



## **INDEPENDENT AUDITOR'S REPORT**

**To the Members of Pavi Buildwell Private Limited**

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

### **Opinion**

We have audited the accompanying financial statements of Pavi Buildwell Private Limited (hereinafter referred to as "the Company"), which comprise the Balance Sheet as at 31 March 2023, and the Statement of Profit and Loss (including other comprehensive income), Statement of Changes in Equity and 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 (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements 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 accounting principles generally accepted in India, of the state of affairs of the Company as at 31 March 2023, and its profit and other comprehensive income, changes in equity and its cash flows for the year ended on that date.

### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act. Our responsibilities under those SAs are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India 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 Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion on the financial statements.

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

The Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the financial statements does not cover the other information and we will 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 identified above when it becomes available 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.

### **Responsibilities 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, profit/ loss and other comprehensive income, 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) specified under Section 133 of the Act. 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, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those 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 with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting in preparation of financial statements and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Act, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. (A) 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 Ind AS specified under Section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.
- e) On the basis of the written representations received from the directors as on 31 March 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2023 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".
- g) In our opinion and according to the information and explanations given to us, the Company has not paid / provided any remuneration to its directors during the year.

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

- a) The Company does not have any pending litigations which would impact its financial position as at 31 March 2023 – Refer Note 18(i) to the financial statements.
- b) The Company did not have any long term contracts including derivative contracts for which there were any material foreseeable losses – Refer Note 18(ii) to the financial statements.
- c) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company – Refer Note 25 to the financial statements.
- d) (i) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other persons or entities,

including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall:

- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Company, or
- provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(ii) The management has represented, that, to the best of its knowledge and belief, no funds have been received by the Company from any persons or entities, including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall:

- directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever (“Ultimate Beneficiaries”) by or on behalf of the Funding Party, or
- provide any guarantee, security or the like from or on behalf of the Ultimate Beneficiaries; and

(iii) Based on such audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub clause (d) (i) and (d) (ii) contain any material mis-statement.

e) The Company has not declared/ paid any dividend during the year.

f) As proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 is applicable for the Company only w.e.f. April 1, 2023, reporting under this clause is not applicable.

For **Bhagi Bhardwaj Gaur & Co.**

*Chartered Accountants*

Firm’s Registration No: 007895N

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**Mohit Gupta**

*Partner*

Membership No: 528337

UDIN: 23528337BGUNWF6883

New Delhi

May 26, 2023

**Annexure A to the Independent Auditor's report on the financial statements of Pavi Buildwell Private Limited for the year ended 31 March 2023**

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- (i) The Company does not have any property, plant and equipment or intangible assets or right of use assets or investment property and accordingly, reporting under clause 3(i) of the Companies (Auditor's Report) Order, 2020 (hereinafter referred to as 'the Order') is not applicable to the Company.
- (ii) (a) In our opinion and according to the information and explanations given to us, having regard to the nature of inventory, the physical verification by way of verification of title deeds, site visits by the Management and certification of extent of work completion by competent persons are at reasonable intervals and no material discrepancies were noticed on physical verification.
  - (b) The Company has not been sanctioned working capital limits by banks or financial institutions on the basis of security of current assets during any point of time of the year. Accordingly, reporting under clause 3(ii)(b) of the Order is not applicable to the Company.
- (iii) The Company has not made any investment in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships (LLPs) or any other parties during the year. Accordingly, reporting under clause 3(iii) of the Order is not applicable to the Company.
- (iv) The Company has not entered into any transaction covered under sections 185 and 186 of the Act. Accordingly, reporting under clause 3(iv) of the Order is not applicable to the Company.
- (v) The Company has not accepted any deposits or amounts which are deemed to be deposits from the public. Accordingly, clause 3(v) of the Order is not applicable.
- (vi) According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Companies Act, 2013 in respect of Company's products/business activity. Accordingly, clause 3(vi) of the Order is not applicable.
- (vii)(a) The Company does not have liability in respect of Sales tax, Service tax, Duty of excise and Value added tax during the year since effective 1 July 2017, these statutory dues have been subsumed into GST.

According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Goods and Services Tax ('GST'), Provident fund, Employees' State Insurance, Income-tax, Duty of Customs, Cess and other material statutory dues have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of GST, Provident fund, Employees' State Insurance, Income-tax, Duty of Customs, Cess and other material statutory dues were in arrears as at 31 March 2023 for a period of more than six months from the date they became payable.

- (b) According to the information and explanations given to us, there are no dues of GST, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Value added tax, Cess or other statutory dues which have not been deposited by the Company on account of disputes.
- (viii) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions,

previously unrecorded as income in the books of account, in the tax assessments under the Income-tax Act, 1961 as income during the year.

- (ix) (a) According to the information and explanations given to us, the Company has not defaulted in repayment of its loans or borrowings or in the payment of interest thereon to any lender.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not been declared a wilful defaulter by any bank or financial institution or government or government authority.
- (c) According to the information and explanations given to us by the management, the Company has not obtained any term loans. Accordingly, clause 3(ix)(c) of the Order is not applicable.
- (d) In our opinion and according to the information and explanations given to us, and on an overall examination of the financial statements of the Company, funds raised by the Company on short term basis have not been utilised for long term purposes.
- (e) According to the information and explanations given to us, the Company does not have any subsidiaries, associates or joint ventures. Accordingly, reporting under clause 3(ix)(e) and clause 3(ix)(f) of the Order is not applicable to the Company.
- (x)(a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments). Accordingly, clause 3(x)(a) of the Order is not applicable.
- (b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- (xi) (a) Based on examination of the books and records of the Company and according to the information and explanations given to us, considering the principles of materiality outlined in Standards on Auditing, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.
- (b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) According to the information and explanations given to us including the representation made to us by the management of the Company, there are no whistle-blower complaints received by the Company during the year.
- (xii) According to the information and explanations given to us, the Company is not a Nidhi Company. Accordingly, clause 3(xii) of the Order is not applicable.
- (xiii) In our opinion and according to the information and explanations given to us, the transactions with related parties are in compliance with Sections 177 and 188 of the Companies Act, 2013, where applicable, and the details of the related party transactions have been disclosed in the financial statements as required by the applicable Indian Accounting Standards.
- (xiv) According to the information and explanations given to us, the Company is not required to have an internal audit system under section 138 of the Act and consequently, does not have an internal audit system. Accordingly, reporting under clause 3(xiv) of the Order is not applicable to the Company.

- (xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or persons connected to its directors and hence, provisions of Section 192 of the Companies Act, 2013 are not applicable to the Company.
- (xvi)(a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(a) of the Order is not applicable.
- (b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clause 3(xvi)(b) of the Order is not applicable.
- (c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.
- (d) As represented by the management, there is no Core Investment Company within the Group (as defined in the Core Investment Companies (Reserve Bank), hence, the requirement to report on clause 3(xvi)(d) of the Order is not applicable to the Company.
- (xvii) The Company has not incurred any cash loss in the current as well as the immediately preceding financial year.
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.
- (xx) According to the information and explanations given to us, although the Company fulfilled the criteria as specified under section 135(1) of the Act read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, however, in the absence of average net profits in the immediately three preceding years, there is no requirement for the Company to spend any amount under sub-section (5) of section 135 of the Act. Accordingly, reporting under clause 3(xx) of the Order is not applicable to the Company.

For **Bhagi Bhardwaj Gaur & Co.**  
*Chartered Accountants*  
Firm's Registration No: 007895N

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**Mohit Gupta**  
*Partner*  
Membership No: 528337  
UDIN: 23528337BGUNWF6883

New Delhi  
May 26, 2023

**Annexure B to the Independent Auditor's Report on the financial statements of Pavi Buildwell Private Limited for the year ended 31 March 2023**

**Report on the internal financial controls with reference to the aforesaid financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to financial statements of Pavi Buildwell Private Limited ("the Company") as of 31 March 2023 in conjunction with our audit of the financial statements of the Company as at and for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls with reference to financial statements based on the criteria established by the Company considering the essential components of internal control stated in the Guidance Note. 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 the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and whether 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 with reference to financial statements and their operating effectiveness.

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

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

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

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



unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements 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, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2023, based on the internal financial controls with reference to financial statements 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 (the "Guidance Note").

For **Bhagi Bhardwaj Gaur & Co.**

*Chartered Accountants*

Firm's Registration No: 007895N

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**Mohit Gupta**

*Partner*

Membership No: 528337

UDIN: 23528337BGUNWF6883

New Delhi

May 26, 2023

**Pavi Buildwell Private Limited**  
**Balance Sheet as at March 31, 2023**  
**All amounts are in INR lacs unless otherwise stated**

Particulars	Notes	As at March 31, 2023	As at March 31, 2022
<b>ASSETS</b>			
<b>Non-current assets</b>			
Income tax assets (net)	4	5.60	-
<b>Total non-current assets</b>		<b>5.60</b>	<b>-</b>
<b>Current assets</b>			
Inventories	5	4,100.75	4,256.26
Financial assets			
(i) Cash and cash equivalents	6	417.03	18.52
<b>Total current assets</b>		<b>4,517.78</b>	<b>4,274.78</b>
<b>Total assets</b>		<b>4,523.38</b>	<b>4,274.78</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	7	201.00	201.00
Other equity	8	208.84	(2,771.39)
<b>Total equity</b>		<b>409.84</b>	<b>(2,570.39)</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Financial liabilities			
(i) Borrowings	9	4,007.84	6,688.31
(ii) Trade payables	10		
(a) Total outstanding dues of micro enterprises and small enterprises		-	-
(b) Total outstanding dues of creditors other than micro enterprises and small enterprises		23.13	23.19
Other current liabilities	11	82.57	133.67
<b>Total current liabilities</b>		<b>4,113.54</b>	<b>6,845.17</b>
<b>Total liabilities</b>		<b>4,113.54</b>	<b>6,845.17</b>
<b>Total equity and liabilities</b>		<b>4,523.38</b>	<b>4,274.78</b>

See accompanying notes are forming part of these standalone financial statements

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As per our report of even date

**For Bhagi Bhardwaj Gaur & Co.**

Chartered Accountants  
Firm Reg. no. 007895N

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**Mohit Gupta**  
Partner  
M.No. 528337

**For and on behalf of the Board of Directors of  
Pavi Buildwell Private Limited**

**SHEETAL ARORA**  
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**Sheetal Arora**  
Director  
DIN - 00704292

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**Ramesh Juneja**  
Director  
DIN - 00283399

Place: New Delhi  
Date: May 26, 2023

Place: New Delhi  
Date: May 26, 2023

**Pavi Buildwell Private Limited**  
**Statement of Profit and Loss for the year ended March 31, 2023**  
**All amounts are in INR lacs unless otherwise stated**

Particulars	Notes	Year ended March 31, 2023	Year ended March 31, 2022
<b>I Income</b>			
Revenue from operations	12	3,420.53	-
Other income	13	133.56	700.00
<b>Total income (I)</b>		<b>3,554.09</b>	<b>700.00</b>
<b>II Expenses</b>			
Change in inventories	14	155.51	-
Finance costs	15	370.48	8.61
Other expenses	16	8.47	126.64
<b>Total expenses (II)</b>		<b>534.46</b>	<b>135.25</b>
<b>III Profit before tax (I-II)</b>		<b>3,019.63</b>	<b>564.75</b>
<b>IV Tax Expense:</b>			
Current tax	17	39.40	-
Deferred tax	17	-	-
Adjustment of tax relating to earlier periods	17	-	227.05
<b>Total tax expense (IV)</b>		<b>39.40</b>	<b>227.05</b>
<b>V Profit for the year(III-IV)</b>		<b>2,980.23</b>	<b>337.70</b>
<b>X Profit from discontinuing operations (VIII-IX)</b>		-	-
<b>VI Other comprehensive income</b>			
(i) Item that will not be reclassified to profit or loss		-	-
(ii) Income tax relating to item that will not be reclassified to profit or loss		-	-
<b>Other comprehensive income for the year (VI)</b>		-	-
<b>VII Total comprehensive income for the year (V+VI)</b>		<b>2,980.23</b>	<b>337.70</b>
<b>Earnings per equity share (EPS):</b>	23		
Basic EPS (in INR)		1,482.70	168.01
Diluted EPS (in INR)		1,482.70	168.01

See accompanying notes are forming part of these standalone financial statements

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As per our report of even date

**For Bhagi Bhardwaj Gaur & Co.**  
Chartered Accountants  
Firm Reg. no. 007895N

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**Mohit Gupta**  
Partner  
M.No. 528337

**For and on behalf of the Board of Directors of  
Pavi Buildwell Private Limited**

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**Sheetal Arora**  
Director  
DIN - 00704292

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**Ramesh Juneja**  
Director  
DIN - 00283399

Place: New Delhi  
Date: May 26, 2023

Place: New Delhi  
Date: May 26, 2023

**Pavi Buildwell Private Limited**  
**Statement of Cash Flows for the year ended March 31, 2023**  
**All amounts are in INR lacs unless otherwise stated**

Particulars	Year ended March 31, 2023	Year ended March 31, 2022
<b>A. Cash flow from operating activities</b>		
<b>Profit before tax</b>	<b>3,019.63</b>	<b>564.75</b>
<i>Adjustments to reconcile profit before tax to net cash flows:</i>		
Finance costs	370.30	1.05
Interest on delay deposit of income tax	0.18	7.56
Liabilities written back	(133.56)	(700.00)
<i>Working capital adjustments:</i>		
(Increase)/ Decrease in inventories	155.51	-
Increase/ (Decrease) in trade payable	(0.06)	-
Increase/ (Decrease) in other liability	82.46	126.04
	<b>3,494.46</b>	<b>(0.60)</b>
Income tax paid	(45.18)	-
<b>Net cash flows from/(used) operating activities</b>	<b>3,449.28</b>	<b>(0.60)</b>
<b>B. Cash flow from investing activities</b>	-	-
<b>Net cash flows flow investing activities</b>	-	-
<b>C. Cash flow from financing activities</b>		
Interest paid	(40.77)	(0.10)
Repayment of borrowings	(3,010.00)	-
<b>Net cash flows used in financing activities</b>	<b>(3,050.77)</b>	<b>(0.10)</b>
Net increase/(decrease) in cash and cash equivalents	398.51	(0.70)
Cash and cash equivalents at the beginning of the year	18.52	19.22
<b>Cash and cash equivalents at the end of the year</b>	<b>417.03</b>	<b>18.52</b>
<b>Components of cash and cash equivalents</b>		
Balances with banks	417.03	18.52
- In current account	-	-
	<b>417.03</b>	<b>18.52</b>

See accompanying notes are forming part of these standalone financial statements

1-27

As per our report of even date

**For Bhagi Bhardwaj Gaur & Co.**

Chartered Accountants  
Firm Reg. no. 007895N

**MOHIT GUPTA**  
Digitally signed by  
MOHIT GUPTA  
Date: 2023.05.26  
22:38:50 +05'30'

**Mohit Gupta**  
Partner  
M.No. 528337

Place: New Delhi  
Date: May 26, 2023

**For and on behalf of the Board of Directors of  
Pavi Buildwell Private Limited**

**SHEETAL ARORA**  
Digitally signed  
by SHEETAL  
ARORA  
Date: 2023.05.26  
13:28:18 +05'30'

**Sheetal Arora**  
Director  
DIN - 00704292

Place :New Delhi  
Date :May 26, 2023

**RAMESH JUNEJA**  
Digitally signed by  
RAMESH JUNEJA  
Date: 2023.05.26  
13:28:40 +05'30'

**Ramesh Juneja**  
Director  
DIN - 00283399

**Pavi Buildwell Private Limited**  
**Statement of Changes in Equity for the year ended March 31, 2023**  
**All amounts are in INR lacs unless otherwise stated**

**a. Equity share capital**

Particulars	Amount
<b>Equity shares of INR 100 each issued, subscribed and fully paid</b>	
<b>As at April 01, 2021</b>	<b>201.00</b>
Issued in equity share capital during the year	-
<b>As at March 31, 2022</b>	<b>201.00</b>
Issued in equity share capital during the year	-
<b>As at March 31, 2023</b>	<b>201.00</b>

**b. Other equity**

Particulars	Reserves and Surplus	
	Retained earnings	Total
<b>Balance as at April 01, 2021</b>	<b>(3,109.09)</b>	<b>(3,109.09)</b>
Profit for the year	337.70	337.70
Other comprehensive income for the year, net of income tax	-	-
<b>Total comprehensive income for the year</b>	<b>337.70</b>	<b>337.70</b>
<b>Balance as at March 31, 2022</b>	<b>(2,771.39)</b>	<b>(2,771.39)</b>
<b>Balance as at March 31, 2022</b>	<b>(2,771.39)</b>	<b>(2,771.39)</b>
Profit for the year	2,980.23	2,980.23
Other comprehensive income for the year, net of income tax	-	-
<b>Total comprehensive income for the year</b>	<b>2,980.23</b>	<b>2,980.23</b>
<b>Balance as at March 31, 2023</b>	<b>208.84</b>	<b>208.84</b>

See accompanying notes are forming part of these standalone financial statements

1-27

As per our report of even date

**For Bhagi Bhardwaj Gaur & Co.**  
Chartered Accountants  
Firm Reg. no. 007895N

**MOHIT GUPTA** Digitally signed by MOHIT GUPTA  
Date: 2023.05.26 22:39:15 +05'30'

**Mohit Gupta**  
Partner  
M.No. 528337

**For and on behalf of the Board of Directors of Pavi Buildwell Private Limited**

**SHEETAL ARORA** Digitally signed by SHEETAL ARORA  
Date: 2023.05.26 13:29:02 +05'30'

**Sheetal Arora**  
Director  
DIN - 00704292

**RAMESH JUNEJA** Digitally signed by RAMESH JUNEJA  
Date: 2023.05.26 13:29:28 +05'30'

**Ramesh Juneja**  
Director  
DIN - 00283399

Place: New Delhi  
Date: May 26, 2023

Place :New Delhi  
Date :May 26, 2023

## **1 Corporate information**

**Pavi Buildwell Private Limited** is a Private limited Company incorporated in India . Its parent company is Mankind Pharma Limited. The addresses of its registered office and principal place of business are disclosed in the introduction to the Annual Report. The company is engaged in the business of real-estate development.

## **2 Basis of preparation**

### **2.1 Statement of compliance**

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules 2016 and other relevant provisions of the Act and accounting principles generally accepted in India.

The financial statements are presented in INR and all values are rounded to the nearest lacs, except when otherwise stated.

The financial statements have been prepared on a historical cost basis unless otherwise indicated.

### **2.2 Basis of presentation and preparation of separate financial statements**

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

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, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date. Fair value for measurement and/or disclosure purposes in these financial statements is determined on such a basis, except for leasing transactions that are within the scope of Ind AS 17 'Leases' and measurements that have some similarities to fair value but are not fair value, such as net realisable value in Ind AS 2 or value in use in Ind AS 36 'Impairment of Assets'.

In addition, for financial reporting purposes, fair value measurements are categorised into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

### **2.3 Basis of measurement**

The financial statements have been prepared on a going concern basis using historical cost convention and on an accrual method of accounting.

### **2.4 Current and 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 realised within five years after the reporting period, or
- ▶ Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least five years after the reporting period

All other assets are classified as non-current.

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 five years after the reporting period, or
- ▶ There is no unconditional right to defer the settlement of the liability for at least five years after the reporting period

Current assets/liabilities include current portion of non-current financial assets/liabilities respectively. All other assets/ liabilities are classified as non-current. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

## **2.5 Functional and presentation currency**

These financial statements are presented in Indian rupee (INR), which is the functional currency of the Company.

## **2.6 New and amended standards adopted by the Company**

The Company has applied the following amendments to Ind AS for the first time for their annual reporting period commencing 1 April 2022:

- (i) Onerous Contracts - Costs of Fulfilling a Contract - Amendments to Ind AS 37
- (ii) Reference to the Conceptual Framework - Amendments to Ind AS 103
- (iii) Property, Plant and Equipment: Proceeds before Intended Use - Amendments to Ind AS 16
- (iv) Ind AS 101 First-time Adoption of Indian Accounting Standards - Subsidiary as a first-time adopter
- (v) Ind AS 109 Financial Instruments - Fees in the '10 per cent' test for derecognition of financial liabilities
- (vi) Ind AS 41 Agriculture - Taxation in fair value measurements

## **2.7 Recent accounting pronouncement**

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards under Companies (Indian Accounting Standards) Rules as issued from time to time. On March 31, 2023, MCA amended the Companies (Indian Accounting Standards) Rules, 2015 by issuing the Companies (Indian Accounting Standards) Amendment Rules, 2023, applicable from April 1, 2023, as below:

### **Ind AS 1 – Presentation of Financial Statements**

The amendments require companies to disclose their material accounting policies rather than their significant accounting policies. Accounting policy information, together with other information, is material when it can reasonably be expected to influence decisions of primary users of general purpose financial statements. The Company does not expect this amendment to have any significant impact in its financial statements.

### **Ind AS 12 – Income Taxes**

The amendments clarify how companies account for deferred tax on transactions such as leases and decommissioning obligations. The amendments narrowed the scope of the recognition exemption in paragraphs 15 and 24 of Ind AS 12 (recognition exemption) so that it no longer applies to transactions that, on initial recognition, give rise to equal taxable and deductible temporary differences. The Company is evaluating the impact, if any, in its financial statements.

### **Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors**

The amendments will help entities to distinguish between accounting policies and accounting estimates. The definition of a change in accounting estimates has been replaced with a definition of accounting estimates. Under the new definition, accounting estimates are "monetary amounts in financial statements that are subject to measurement uncertainty". Entities develop accounting estimates if accounting policies require items in financial statements to be measured in a way that involves measurement uncertainty. The Company does not expect this amendment to have any significant impact in its financial statements.

## **3 Significant Accounting Policies**

The Company has applied the following accounting policies to all periods presented in these Ind AS financial statements.

### **3.1 Revenue recognition**

Revenues are measured at the fair value of the consideration received or receivable. Revenue is reduced for estimated customer returns, rebates, trade discounts and other similar allowances.

Ind AS 115 'Revenue from Contracts with Customers' was notified on 28 March 2018 and establishes a five-step model to account for revenue arising from contracts with customers. Under Ind AS 115, revenue is recognised at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer.

#### Revenue from real estate project

Revenue from joint development projects, wherein, the company has provided the Land and the developer has agreed to transfer certain percentage of revenue proceeds on actual realization of such proceeds, revenue is recognised to the extent of Company's percentage share only when it is certain that ultimate collection will be made.

### **3.2 Inventories**

Development rights represent amount paid under agreement to purchase development rights and cost incurred by the company to acquire irrevocable and exclusive licenses/development rights in identified land, the acquisition of which is either completed or is at an advanced stage. These are valued at lower of cost or net realisable value.

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

### **3.3 Cash flow statement**

Cash flows are reported using indirect method as set out in Ind AS -7 "Statement of Cash Flows", whereby profit/loss before extraordinary items and tax is adjusted for the effects of transactions of non-cash nature and any deferrals or accruals of past or future cash receipts or payments. The cash flows from operating, investing and financing activities of the Company are segregated based on the available information.

### **3.4 Cash and cash equivalents (for purposes of Cash Flow Statement)**

Cash comprises cash on hand and demand deposits with banks. Cash equivalents are short-term balances (with an original maturity of three months or less from the date of acquisition), highly liquid investments that are readily convertible into known amounts of cash and which are subject to insignificant risk of changes in value.

### **3.5 Earnings per share**

Basic earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) by the weighted average number of equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax (including the post tax effect of extraordinary items, if any) as adjusted for dividend, interest and other charges to expense or income (net of any attributable taxes) relating to the dilutive potential equity shares, by the weighted average number of equity shares considered for deriving basic earnings per share and the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares. Potential equity shares are deemed to be dilutive only if their conversion to equity shares would decrease the net profit per share from continuing ordinary operations. Potential dilutive equity shares are deemed to be converted as at the beginning of the period, unless they have been issued at a later date. Dilutive potential equity shares are determined independently for each period presented. The number of equity shares and potentially dilutive equity shares are adjusted for share splits / reverse share splits and bonus shares, as appropriate.

### **3.6 Taxes on income**

Income tax expense comprises current and deferred tax. It is recognised in statement of profit and loss except to the extent that it relates items recognised directly in equity or in Other Comprehensive Income.

#### Current income tax

The tax currently payable is based on taxable profit for the year. Taxable profit differs from 'profit before tax' as reported in the statement of profit and loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The current tax is calculated using tax rates and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Current tax assets and liabilities are offset only if, the Company:

- i) has a legally enforceable right to set off the recognised amounts; and
- ii) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

#### Deferred tax

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

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

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 utilised. Unrecognised deferred tax assets are re-assessed at each reporting date and are recognised to the extent that it has become probable that future taxable profits will allow the deferred tax asset to be recovered.

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

Deferred tax assets and deferred tax liabilities are offset if a legally enforceable right exists to set off current tax assets against current tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

Deferred tax assets on unused losses are recognised only to the extent of net Deferred Tax Liabilities.

#### Current and deferred tax for the year

Current and deferred tax are recognised in statement of profit and loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity respectively.

### **3.7 Provisions and contingencies**

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, for example, under an insurance contract, the reimbursement is recognised 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 determined by discounting the expected future cash flows to net present value using an appropriate pre-tax discount rate that reflects current market assessments of the time value of money and, where appropriate, the risks specific to the liability. Unwinding of the discount is recognized in statement of profit and loss as a finance cost. Provisions are reviewed at each reporting date and are adjusted to reflect the current best estimate.

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 recognised because it is not probable that an outflow of resources will be required to settle the obligation. A contingent liability also arises in extremely rare cases where there is a liability that cannot be recognised because it cannot be measured reliably. The Company does not recognize a contingent liability but discloses its existence in the financial statements.



In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as Contingent liabilities and disclosed in the notes but are not reflected as liabilities in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Company involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.

Contingent assets are not recognised but disclosed in the financial statements when an inflow of economic benefits is probable.

### **3.8 Financial instruments**

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through statement of profit and loss are recognised immediately in statement of profit and loss.

#### **Financial assets**

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognised financial assets are subsequently measured in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

#### **Classification of financial assets**

Debt instruments that meet the following conditions are subsequently measured at amortised cost less impairment loss (except for debt investments that are designated as at fair value through profit or loss on initial recognition):

- the asset is held within a business model whose objective is to hold assets in order to collect contractual cash flows; and
- the contractual terms of the instrument give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

All other financial assets are subsequently measured at fair value.

#### **Amortised cost and effective interest method**

The effective interest method is a method of calculating the amortised cost of a debt instrument and of allocating interest income over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the debt instrument, or, where appropriate, a shorter period, to the net carrying amount on initial recognition.

Income is recognised on an effective interest basis for debt instruments other than those financial assets classified as at FVTPL. Interest income is recognised in profit or loss and is included in the Statement of Profit and Loss.

#### **Financial assets at fair value through profit or loss (FVTPL)**

Investments in equity instruments are classified as at FVTPL, unless the Company irrevocably elects on initial recognition to present subsequent changes in fair value in other comprehensive income for equity instruments which are not held for trading.

A financial asset may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency that would arise from measuring assets or liabilities or recognising the gains and losses on them on different bases. The Company has not designated any debt instrument as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any gains or losses arising on re-measurement recognised in statement of profit and loss. The net gain or loss recognised in statement of profit and loss is included in the 'other gains and losses' line item.

#### **Impairment of financial assets**

The Company measures the loss allowance for a financial instrument at an amount equal to the lifetime expected credit losses if the credit risk on that financial instrument has increased significantly since initial recognition. If the credit risk on a financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month expected credit losses.

However, for trade receivables or contract assets that result in relation to revenue from contracts with customers, the Company measures the loss allowance at an amount equal to lifetime expected credit losses.

When making the assessment of whether there has been a significant increase in credit risk since initial recognition, the Company uses the change in the risk of a default occurring over the expected life of the financial instrument instead of the change in the amount of expected credit losses. To make that assessment, the Company compares the risk of a default occurring on the financial instrument as at the reporting date with the risk of a default occurring on the financial instrument as at the date of initial recognition and considers reasonable and supportable information, that is available without undue cost or effort, that is indicative of significant increases in credit risk since initial recognition.

### **Impairment of Non-financial assets**

At each reporting date, the Company assesses whether there is any indication based on internal/ external factors, that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the recoverable amount of the asset is estimated. An asset's recoverable amount is the higher of an asset's or cash generating unit's (CGU) fair value less costs of disposal and its value in use. Recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount and the impairment loss, including impairment on inventories, are recognised in the statement of profit and loss.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted share prices for publicly traded companies or other available fair value indicators.

The Company bases its impairment calculation on detailed budgets and forecast calculation. These budgets and forecast calculations generally cover a period of five years. For longer periods, a long term growth rate is calculated and applied to project future cash flows after the fifth year.

If, at the reporting date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount. Impairment losses previously recognized are accordingly reversed in the statement of profit and loss.

### **Derecognition of financial assets**

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another party. If the Company neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Company recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Company retains substantially all the risks and rewards of ownership of a transferred financial asset, the Company continues to recognise the financial asset.

On derecognition of a financial asset in its entirety, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognised in other comprehensive income and accumulated in equity is recognised in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset.

On derecognition of a financial asset other than in its entirety (e.g. when the Company retains an option to repurchase part of a transferred asset), the Company allocates the previous carrying amount of the financial asset between the part it continues to recognise under continuing involvement, and the part it no longer recognises on the basis of the relative fair values of those parts on the date of the transfer. The difference between the carrying amount allocated to the part that is no longer recognised and the sum of the consideration received for the part no longer recognised and any cumulative gain or loss allocated to it that had been recognised in other comprehensive income is recognised in profit or loss if such gain or loss would have otherwise been recognized in profit or loss on disposal of that financial asset. A cumulative gain or loss that had been recognised in other comprehensive income is allocated between the part that continues to be recognised and the part that is no longer recognised on the basis of the relative fair values of those parts.

### **Financial liabilities and equity instruments**

#### **Classification as debt or equity**

Debt and equity instruments issued by a Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definitions of a financial liability and an equity instrument.

#### **Equity instruments**

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by a Company entity are recognised at the proceeds received, net of direct issue costs.

Repurchase of the Company's own equity instruments is recognised and deducted directly in equity. No gain or loss is recognised in profit or loss on the purchase, sale, issue or cancellation of the Company's own equity instruments.

#### **Financial liabilities**

All financial liabilities are subsequently measured at amortised cost using the effective interest method or at FVTPL. However, financial liabilities that arise when a transfer of a financial asset does not qualify for derecognition or when the continuing involvement approach applies, financial guarantee contracts issued by the Company, and commitments issued by the Company to provide a loan at below-market interest rate are measured in accordance with the specific accounting policies set out below.

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

#### **Financial liabilities at FVTPL**

Financial liabilities are classified as at FVTPL when the financial liability is either held for trading or it is designated as at FVTPL.

A financial liability is classified as held for trading if:

- it has been incurred principally for the purpose of repurchasing it in the near term; or
- on initial recognition it is part of a portfolio of identified financial instruments that the Company manages together and has a recent actual pattern of short-term profit-taking; or
- it is a derivative that is not designated and effective as a hedging instrument.

A financial liability other than a financial liability held for trading may be designated as at FVTPL upon initial recognition if:

- such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise; or
- the financial liability forms part of a Company of financial assets or financial liabilities or both, which is managed and its performance is evaluated on a fair value basis, in accordance with the Company's documented risk management or investment strategy, and information about the Company is provided internally on that basis; or
- it forms part of a contract containing one or more embedded derivatives, and Ind AS 109 permits the entire combined contract to be designated as at FVTPL in accordance with Ind AS 109.

Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on remeasurement recognised in statement of profit and loss. The net gain or loss recognised in statement of profit and loss incorporates any interest paid on the financial liability and is included in the 'other gains and losses' line item.

However, for non-held-for-trading financial liabilities that are designated as at FVTPL, the amount of change in the fair value of the financial liability that is attributable to changes in the credit risk of that liability is recognised in other comprehensive income, unless the recognition of the effects of changes in the liability's credit risk in other comprehensive income would create or enlarge an accounting mismatch in statement of profit and loss. The remaining amount of change in the fair value of liability is recognised in statement of profit and loss. Changes in fair value attributable to a financial liability's credit risk that are recognised in other comprehensive income are not subsequently reclassified to statement of profit and loss.

Gains or losses on financial guarantee contracts and loan commitments issued by the Company that are designated by the Company as at fair value through profit or loss are recognised in statement of profit and loss.

#### **Financial liabilities subsequently measured at amortised cost**

Financial liabilities that are not held-for-trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'finance costs' line item.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

#### **Foreign exchange gains and losses**

For financial liabilities that are denominated in a foreign currency and are measured at amortised cost at the end of each reporting period, the foreign exchange gains and losses are determined based on the amortised cost of the instruments and are recognised in the 'other gains and losses' line item in the statement of profit and loss.

The fair value of financial liabilities denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of the reporting period. For financial liabilities that are measured as at FVTPL, the foreign exchange component forms part of the fair value gains or losses and is recognised in the statement of profit and loss.

#### **Derecognition of financial liabilities**

The Company derecognises financial liabilities when and only when, the Company's obligations are discharged, cancelled or they expire. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised in statement of profit and loss.

### **3.9 Operating cycle**

Based on the nature of the operations and the time between the acquisition of assets for processing and their realization in cash or cash equivalents, the Company has ascertained its operating cycle as five years for the purpose of current non-current classification of assets and liabilities.

### **3.10 Critical accounting judgements and key sources of estimation uncertainty**

The preparation of these financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income, expenses and disclosures of contingent assets and liabilities at the date of these financial statements and the reported amounts of revenues and expenses for the years presented. Actual results may differ from these estimates under different assumptions and conditions.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and future periods affected.

In particular, information about significant areas of estimation uncertainty and critical judgments in applying accounting policies that have the most significant effect on the amounts recognized in the financial statements are included in the following accounting policies and/or notes:

**Estimation of uncertainties relating to the global health pandemic from COVID-19 (COVID-19):**

The Company has considered the possible effects that may result from the pandemic relating to COVID-19 in the preparation of these financial statements including the recoverability of carrying amounts of financial and non financial assets. In developing the assumptions relating to the possible future uncertainties in the global economic conditions because of this pandemic, the Company has, at the date of approval of these financial statements, used internal and external sources of information including credit reports and related information and economic forecasts and expects that the carrying amount of these assets will be recovered.

**Critical estimates and judgements in applying accounting policies**

The following are the critical judgements, apart from those estimations that the management has made in the process of applying the Company Accounting Policies and that have most significant effect on the amounts recognised in the financial statements.

**Provisions and contingencies**

The significant capital commitments in relation to various capital projects are not recognized in the balance sheet. In the normal course of business, contingent liabilities may arise from litigation and other claims against the Company. Guarantees are also provided in the normal course of business. There are certain obligations which management has concluded, based on all available facts and circumstances, are not probable of payment or are very difficult to quantify reliably, and such obligations are treated as contingent liabilities and disclosed in the notes but are not reflected as liabilities in the financial statements. Although there can be no assurance regarding the final outcome of the legal proceedings in which the Company is involved, it is not expected that such contingencies will have a material effect on its financial position or profitability.

**Fair value measurement of financial instruments**

Some of the Company's assets and liabilities are measured at fair value for financial reporting purposes. The fair values of financial assets and financial liabilities recorded in the balance sheet in respect of which quoted price in active markets are available are 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 judgment is required in establishing fair values. Judgments 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.

**Impairment of assets**

In assessing the property, plant and equipment and intangible assets for impairment, factors leading to significant reduction in profits such as changes in commodity prices, the Company's business plans and changes in regulatory environment are taken into consideration. The carrying value of the assets of a cash generating unit (CGU) is compared with the recoverable amount of those assets, that is, the higher of fair value less costs of disposal and value in use. Recoverable value is based on the management estimates of commodity prices, market demand and supply, economic and regulatory climates, long-term plan, discount rates and other factors. Any subsequent changes to cash flow due to changes in the above-mentioned factors could impact the carrying value of the assets.

**Contingencies and commitments**

In the normal course of business, contingent liabilities may arise from litigation, taxation and other claims against the Company. A tax provision is recognised when the Company has a present obligation as a result of a past event, it is probable that the Company will be required to settle that obligation.

Where it is management's assessment that the outcome cannot be reliably quantified or is uncertain the claims are disclosed as contingent liabilities unless the likelihood of an adverse outcome is remote. Such liabilities are disclosed in the notes but are not provided for in the financial statements.

When considering the classification of a legal or tax case as probable, possible or remote there is judgement involved. This pertains to the application of the legislation, which in certain cases is based upon management's interpretation of country specific tax law, in particular India, and the likelihood of settlement. Management uses in-house and external legal professionals to inform their decision.

Although there can be no assurance regarding the final outcome of the legal proceedings, the Company does not expect them to have a materially adverse impact on the Company's financial position or profitability. The liabilities which are assessed as possible and hence are not recognised in these financial statements.

**Measurement of defined benefit obligations**

The obligation arising from the defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation and vested future benefits and life expectancy. The discount rate is determined with reference to market yields at the end of the reporting period on the government bonds. The period to maturity of the underlying bonds correspond to probable maturity of the post-employment benefit obligations.

**3.11 Key sources of estimation uncertainty**

- (a) The Company's revenue is recognised on the estimation of certainty of ultimate collection from the ultimate customers. The Board of directors of the company determines the appropriate inputs and valuation techniques for the certainty measurements.
- (b) **Impairment of Financial assets**  
The impairment provisions of financial assets are based on assumptions about risk of default and expected loss rates. The Company uses judgment in making these assumptions and selecting the inputs to the impairment calculation, based on Company's past history, existing market conditions as well as forward looking estimates at the end of each reporting period.
- (c) **Net Realizable Value of Inventory**  
The determination of net realisable value of inventory involves estimates based on prevailing market conditions, current prices and expected date of commencement and completion of the project, the estimated future selling price, cost to complete projects and selling cost. The Company also involves specialist to perform valuations of inventories, wherever required.

**Pavi Buildwell Private Limited**  
**Notes forming part of the financial statements for the year ended March 31, 2023**  
**All amounts are in INR lacs unless otherwise stated**

	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>4 Income tax assets and liabilities</b>		
<b>Non Current income tax assets</b>		
Income tax receivable (net of provisions)	5.60	-
<b>Income tax assets / (liabilities)</b>	<b>5.60</b>	<b>-</b>
	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>5 Inventories</b>		
Development rights	4,100.75	4,256.26
	<b>4,100.75</b>	<b>4,256.26</b>
	<b>As at March 31, 2023</b>	<b>As at March 31, 2022</b>
<b>6 Cash and cash equivalents</b>		
Balances with banks		
- In current account	417.03	18.52
	<b>417.03</b>	<b>18.52</b>

**Notes:**

There are no restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior period.

	As at March 31, 2023	As at March 31, 2022
<b>7 Share capital</b>		
<b>Authorised</b>		
2,13,000 equity shares of INR 100 each (Previous year 2,13,000 equity shares of INR 100 each)	213.00	213.00
<b>Issued, subscribed and fully paid up</b>		
2,01,000 equity shares of INR 100 each fully paid up (Previous year 2,01,000 equity shares of INR 100 each)	201.00	201.00
	<b>201.00</b>	<b>201.00</b>

**Notes:**

**(i) Rights, preferences and restrictions attached to Equity Shares**

The Company has only one class of equity shares having a par value of INR 100 per share. Each holder of equity shares is entitled to one vote per share. In the event of liquidation of the Company, holder of equity shares will be entitled to receive remaining assets of the Company after distribution of all preferential amount. The distribution will be in proportion to the number of equity shares held by the shareholders.

**(ii) Reconciliation of the number of shares and amount outstanding at the beginning and at the end of the year:**

Particulars	As at March 31, 2023		As at March 31, 2022	
	Number	Amount	Number	Amount
Equity shares outstanding at the beginning of the year	2,01,000	201.00	2,01,000	201.00
Add : Issued during the year	-	-	-	-
<b>Equity shares outstanding at the end of the year</b>	<b>2,01,000</b>	<b>201.00</b>	<b>2,01,000</b>	<b>201.00</b>

**(iii) Shares held by holding company:**

Particulars	As at March 31, 2023		As at March 31, 2022	
	Numbers	% holding	Numbers	% holding
Mankind Pharma Limited	2,01,000	100%	2,01,000	100%
	<b>2,01,000</b>	<b>100%</b>	<b>2,01,000</b>	<b>100%</b>

**(iv) Shares held by each shareholder holding more than 5 percent shares:**

Particulars	As at March 31, 2023		As at March 31, 2022	
	Numbers	% holding	Numbers	% holding
Mankind Pharma Limited	2,01,000	100%	2,01,000	100%
	<b>2,01,000</b>	<b>100%</b>	<b>2,01,000</b>	<b>100%</b>

**(v) Shares held by each promoter:**

As at March 31, 2023				
S.No	Promoter Name	Number of shares held	% of total shares	% change during the year
1	Mankind Pharma Limited	2,01,000	100	0.00%

As at March 31, 2022				
S.No	Promoter Name	Number of shares held	% of total shares	% change during the year
1	Mankind Pharma Limited	2,01,000	100	0.00%

**8 Other equity**

	As at March 31, 2023	As at March 31, 2022
Retained earnings (refer note 8.1)	208.84	(2,771.39)
	<b>208.84</b>	<b>(2,771.39)</b>

**8.1 Retained earnings**

	As at March 31, 2023	As at March 31, 2022
Balance at the beginning of the year	(2,771.39)	(3,109.09)
Profit for the year	2,980.23	337.70
Other comprehensive income	-	-
<b>Balance at the end of the year</b>	<b>208.84</b>	<b>(2,771.39)</b>

	As at March 31, 2023	As at March 31, 2022
<b>9 Borrowings</b>		
<b>Current</b> (Unsecured, valued at amortised cost)		
Loans from related parties (see note below)	4,007.84	6,688.31
	<b>4,007.84</b>	<b>6,688.31</b>

**Note:**

- Borrowing classified as current are repayable on demand.
- Includes interest accrued of INR 332.84 lacs and INR 3.31 lacs as at March 31, 2023 and March 31, 2022 respectively.
- The Company has not defaulted on repayment of loans and interest during the year.
- Changes in liability arising from financing activities:

**Particulars**

	Year ended March 31, 2023	Year ended March 31, 2022
Opening balances	6,688.31	6,687.36
Interest expense (refer note 15)	370.30	1.05
Cash Inflows	-	-
Cash Outflows	(3,010.00)	-
Interest paid	(40.77)	(0.10)
<b>Closing balances</b>	<b>4,007.84</b>	<b>6,688.31</b>

	As at March 31, 2023	As at March 31, 2022
<b>10 Trade payables</b>		
<b>Current</b>		
i. Total outstanding dues of micro enterprises and small enterprises (see note below)	-	-
ii. Total outstanding dues of creditors other than micro enterprises and small enterprises	23.13	23.19
	<b>23.13</b>	<b>23.19</b>

**10.1 Trade Payable ageing schedule**

**As at March 31, 2023**

Particulars	Unbilled due	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	0.25	-	-	-	-	22.88	23.13
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
<b>Total</b>	<b>0.25</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22.88</b>	<b>23.13</b>

**As at March 31, 2022**

Particulars	Unbilled due	Not due	Outstanding for following periods from due date of payment				Total
			Less than 1 year	1-2 years	2-3 years	More than 3 years	
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises	0.25	0.06	-	-	-	22.88	23.19
Disputed dues of micro enterprises and small enterprises	-	-	-	-	-	-	-
Disputed dues of creditors other than micro enterprises and small enterprises	-	-	-	-	-	-	-
<b>Total</b>	<b>0.25</b>	<b>0.06</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>22.88</b>	<b>23.19</b>

**Note:**

- The average credit period on purchases is upto 30 days for the Company. The Company however ensures that all payables are paid within the pre agreed credit limits.
- To the extent information available with the Company there are no amounts payable to suppliers and service providers covered under Micro Small and Medium Enterprise Development Act, 2006 and also there is no amount paid or payable against interest thereon and accordingly no disclosure in that respect has been given in these financial statements.

	As at March 31, 2023	As at March 31, 2022
<b>11 Other liabilities</b>		
<b>Current</b>		
Contract Liabilities	79.47	-
Statutory liabilities	3.10	133.67
	<b>82.57</b>	<b>133.67</b>



**Pavi Buildwell Private Limited**  
**Notes forming part of the financial statements for the year ended March 31, 2023**  
**All amounts are in INR lacs unless otherwise stated**

	<b>Year ended March 31, 2023</b>	<b>Year ended March 31, 2022</b>
<b>12 Revenue from operations</b>		
<b>12.1 Revenue from contracts with customers</b>		
Sale of inventories in housing project	3,420.53	-
	<b>3,420.53</b>	<b>-</b>
<b>(a) Disaggregated revenue information</b>		
Set out below is the disaggregation of the Company's revenue from contracts with customers:		
<b>Segment</b>		
	<b>Year ended March 31, 2023</b>	<b>Year ended March 31, 2022</b>
<b>(i) Types of Goods/Services</b>		
Sale of inventories in housing project	3,420.53	-
<b>Total revenue from contracts with customers</b>	<b>3,420.53</b>	<b>-</b>
<b>(ii) Geographical Information</b>		
Within India	3,420.53	-
Outside India	-	-
<b>Total revenue from contracts with customers</b>	<b>3,420.53</b>	<b>-</b>
<b>(iii) Timing of revenue recognition</b>		
Goods transferred at a point in time	3,420.53	-
Service transferred over the time	-	-
<b>Total revenue from contracts with customers</b>	<b>3,420.53</b>	<b>-</b>
<b>(b) Contract balances</b>		
Trade receivables	-	-
Contract liabilities	79.47	-
Trade receivables are non interest bearing. Credit period generally falls in the range of 30 to 90 days. Contract liabilities consist of short-term advances received to supply goods from customer.		
<b>(c) Reconciling the amount of revenue recognised in the statement of profit and loss with the contracted price</b>		
Revenue as per contracted price	3,420.53	-
<b>Revenue from contracts with customers</b>	<b>3,420.53</b>	<b>-</b>
<b>(d) Performance obligations</b>		
Sales of goods:- Performance obligation is satisfied when control of goods is transferred to the customers, generally on possession handover of respective property.		
	<b>Year ended March 31, 2023</b>	<b>Year ended March 31, 2022</b>
<b>13 Other income</b>		
<b>Other non-operating income</b>		
Liabilities Written Back	133.56	700.00
	<b>133.56</b>	<b>700.00</b>

**Pavi Buildwell Private Limited**  
**Notes forming part of the financial statements for the year ended March 31, 2023**  
**All amounts are in INR lacs unless otherwise stated**

	<b>Year ended March 31, 2023</b>	<b>Year ended March 31, 2022</b>
<b>14 Changes in inventory of Development Rights</b>		
Inventory at the beginning of year	4,256.26	4,256.26
	<b>4,256.26</b>	<b>4,256.26</b>
Less:-Inventory at the end of year	4,100.75	4,256.26
	<b>4,100.75</b>	<b>4,256.26</b>
<b>Net decrease/ (increase)</b>	<b>155.51</b>	<b>-</b>

**Note:** includes reversal of impairment expenses for inventories carried at net realisable value amounting to INR 3100.00 lacs for the year ended March 31, 2023.

	<b>Year ended March 31, 2023</b>	<b>Year ended March 31, 2022</b>
<b>15 Finance Costs</b>		
Interest expense on borrowings	370.30	1.05
Interest on delay deposit of income tax	0.18	7.56
	<b>370.48</b>	<b>8.61</b>

	<b>Year ended March 31, 2023</b>	<b>Year ended March 31, 2022</b>
<b>16 Other expenses</b>		
Rates and taxes	0.07	126.02
Legal and professional charges	8.10	0.32
Payment to auditor (see note below)	0.30	0.30
	<b>8.47</b>	<b>126.64</b>

**Note:**

Payments to auditors (excluding input tax)

I. To statutory auditor

Audit fees

0.30	0.30
<b>0.30</b>	<b>0.30</b>

**Pavi Buildwell Private Limited**  
**Notes forming part of the financial statements for the year ended March 31, 2023**  
**All amounts are in INR lacs unless otherwise stated**

	<u>Year ended</u> <u>March 31, 2023</u>	<u>Year ended</u> <u>March 31, 2022</u>
<b>17 Income taxes</b>		
<b>17.1 Income tax recognised in the Statement of profit and loss</b>		
<b>Current tax</b>		
In respect of the current year	39.40	-
In respect of the previous year	-	227.05
	<u>39.40</u>	<u>227.05</u>
<b>Deferred tax</b>		
In respect of the current year	-	-
	-	-
<b>Total income tax expense recognised in the current year</b>	<u>39.40</u>	<u>227.05</u>
Tax expense on continuing operations	39.40	227.05
Tax expense on discontinuing operations	-	-
<b>Total income tax expense recognised in the current year</b>	<u>39.40</u>	<u>227.05</u>
The Income tax expense for the year can be reconciled to the accounting profit as follows:		
<b>Profit before tax from continuing and discontinuing operations</b>	<u>3,019.63</u>	<u>564.75</u>
Statutory income tax rate	25.168%	25.168%
Income tax expense at statutory income tax rate	759.98	142.14
Effect of expenses that are not deductible in determining taxable profit	93.24	33.88
Effect of income that are deductible in determining taxable profit	(33.61)	(176.18)
Unused tax losses on which no deferred tax has been recognised in earlier years	(780.21)	0.16
Tax in respect of previous year	-	227.05
<b>At the effective Income Tax rate of 1.30% (March 31, 2022 : 40.20% )</b>	<u>39.40</u>	<u>227.05</u>
<b>17.2 Income tax recognised in other comprehensive income</b>		
Income tax relating to item that will not be reclassified to profit or loss		
Items that will be reclassified to profit or loss		
- Remeasurement of the defined benefit plan	-	-
<b>Total income tax expense recognised in other comprehensive income</b>	<u>-</u>	<u>-</u>

## 18 Contingent liabilities and commitments (to the extent not provided for)

### (i) Contingent liabilities

A charge of INR NIL (March 31,2022 : 8,180.00 lacs) has been created on the Company and registered with MCA as the Company has mortgaged its Development Rights with Catalyst Trusteeship Limited in respect of Debentures issued by Advance India Projects Limited for the purpose of completion of construction project. The company has entered into a collaboration agreement with Advance India Projects Limited wherein Advance India Projects Limited will carry on the construction of the project, marketing and selling of the units for an agreed share of the total revenues from the project.

### (ii) Commitments

The Company does not have any long-term contracts including derivative contracts for which there are any material foreseeable losses.

## 19 Segment Reporting

### A. Basis for segmentation

The operations of the Company are limited to one segment viz. Real Estate, which as per Ind AS - 108 "Operating Segments" (Specified under the section 133 of The Companies Act, 2013 read with Companies (Indian Accounting Standards) Rule 2015) is considered the only reportable segment.

### B. Geographic Segment

The Company operates only in one Country and does not have any separate identifiable geographic segment.

## 20 Capital Management

For the purpose of the Company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the Company. The primary objective of the Company's capital management is to safeguard the Company's ability to remain as a going concern and maximise the shareholder value.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions, annual operating plans and long term and other strategic investment plans. In order to maintain or adjust the capital structure, the Company may adjust the amount of dividend paid to shareholders, return capital to shareholders or issue new shares. The current capital structure of the Company is equity based and financing through short term borrowings. The funding requirements are met through a mixture of equity, internal fund generation and short term borrowings as per the Company's policy to meet anticipated funding requirements.

No changes were made in the objectives, policies or processes for managing capital during the year ended March 31, 2023 and March 31, 2022.

## 21 Financial Instruments

### Financial risk management objective and policies

This section gives an overview of the significance of financial instruments for the Company and provides additional information on the balance sheet. Details of significant accounting policies, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial asset, financial liability and equity instrument are disclosed in Note 2 and 3

### Financial assets and liabilities:

The accounting classification of each category of financial instruments, and their carrying amounts, are set out below:

March 31, 2023	FVTPL	FVTOCI	Amortised Cost	Total carrying value	Total fair value
<b>Financial assets</b>					
Cash and cash equivalents	-	-	417.03	417.03	417.03
<b>Total</b>	-	-	<b>417.03</b>	<b>417.03</b>	<b>417.03</b>
<b>Financial liabilities</b>					
Borrowings	-	-	4,007.84	4,007.84	4,007.84
Trade payables	-	-	23.13	23.13	23.13
<b>Total</b>	-	-	<b>4,030.97</b>	<b>4,030.97</b>	<b>4,030.97</b>

March 31, 2022	FVTPL	FVTOCI	Amortised Cost	Total carrying value	Total fair value
<b>Financial assets</b>					
Cash and cash equivalents	-	-	18.52	18.52	18.52
<b>Total</b>	-	-	<b>18.52</b>	<b>18.52</b>	<b>18.52</b>
<b>Financial liabilities</b>					
Borrowings	-	-	6,688.31	6,688.31	6,688.31
Trade payables	-	-	23.19	23.19	23.19
<b>Total</b>	-	-	<b>6,711.50</b>	<b>6,711.50</b>	<b>6,711.50</b>

### Fair value hierarchy

The table shown below analyses financial instruments carried at fair value, by valuation method. The different levels have been defined below:

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities
- Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices)
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs)

**Risk management objective**

Risk management framework

The Company has exposure to the following risks arising from financial instruments:

- Liquidity risk;
- Interest rate risk; and
- Credit risk

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework.

The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed periodically to reflect changes in market conditions and the Company's activities.

**a) Liquidity Risk**

The Company requires funds both for short-term operational needs as well as for long-term investment programme mainly in growth projects. The Company generates sufficient cash flows from the current operations which together with the available cash and cash equivalents provide liquidity both in the short-term as well as in the long-term.

The Company remains committed to maintaining a healthy liquidity, gearing ratio, deleveraging and strengthening our balance sheet. The maturity profile of the Company's financial liabilities based on the remaining period from the date of balance sheet to the contractual maturity date is given in the table below. The figures reflect the contractual undiscounted cash obligation of the Company.

<b>As at March 31, 2023</b>					
<b>Financial liabilities</b>	<b>&lt;1 year</b>	<b>1-2 Years</b>	<b>2-5 Years</b>	<b>&gt; 5 Years</b>	<b>Total</b>
Borrowing	4,007.84	-	-	-	4,007.84
Trade payables	23.13	-	-	-	23.13
<b>Total</b>	<b>4,030.97</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>4,030.97</b>

<b>As at March 31, 2022</b>					
<b>Financial liabilities</b>	<b>&lt;1 year</b>	<b>1-2 Years</b>	<b>2-5 Years</b>	<b>&gt; 5 Years</b>	<b>Total</b>
Borrowing	6,688.31	-	-	-	6,688.31
Trade payables	23.19	-	-	-	23.19
<b>Total</b>	<b>6,711.50</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,711.50</b>

**b) Credit risk**

Credit risk refers to the risk that counterparty will default on its contractual obligations resulting in financial loss to the Company. The Company has adopted a policy of only dealing with creditworthy counterparties and obtaining sufficient collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults. The Company regularly monitors its counterparty limits by reviewing the outstanding balance and ageing of the same.

Possible credit risk

Credit risk related to bank balances

Credit risk management

Company holds bank balances with reputed and creditworthy banking institution within the approved exposures limit of each bank. None of the Company's cash equivalents, including time deposits with banks, are past due or impaired.

The carrying value of the financial assets other than cash represents the maximum credit exposure. The Company's maximum exposure to credit risk at March 31, 2023 is INR 417.03 lacs and as at March 31, 2022 is INR 18.52 lacs.

**22 Related Party Disclosures**

In accordance with the requirements of Indian Accounting Standard Ind (AS) – 24 'Related Party Disclosures' the names of the related party where control exists/able to exercise significant influence along with the aggregate transactions / year end balances with them.

**A. List of Related Parties (with whom the company had transactions during the year)**

Holding company	Mankind Pharma Limited
Key Managerial Person	Ramesh Juneja (Director) Rajeev Juneja (Director) Sheetal Arora (Director)
Enterprises over which KMP have significant control	Mankind Biosys Private Limited

**B. Transactions during the year**

Particulars	Holding Company		Enterprises over which KMP have significant control		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
<b>a. Interest expense</b>						
Mankind Pharma Limited	370.30	1.05	-	-	370.30	1.05
	<b>370.30</b>	<b>1.05</b>	<b>-</b>	<b>-</b>	<b>370.30</b>	<b>1.05</b>
<b>b. Payment made on behalf of company by</b>						
Mankind Pharma Limited	0.11	0.07	-	-	0.11	0.07
Mankind Biosys Private Limited	-	-	44.77	-	44.77	-
	<b>0.11</b>	<b>0.07</b>	<b>44.77</b>	<b>-</b>	<b>44.87</b>	<b>0.07</b>
<b>b. Repayment of borrowings</b>						
Mankind Pharma Limited	3,010.00	-	-	-	3,010.00	-
	<b>3,010.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3,010.00</b>	<b>-</b>

**C. Balances outstanding as at year ended**

Particulars	Holding Company		Enterprises over which KMP have significant control		Total	
	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022	March 31, 2023	March 31, 2022
<b>a. Borrowings</b>						
Mankind Pharma Limited	4,007.84	6,688.31	-	-	4,007.84	6,688.31
	<b>4,007.84</b>	<b>6,688.31</b>	<b>-</b>	<b>-</b>	<b>4,007.84</b>	<b>6,688.31</b>

**23 Earnings per Equity Shares**

Basic earnings per equity share has been computed by dividing net profit after tax by the weighted average number of equity shares outstanding for the year. Diluted earnings per equity share has been computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the year.

Particulars		Year ended	Year ended
		March 31, 2023	March 31, 2022
Net profit after tax	INR lacs	2,980.23	337.70
Weighted average number of equity shares outstanding during the year	Numbers	2,01,000	2,01,000
Nominal value of equity shares	INR	100	100
Basic earnings per share	INR	1,482.70	168.01
Diluted earnings per share	INR	1,482.70	168.01

**24 Expenditure on Corporate Social Responsibility**

As per provisions of section 135 of the Companies Act, 2013, the Company has to incur at least 2% of average net profits of the preceding three financial years towards Corporate Social Responsibility ("CSR"). However, the average of the preceding three financial years resulted into loss and therefore the Company was neither required to form a CSR committee nor to spend the amount on CSR as per the provisions of section 135 of the Act.

**25** There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

## 26 Ratio analysis and its elements

Ratio	Numerator	Denominator	March 31, 2023	March 31, 2022	% Change	Remarks
Current Ratio	Current Assets	Current Liabilities	1.10	0.62	75.87%	Refer note 1
Debt- Equity Ratio	Total Debt	Shareholder's Equity	9.78	(2.60)	(475.82%)	Refer note 2
Debt Service Coverage ratio	Earnings for debt service = Net profit after taxes + Non-cash operating expenses	Debt service = Interest & Lease Payments + Principal Repayments	(1.10)	(5,733.60)	(99.98%)	Refer note 2
Return on Equity ratio	Net Profits after taxes	Average Shareholder's Equity	(275.88%)	(12.33%)	2137.77%	Refer note 3
Inventory Turnover ratio	Cost of goods sold	Average Inventory	NA	NA	-	
Trade Receivable Turnover Ratio	Net credit sales = Gross credit sales - sales return	Average Trade Receivable	NA	NA	-	
Trade Payable Turnover Ratio	Net credit purchases = Gross credit purchases - purchase return	Average Trade Payables	NA	NA	-	
Net Capital Turnover Ratio	Net sales = Total sales - sales return	Working capital = Current assets - Current liabilities	8.46	NA	-	
Net Profit ratio	Net Profit	Net sales = Total sales - sales return	87.13%	NA	-	
Return on Capital Employed	Earnings before interest and taxes	Capital Employed = Tangible Net Worth + Total Debt + Deferred Tax liability	76.74%	13.92%	451.15%	Refer note 3
Return on Investment	Interest (Finance Income)	Investment	NA	NA	-	

## Notes:

## Reason for change more than 25%:

1. The movement in current year is on account of disproportionate increase current asset primarily due to increase in cash & cash equivalent.
2. The movement in current year is on account of disproportionate decrease in borrowings.
3. The movement in current year is on account of disproportionate increase in net profit.

## 27 Other Information

- (i) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory year.
- (ii) The Company have not traded or invested in Crypto currency or Virtual Currency during the financial year
- (iii) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries
- (iv) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries
- (v) The Company have not any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961
- (vi) The Company do not have any Benami property, where any proceeding has been initiated or pending against the Company for holding any Benami property.
- (vii) The Company has not been declared as wilful defaulter by any bank or financial institution or government or any government authority.
- (viii) The Company has complied with the number of layers prescribed under the Companies Act, 2013.
- (ix) The Company does not have any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

For Bhagi Bhardwaj Gaur & Co.  
Chartered Accountants  
Firm Reg. no. 007895N

MOHIT  
GUPTA

Mohit Gupta  
M.No. 528337

Digitally signed by MOHIT  
GUPTA  
Date: 2023.05.26 22:39:48  
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For and on behalf of the Board of Directors

SHEETAL  
ARORA

Sheetal Arora  
Director  
DIN - 00704292

RAMESH  
JUNEJA

Ramesh Juneja  
Director  
DIN - 00283399

Place: New Delhi  
Date: May 26, 2023

Place: New Delhi  
Date: May 26, 2023