All other repair and maintenance costs are recognized in profit or loss as incurred.

Properties in the course of construction for production, supply or administrative purposes are carried at cost, less any recognized impairment loss. Cost includes professional fees and, for qualifying assets, borrowing costs capitalized in accordance with the Company's accounting policy. Such properties are classified to the appropriate categories of property, plant and equipment when completed and ready for intended use. Depreciation of these assets, on the same basis as other property assets, commences when the assets are ready for their intended use.

Subsequent to recognition, property, plant and equipment (excluding freehold land) are measured at cost less accumulated depreciation and accumulated impairment losses. When significant parts of property, plant and equipment are required to be replaced in intervals, the Company recognizes such parts as individual assets with specific useful lives and depreciation respectively. Likewise, when a major inspection is performed, its cost is recognized in the carrying amount of the plant and equipment as a replacement cost only if the recognition criteria are satisfied. All





## CHOICE REALTY PRIVATE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

other repair and maintenance costs are recognized in the Statement of Profit and Loss as incurred.

Depreciation is recognized so as to write off the cost of assets (other than freehold land and land developments) less their residual values over the useful lives, using the written down value method ("WDV"). Management, based on a technical evaluation, believes that the useful lives of the assets reflect the periods over which these assets are expected to be used, which are as follows:

Description of Asset	Estimated useful lives
Office Premises	30 years
Computers and Printers, including Computer Peripherals (including server and networking)	3 -6 years
Office Equipments	5 years
Furniture and Fixtures	10 years
Motor Vehicles (including busses and trucks)	8-20 years

Depreciation on additions/ deletions to property, plant and equipment is calculated pro-rata from/ up to the date of such additions/ deletions.

Assets individually costing less than Rs. 5,000 are fully depreciated in the year of acquisition.

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable. The residual values, useful life and depreciation method are reviewed at each financial year-end to ensure that the amount, method and period of depreciation are consistent with previous estimates and the expected pattern of consumption of the future economic benefits embodied in the items of property, plant and equipment.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal or retirement of an item of property, plant and equipment is determined as the difference between sale proceeds and the carrying amount of the asset and is recognized in profit or loss.

#### E. Investment properties

Investment properties are properties that is held for long-term rentals yields or for capital appreciation (including property under construction for such purposes) or both, and that is not occupied by the Company, is classified as investment property.

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

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 derecognized 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 derecognition.

#### F. Intangible Assets





## CHOICE REALTY PRIVATE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Intangible asset including intangible assets under development are stated at cost, net of accumulated amortization and accumulated impairment losses, if any. Intangible assets acquired separately are measured on initial recognition at cost.

Intangible assets in case of computer software are amortized on straight-line basis over a period of 5 years, based on management estimate. The amortization period and the amortization method are reviewed at the end of each financial year.

The useful lives of intangible assets are assessed as either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at the end of each reporting period. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are considered to modify the amortisation period or method, as appropriate, and are treated as changes in accounting estimates. The amortisation expense on intangible assets with infinite lives is recognised in the statement of profit and loss unless such expenditure forms part of carrying value of another asset.

#### G. Impairment of Non-Financial Assets

Assessment is done at each Balance Sheet date as to whether there is any indication that an asset (tangible and intangible) may be impaired. For the purpose of assessing impairment, the smallest identifiable group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows from other assets or groups of assets, is considered as a cash generating unit. If any such indication exists, an estimate of the recoverable amount of the asset/ cash generating unit is made. Assets whose carrying value exceeds their recoverable amount are written down to the recoverable amount. An impairment loss is recognized in the profit or loss. Recoverable amount is higher of an asset's or cash generating unit's net selling price and its value in use. Value in use is the present value of estimated future cash flows expected to arise from the continuing use of an asset and from its disposal at the end of its useful life. Assessment is also done at each Balance Sheet date as to whether there is any indication that an impairment loss recognised for an asset in prior accounting periods may no longer exist or may have decreased. A reversal of an impairment loss is recognised immediately in profit or loss.

#### H. 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. Financial Instruments are further divided in two parts viz. Financial Assets and Financial Liabilities.

##### Part I - Financial Assets

##### a) Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales 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 recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

##### b) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in four categories:

##### Financial Assets at amortised cost:

A Financial Assets is measured at the amortised cost if both the following conditions are met:





## CHOICE REALTY PRIVATE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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

This category is the most relevant to the Company. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss.

#### **Financial Assets at FVTOCI (Fair Value through Other Comprehensive Income)**

A Financial Assets is classified as at the FVTOCI if following criteria are met:

- The objective of the business model is achieved both by collecting contractual cash flows (i.e. SPPI) and selling the financial assets

Financial instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the other comprehensive income (OCI). However, the Company recognizes interest income, impairment losses and reversals and foreign exchange gain or loss in the statement of profit and loss. On de-recognition of the asset, cumulative gain or loss previously recognised in OCI is reclassified from the equity to the statement of profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

#### **Financial Assets at FVTPL (Fair Value through Profit or Loss)**

FVTPL is a residual category for financial instruments. Any financial instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to designate a financial instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). The Company has not designated any financial instrument as at FVTPL.

Financial instruments included within the FVTPL category are measured at fair value with all changes recognized in the Statement of Profit and Loss.

#### **Equity investments**

All equity investments in scope of Ind-AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind-AS 103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable. If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity. Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in





## CHOICE REALTY PRIVATE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

the Statement of Profit and Loss. Investment in subsidiaries is carried at cost in the financial statements.

#### c) De-recognition

A financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is primarily de-recognised (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company's continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

#### d) Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

- Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, deposits, trade receivables and bank balance;
- Financial assets that are debt instruments and are measured as at FVTOCI
- Lease receivables under Ind-AS 116
- Trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind-AS 18 (referred to as 'contractual revenue receivables' in these financial statements)
- Loan commitments which are not measured as at FVTPL
- Financial guarantee contracts which are not measured as at FVTPL

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivables or contract revenue receivables.

The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition.





## CHOICE REALTY PRIVATE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

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 a 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 Company reverts to recognising impairment loss allowance based on 12-month ECL. Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e., all cash shortfalls), discounted at the original EIR. When estimating the cash flows, the Company considers:

- All contractual terms of the financial instrument (including prepayment, extension, call and similar options) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the Company uses the remaining contractual term of the financial instrument; and
- Cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms

As a practical expedient, the Company uses a provision matrix to determine impairment loss allowance on portfolio of its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analysed. On that basis, the Company estimates the following provision matrix at the reporting date:

ECL impairment loss allowance (or reversal) recognized during the period is recognized as income/ expense in the statement of profit and loss. This amount is grouped under the head 'other expenses'. The balance sheet presentation for various financial instruments is described below:

- Financial assets measured as at amortised cost, contractual revenue receivables and lease receivables: ECL is presented as an allowance, i.e., as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write-off criteria, the Company does not reduce impairment allowance from the gross carrying amount.
- Loan commitments and financial guarantee contracts: ECL is presented as a provision in the balance sheet, i.e. as a liability.
- Debt instruments measured at FVTOCI: Since financial assets are already reflected at fair value, impairment allowance is not further reduced from its value. Rather, ECL amount is presented as 'accumulated impairment amount' in the OCI.

For assessing increase in credit risk and impairment loss, the Company combines financial instruments on the basis of shared credit risk characteristics with the objective of facilitating an analysis that is designed to enable significant increases in credit risk to be identified on a timely basis.

The Company does not have any purchased or originated credit-impaired (POCI) financial assets, i.e., financial assets which are credit impaired on purchase/ origination.

#### Part II - Financial Liabilities

##### a) Initial recognition and measurement





## CHOICE REALTY PRIVATE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments. All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

#### b) Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

##### Financial liabilities at fair value through profit or loss

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. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognised in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss is 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 statement of profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognised in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

##### Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the EIR method. Gains and losses are recognised in profit or loss when the liabilities are de-recognised as well as through the EIR amortisation process.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss. This category generally applies to borrowings.

Preference shares, which are mandatorily redeemable on a specific date, are classified as liabilities under borrowings. The dividends on these preference shares, if any are recognised in the profit or loss as finance cost.

##### Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.





## CHOICE REALTY PRIVATE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

#### c) De-recognition

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

#### d) Offsetting of financial instruments

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

### I. Derivative financial instruments and hedge accounting

#### Initial recognition and subsequent measurement:

The Company uses derivative financial instruments, such as forward currency contracts and interest rate swaps to hedge its foreign currency risks and interest rate risks, respectively.

Such derivative financial instruments are initially recognised at fair value on the date on which a derivative contract is entered into and are subsequently re-measured at fair value. Derivatives are carried as financial assets when the fair value is positive and as financial liabilities when the fair value is negative.

The purchase contracts that meet the definition of a derivative under Ind-AS 109 are recognised in the statement of profit and loss. Any gains or losses arising from changes in the fair value of derivatives are taken directly to profit or loss.

### J. Recognition of Revenue

The Company derives revenues primarily from engineering, procurement and construction facilities for infrastructure projects.

Ind AS 115 "Revenue from Contracts with Customers" provides a control-based revenue recognition model and provides a five step application approach to be followed for revenue recognition.

- Identify the contract(s) with a customer;
- Identify the performance obligations;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations;
- Recognize revenue when or as an entity satisfies performance obligations

Revenue from contracts with customers is recognized when control of the goods or services are transferred to the customer, at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is recognized when no significant uncertainty exists as to its realization or collection.

The amount recognised as revenue in its Statement of Profit and Loss is exclusive of Goods and Service Tax and is net of discounts.





## CHOICE REALTY PRIVATE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

#### Contract balances

##### Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional (i.e., only the passage of time is required before payment of the consideration is due). Refer to accounting policies of financial assets in section (H) Financial Instruments.

##### Contract liabilities

A contract liability is the obligation to perform the services as agreed with the customer for which the Company has received consideration (or an amount of consideration is due) from the customer. A contract liability is recognised when the payment is made or the payment is due (whichever is earlier). Contract liabilities are recognized as revenue when the Company performs under the contract.

Export benefits are accounted for in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

#### K. Other Income

Dividend income from investments is recognised when the shareholder's right to receive payment has been established (provided that it is probable that the economic benefits will flow to the company and the amount of income can be measured reliably).

Interest income from financial assets is recognized when it is probable that economic benefits will flow to the company and the amount of income can be measured reliably. Interest income is accrued on a time basis, by reference to the principal outstanding and at the effective interest rate applicable, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial assets to that asset's net carrying amount on initial recognition.

#### L. Provisions and Contingent Liabilities

##### General

Provisions are recognised 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 can be made of the amount of the obligation. When the Company expects some or all of a provision to be reimbursed, 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 recognised as a finance cost.

A contingent liability is a possible obligation that arises from past events whose existence will be confirmed by the occurrence or non-occurrence of one or more uncertain future events beyond the control of the Company or a present obligation that is not recognized because it is not probable that an outflow of resources will be required to settle the obligation. The Company does not recognize a contingent liability but discloses its existence in the financial statements. Payments in respect of such liabilities, if any are shown as advances.

#### M. Accounting for Taxation of Income

##### (i) Current taxes





## CHOICE REALTY PRIVATE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

Income tax expense is recognized in net profit in the statement of profit and loss except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in other comprehensive income or equity respectively. Current income tax is recognized at the amount expected to be paid to or recovered from the tax authorities, using the tax rates and tax laws that have been enacted or substantively enacted by the balance sheet date. The Company offsets, on a year to year basis, the current tax assets and liabilities, where it has legally enforceable right to do so and where it intends to settle such assets and liabilities on a net basis.

#### (ii) Deferred taxes

Deferred tax is recognized on differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit and are accounted for using the balance sheet liability method. Deferred tax liabilities are generally recognized for all taxable temporary differences, and deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax relating to items recognised outside profit or loss is recognised outside profit or loss (either in other comprehensive income or in equity). Deferred tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity.

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

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

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

#### N. Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

Fair value is the price that would be received to sell an asset or paid to settle a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique

In estimating the fair value of an asset or liability, the Company takes into account the characteristics of the asset or liability if market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.

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





## CHOICE REALTY PRIVATE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

- Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

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

The Company's Management determines the policies and procedures for both recurring fair value measurement, such as derivative instruments and unquoted financial assets measured at fair value, and for non-recurring measurement, such as assets held for distribution in discontinued operations.

This note summarises accounting policy for fair value. Other fair value related disclosures are given in the relevant notes.

#### O. Borrowing Costs

General and specific borrowing costs directly attributable to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time as the assets are substantially ready for their intended use or sale. All other borrowing costs are recognised in Statement of Profit and Loss in the period in which they are incurred.

#### P. Leases

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a year of time in exchange for consideration.

Ind AS 116 Leases replaces existing lease accounting guidance i.e. Ind AS 17 Leases. It sets out principles for the recognition, measurement, presentation and disclosure of leases and requires lessees to account for all leases, except short-term leases and leases for low-value items, under a single on-balance sheet lease accounting model. A lessee recognises a right-of-use asset representing its right to use the underlying asset and a lease liability representing its obligation to make lease payments.

The Company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset or to restore the site on which it is located, less any lease incentives received. Certain lease arrangements include the option to extend or terminate the lease before the end of the lease term.

The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the earlier of the end of the useful life of the right-of-use asset or the end of the lease term. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. In addition, the right-of-use asset is periodically reduced by impairment losses, if any, and adjusted for certain re-measurements of the lease liability.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the





## CHOICE REALTY PRIVATE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole.

Lease payments included in the measurement of the lease liability comprises of fixed payments, including in-substance fixed payments, amounts expected to be payable under a residual value guarantee and the exercise price under a purchase option that the Company is reasonably certain to exercise, lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option.

The lease liability is subsequently remeasured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, if there is a change in the Company's estimate of the amount expected to be payable under a residual value guarantee, or if Company changes its assessment of whether it will exercise a purchase, extension or termination option.

When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

Lease liability and the right of use asset will be separately presented in the balance sheet and lease payments will be classified as financing activities.

The Company has elected not to recognise right-of-use assets and lease liabilities for short term leases that have a lease term of less than or equal to 12 months with no purchase option and assets with low value leases. The Company recognises the lease payments associated with these leases as an expense in standalone statement of profit and loss over the lease term. The related cash flows are classified as operating activities.

#### **Q. Employee Benefits**

##### **a) Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the period in which the employees render the related service are recognised in respect of employee's services up to the end of the reporting period and are measured at the undiscounted amounts of the benefits expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

##### **b) Other Long-term employee benefit obligations**

The liabilities for compensated absences (annual leave) which are not expected to be settled wholly within 12 months after the end of the period in which the employee render the related service are presented as non-current employee benefits obligations. They are therefore measured as the present value of expected future payments to be made in respect of services provided by employees up to the end of the reporting period using the Projected Unit Credit method. The benefits are discounted using the market yields at the end of the reporting period on government bonds that have terms approximating to the terms of the related obligations. Re-measurements as a result of experience adjustments and changes in actuarial assumptions (i.e. actuarial losses/ gains) are recognised in the Statement of Profit and Loss.

The obligations are presented as current in the balance sheet, if the Company does not have an unconditional right to defer settlement for at least twelve months after the reporting period, regardless of when the actual settlement is expected to occur.

##### **c) Post-employment obligations**

The Company operates the following post-employment schemes:





## CHOICE REALTY PRIVATE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

- (i) Defined benefit plans such as gratuity
- (ii) Defined contribution plans such as provident fund.

#### Defined benefit plan - Gratuity Obligations

The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary and the tenure of employment.

The liability or asset recognised in the balance sheet in respect of defined benefit gratuity plans is the present value of the defined benefit obligation at the end of the reporting period less the fair value of plan assets. The defined benefit obligation is actuarially determined using the Projected Unit Credit method.

The present value of the defined benefit obligation is determined by discounting the estimated future cash outflows by reference to market yields at the end of the reporting period on government bonds that have a terms approximating to the terms of the obligation. The net interest cost, calculated by applying the discount rate to the net balance of the defined benefit obligation and the fair value of the plan assets, is recognised as employee benefit expenses in the statement of profit and loss.

Remeasurements gains and losses arising from experience adjustments and changes in actuarial assumptions are recognised in the other comprehensive income in the year in which they arise and are not subsequently reclassified to Statement of Profit and Loss.

Changes in the present value of the defined benefit obligation resulting from plan amendments or curtailments are recognised immediately in profit or loss as past service cost.

#### Defined Contribution Plan

The Company pays provident fund contributions to publicly administered provident funds as per local regulatory authorities. The Company has no further obligations once the contributions have been paid. The contributions are accounted for as defined contribution plans and the contributions are recognised as employee benefit expense when they are due.

#### R. Earnings Per Share

Basic Earnings Per Share (EPS) amounts are calculated by dividing the profit for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share adjusts 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
- Weighted average number of equity shares that would have been outstanding assuming the conversion of all the dilutive potential equity.

#### S. Cash and Cash Equivalents

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





## CHOICE REALTY PRIVATE LIMITED

### NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021

#### T. Insurance claims

Insurance claims are accounted for on the basis of claims admitted / expected to be admitted and to the extent that there is no uncertainty in receiving the claims.

#### U. Segment Reporting

The Company identifies operating segments based on the internal reporting provided to the chief operating decision-maker.

The chief operating decision-maker, who is responsible for allocating resources and assessing performance of the operating segments, has been identified as the Board of Directors that makes strategic decisions.

The accounting policies adopted for segment reporting are in line with the accounting policies of the Company. Segment revenue, segment expenses have been identified to segments on the basis of their relationship to the operating activities of the segment.

#### V. Impact of Covid-19

Due to the outbreak of COVID-19 globally and in India. The Company's management has made initial assessment of likely adverse impact on business and financial risks on account of COVID-19, and believes that the impact is likely to be short term in nature. The management does not see any medium to long term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due, and compliance with the debt covenants, as applicable.

#### W. Recent pronouncements

On March 24, 2021, the Ministry of Corporate Affairs ("MCA") through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of Schedule III and are applicable from April 1, 2021. Key amendments relating to Division II which relate to companies whose financial statements are required to comply with Companies (Indian Accounting Standards) Rules 2015 are:

##### Balance Sheet:

- Lease liabilities should be separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- Certain additional disclosures in the statement of changes in equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- Specified format for disclosure of shareholding of promoters.
- Specified format for ageing schedule of trade receivables, trade payables, capital work-in-progress and intangible asset under development.
- If a company has not used funds for the specific purpose for which it was borrowed from banks and financial institutions, then disclosure of details of where it has been used.
- Specific disclosure under 'additional regulatory requirement' such as compliance with approved schemes of arrangements, compliance with number of layers of companies, title deeds of immovable property not held in name of company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties, details of benami property held etc.





**CHOICE REALTY PRIVATE LIMITED**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2021**

**Statement of profit and loss:**

- Additional disclosures relating to Corporate Social Responsibility (CSR), undisclosed income and crypto or virtual currency specified under the head 'additional information' in the notes forming part of standalone financial statements.

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

