INDEPENDENT AUDITOR’S REPORT

To the Members of Pinnacle Real Estate Development Private Limited

Report on the Financial Statements

Opinion

We have audited the accompanying financial statements of **Pinnacle Real Estate Development Private Limited** (“the Company”), which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss, including the statement of Other Comprehensive Income, the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as “Financial Statements”).

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the 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 31st March, 2021, its loss including Other Comprehensive Income, its Cash Flows and the Statement of Changes in Equity 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 Companies Act, 2013 (the “Act”). Our responsibilities under those Standards are further described in the Auditor’s Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

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 Board of Directors Report including Annexures but does not include the financial statements and our auditor’s report thereon.

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

In connection with our audit of the financial statements, our responsibility is to read the other information 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.

When we read the Board of Director's Report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act, 2013 with respect to the preparation of these Financial Statements that give a true and fair view of the Financial Position, Financial Performance including Other Comprehensive Income, Cash Flows and the Statement Of Changes in Equity 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, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended.

This responsibility also includes maintenance of adequate accounting records in accordance with the provision of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of the appropriate accounting policies; making judgements 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 fair presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

Auditor's Responsibility

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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

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

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

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

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

Report on Other Legal and Regulatory Requirements

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

2. As required by Section 143(3) of the Act, we report that:

    a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;

b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;

c. The Balance Sheet, Statement of Profit and Loss including Other Comprehensive Income , the Cash Flow Statement and Statement of Changes in Equity dealt with by this report are in agreement with the books of account;

d. In our opinion, the aforesaid financial statements comply with the accounting standards specified under section 133 of the Act, read with Companies (Indian Accounting Standards) Rules, 2015, as amended.

e. On the basis of written representations received from the directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021, from being appointed as a director in terms of section 164(2) of the Act;

f. With respect to the adequacy of the internal financial controls over financial reporting with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".;

g. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended we report that no remuneration has been paid by the company to its directors during the year;

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

   i) The Company does not have any pending litigations which would impact on its financial position.

   ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

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

For **Chaturvedi & Shah LLP**
Chartered Accountants
(Firm Registration No**.** 101720W/W100355)

Parag D. Mehta
Partner
Membership No.: 113904
UDIN: 21113904AAAABM5432

Place: Mumbai
Date : 25th May,2021

“Annexure A” to Independent Auditors’ Report referred to in Paragraph 1 under the heading of “Report on other legal and regulatory requirements” of our report of even date.

i) As the company had no Fixed Assets during the year, clause (i) of paragraph 3 of the order is not applicable to the company.

ii) As the Company had no Inventories during the year, clause (ii) of paragraph of 3 of the Order is not applicable to the Company

iii) The Company has not granted any loans, secured or unsecured to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Consequently, the requirement of clause (iii) (a) to clause (iii) (c) of paragraph 3 of the Order is not applicable to the Company.

iv) In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 186 of the Companies Act, 2013 in respect of investment made. During the year, the Company has not granted any loans covered under Section 185 of the Act. The Company has not granted any loans or provided any guarantee or security.

v) According to the information and explanations given to us, the Company has not accepted any deposits within the meaning of provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Therefore, the clause (v) of paragraph 3 of the Order is not applicable to the Company.

vi) According to information and explanations provided to us, the Company is not required to maintain accounts and cost records pursuant to the Companies (Cost Accounting Records) Rules, 2011 and as specified by the Central Government of India under Section 148(1) of the Companies Act, 2013. Accordingly, paragraph 3(vi) of the Order is not applicable.

vii) In respect of Statutory dues :

a. According to the records of the Company, undisputed statutory dues including Provident Fund, Employees’ State Insurance, Income-Tax, Goods and Service Tax, Customs Duty, Cess, and any other statutory dues, wherever applicable, have been generally regularly deposited with the appropriate authorities. According to the information and explanations given to us, no undisputed amounts payable in respect of the aforesaid dues were outstanding as at 31st March, 2021 for a period of more than six months from the date of becoming payable.

b. According to the information and explanations given to us, there are no dues of income tax, goods and service tax, duty of customs, cess on account of any dispute, which have not been deposited.

viii) The company has not raised loans form financial institution or Banks or by issue of Debentures or Government company and hence clause (ix) of paragraph 3 of the order are not applicable to the company.

ix) The Company has not raised any money by way of initial public offer or further public offer (including debt instruments) or terms loans, and hence Clause (ix) of paragraph 3 is not applicable to the company.

x) Based on the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per information and explanations given to us, no fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

xi) In our opinion and according to the information and explanations given to us, company has not paid any managerial remuneration and hence Clause (xi) of paragraph 3 of the Order is not applicable to the Company.

xii) In our opinion company is not a Chit Fund/ Nidhi company. Therefore, the provisions of clause (xii) of paragraph 3 of the Order are not applicable to the company.

xiii) In respect of transactions with related parties :

a) In our opinion and according to the information and explanations given to us, section 177 is not applicable to the company.

b) In our opinion and according to the information and explanations given to us, all transactions with related parties are in compliance with section188 of the Act and their details have been disclosed in the financial statements etc., as required by the applicable accounting standards.

xiv) In our opinion and according to the information and explanations given to us, the Company has not made any preferential allotment or private placement of Shares or Fully or Partly Convertible Debentures during the year and hence clause(xiv) of the order is not applicable to the company.

xv) In our opinion and according to the information and explanations given to us, the Company has not entered into any non-cash transaction with the directors or persons connected with him and covered under section 192 of the Act. Hence, clause (xv) of the paragraph 3 of the Order is not applicable to the Company**.**

xvi) To the best of our knowledge and as explained, the Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **Chaturvedi & Shah LLP**
Chartered Accountants
(Firm Registration No**.** 101720W/ W100355)

Parag D. Mehta
Partner
Membership No.: 113904
UDIN: 21113904AAAABM5432

Place : Mumbai
Date : 25th May ,2021

Annexure B" to Independent Auditors' Report referred to in paragraph 2(f) under the heading "Report on other legal and regulatory requirements" of our report of even date.

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

We have audited the internal financial controls over financial reporting of **Pinnacle Real Estate Development Private Limited** ("the Company") as of 31st March, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

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

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to financial statements reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statement, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting with reference to financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting with reference to financial statements, 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 over financial reporting with reference to financial statements.

Meaning of Internal Financial Controls with reference to the Financial Statements

A company's internal financial control over financial reporting 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 control over financial reporting with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with 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 over financial reporting with reference to the Financial Statements

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting with reference to financial statements to future periods are subject to the risk that the internal financial control over financial reporting 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, an adequate internal financial controls system over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at 31st March,2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **Chaturvedi & Shah LLP**
Chartered Accountants
Firm Registration No**.** 101720W/W100355

Parag D. Mehta
Partner
Membership No.: 113904
UDIN : 21113904AAAABM5432

Place : Mumbai
Date: 25th May,2021

PINNACLE REAL ESTATE DEVELOPMENT PRIVATE LIMITED

(CIN No. U70100MH2006PTC161072)

Notes on Financial Statement for the year ended 31st March 2021

1. Corporate Information:

The Company is a limited company domiciled in India and is incorporated under the provisions of the Companies Act applicable in India. The registered office of the company is located at Ground 462, Senapati Bapat Marg, Phoenix Mills Premises, Lower Parel, Mumbai – 400 013.

The Company is mainly engaged in real estate activities. For Company's principal shareholders, refer note no. 11.

These financial statements were approved and adopted by board of directors of the Company in their meeting dated 25th May 2021.

2. Basis of Preparation of Financial Statement:

The Financial Statements have been prepared in accordance with and in compliance, in all material aspects, with the Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies (Indian Accounting Standards) Rules, 2015, as amended and other provisions of the Act.

The significant accounting policies used in preparing financial statements are set out in Note 3 of the Notes on Financial Statements and are applied consistently to all the periods presented.

On March 24, 2021, the Ministry of Corporate Affairs (MCA) through a notification, amended Schedule III of the Companies Act, 2013. The amendments revise Division I, II and III of the schedule III and are applicable from April 1, 2021. The Company is evaluating the effects of the amendments on its financial statement.

3. Summary of Significant Accounting Policies:

a) Functional and presentation of currency:

The financial statements are presented in Indian Rupees, which is the Company's functional currency and all amounts are rounded to the nearest thousand rupees.

b) Basis of measurement:

The Financial Statements have been prepared on historical cost basis, except the following:

- Certain financial assets and liabilities that is measured at fair value.
- Defined benefit plans – plan assets measured at fair value.

c) Use of Estimates :

The preparation of the financial statements requires management to make estimates, judgements and assumptions that affect the reported balances of assets and liabilities, disclosure of contingent liabilities as on the date of financial statements and reported amounts of income and expenses during the period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are described in Note 4. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

d) Impairment of Non Financial Assets :

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. 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. It is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or a groups of assets. Where 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.

In assessing the value in use, the estimated future cash flows are discounted to their present value using 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.

e) Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instruments of another entity. Classifications of financial instruments are in accordance with the substance of the contractual arrangement and as per the definitions of financial assets, financial liability and an equity instruments.

Financial Assets and investments

i) Initial recognition and measurement:

At initial recognition, the company measures a financial asset (other than financial asset at fair value through profit or loss) at its fair value plus or minus, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in the statement of profit & loss.

ii) Subsequent recognition and measurement:

Subsequent measurement of financial asset depends on the company's business model for managing the asset and the cash flow characteristics of the asset. For the purpose of subsequent recognition and measurement financial assets are classified in four categories:

- **Debt instrument at amortised cost:**

  Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. A gain or loss on a debt investment that is subsequently measured at amortised cost and is not part of a hedging relationship is recognised in profit or loss when the asset is derecognised or impaired. Interest income from these financial assets is included in finance income using the effective interest rate method.

- **Debt instrument at fair value through other comprehensive income (FVOCI):**

  Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses and interest revenue which are recognised in the statement ofprofit & loss. When the financial asset is derecognised, the cumulative gain or loss previously recognised in OCI is reclassified from equity to profit or loss and recognised in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest ratemethod.

- **Debt instrument at fair value through profit and loss (FVTPL):**

  Assets that do not meet the criteria for amortised cost or FVOCI are measured at fair value through profit or loss. A gain or loss on a debt investment that is subsequently measured at fair value through profit or loss and is not part of a hedging relationship is recognised in the statement of profit & loss and presented net in the statement of profit & loss within other gains/(losses) in the period in which it arises. Interest income from these financial assets is included in other income.

- **Equity instruments:**

  All equity instruments are initially measured at fair value. Any subsequent fair value gain /loss is recognised through profit or loss if such investments are held for trading purposes. The fair value gains or losses of all other equity investments are recognised in Other Comprehensive Income.

iii) Derecognition:

A financial asset is primarily derecognised i.e. removed from Company's financial statement when:

- The rights to receive cash flows from asset have expired, or
- The Company has transferred its right to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under 'pass- through' arrangement and either;

  a) The Company has transferred substantially all the risks and rewards of the assets,

b) The Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

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

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

Financial Liabilities:

i) <u>Initial recognition and measurement:</u>

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts.

ii) <u>Subsequent measurement:</u>

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

Financial liabilities at fair value through profit and loss:

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

Gains or losses on liabilities held for trading are recognised in the statement of profit & loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated as such at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied.

iii) <u>Financial Liabilities at amortised cost:</u>

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate (EIR) method. Gains and losses are recognised in the statement of profit & loss when the liabilities are derecognised as well as through the EIR amortisation process.

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

Derecognition:

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

f) **Impairment of Financial assets:**

The company assesses impairment based on expected credit losses (ECL) model to the following:

- Financial assets carried at amortised cost;
- Financial asset measured at FVOCI debt instruments.

The Company follows 'simplified approach' for recognition of impairment loss allowance on trade receivable.

i) **Trade receivables**

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

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

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

Lifetime ECL are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12-month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the reporting date.

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

g) Classification of assets and liabilities as current and non – current:

The Company presents assets and liabilities in Balance Sheet based on current/non-current classification.

An asset is classified as current when it is:

a) Expected to be realised or intended to be sold or consumed in normal operating cycle,
b) Held primarily for the purpose of trading,
c) Expected to be realised within twelve months after the reporting period, or
d) Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is classified as current when:

a) It is expected to be settled in normal operating cycle,
b) It is held primarily for the purpose of trading,
c) It is due to be settled within twelve months after the reporting period, or
d) There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents.

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

h) Equity share capital:

Ordinary shares are classified as equity. Incremental costs net of taxes directly attributable to the issue of new equity shares are reduced from retained earnings, net of taxes.

i) Cash and cash equivalents:

Cash and cash equivalents includes cash on hand and at bank, deposits held at call with banks and other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

j) Revenue Recognition:

The company' revenue from contracts with customers is mainly from Business Support Services.

Revenue from Business Support Service is recognized on satisfaction of performance obligation upon transfer of control of promised services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those services, excluding amounts collected on behalf of third parties (for example taxes and duties collected on behalf of the government). Consideration is generally due upon satisfaction of performance obligations and a receivable is recognized when it becomes unconditional. Generally, the credit period varies between 0-30 days from the delivery of services.

Interest income

Interest income from debt instrument is recognised using effective interest rate method. The effective interest rate is the rate that discounts estimated future cash receipts through the expected life of financial asset to the gross carrying amount of financial asset. When calculating effective interest rate, the company expects cash flows by considering all contractual terms of financial instrument but does not consider the expected credit losses.

Dividends

Dividends are recognised when the right to receive the payment is established.

k) 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. If the effect of the time value of money is material, provisions are discounted using the government securities interest rate for the equivalent period. Unwinding of the discount is recognised in the Statement of Profit and Loss as a finance cost. Provisions are reviewed at each balance sheet date and are adjusted to reflect the current best estimate. Provisions are not recognised for future operating losses.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made. Information on contingent liability is disclosed in the notes to the financial statements. Contingent assets are not recognised. However, when the realisation of income is virtually certain, then the related asset is no longer a contingent asset, but it is recognised as an asset.

l) Income Taxes:

Current Income Tax:

Current Income Tax liabilities are measured at the amount expected to be paid to the taxation authorities using the tax rates and tax laws that are enacted or subsequently enacted at the end of the reporting period. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and creates provisions where appropriate.

Deferred Tax:

Deferred Tax is provided, using the liability method, on temporary differences between the tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred Income Tax is determined using the tax rates and tax laws that are enacted or subsequently enacted at the end of the reporting period.

Deferred Tax liabilities are recognised for all temporary differences. Deferred tax assets are recognised for all deductible temporary differences, the carry forward of unused tax credits and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets against current tax liabilities and the deferred tax balances relate to the same taxation authority. Current tax asset and liabilities are offset where the company has a legally enforceable right and intends either to settle on net basis, or to realise the asset and settle the liability simultaneously.

Current and deferred tax is recognised in the statement of profit & loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax assets include Minimum Alternative Tax (MAT) paid in accordance with the tax laws in India, to the extent it would be available for set off against future current income tax liability. Accordingly, MAT is recognised as deferred tax asset in the balance sheet when the asset can be measured reliably and it is probable that the future economic benefit associated with the asset will be realised.

m) **Earnings per share:**

Basic earnings per share is calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

Diluted earnings per share is calculated by dividing the net profit or loss (after tax) for the year attributable to equity shareholders and the weighted average number of equity shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.

4. Critical accounting estimates, assumptions and judgements:

The preparation of the financial statements requires management to make estimates, judgements and assumptions that affect the reported balances of assets and liabilities, disclosure of contingent liabilities as on the date of financial statements and reported amounts of income and expenses during the period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in future periods.

The key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year. The Company based its assumptions and estimates on parameters available, when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

In the process of applying the Company's accounting policies, management has made the following estimates and judgements, which have significant effect on the amounts recognized in the financial statement:

(a) Recoverability of trade receivable

Judgments are required in assessing the recoverability of overdue trade receivables and determining whether a provision against those receivables is required. The Company uses a provision matrix to determine impairment loss allowance on its trade receivables. The provision matrix is based on its historically observed default rates over the expected life of the trade receivables and is adjusted for forward-looking estimates. At every reporting date, the historical observed default rates are updated and changes in the forward-looking estimates are analyzed.

(b) Provisions:

Provisions and liabilities are recognized in the period when it becomes probable that there will be a future outflow of funds resulting from past operations or events and the amount of cash outflow can be reliably estimated. The timing of recognition and quantification of the liability require the application of judgement to existing facts and circumstances, which can be subject to change. Since the cash outflows can take place many years in the future, the carrying amounts of provisions and liabilities are reviewed regularly and adjusted to take account of changing facts and circumstances.

(c) Fair Value measurement:

When the fair values of financials assets and financial liabilities recorded in the Balance Sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques, including the discounted cash flow model, which involve various judgements and assumptions.

(d) Impairment of financial assets:

The impairment provisions for financial assets are based on assumptions about risk of default and expected cash loss rates. The Company uses judgement 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.

Pinnacle Real Estate Development Private Limited

(CIN No. U70100MH2006PTC161072)

Balance Sheet as at 31st March 2021

(₹ in Thousands)

Particulars	Notes	As at March 31, 2021	As at March 31, 2020
Assets			
Non Current Assets			
Financial Assets			
Investments	5	0.80	0.80
Deferred Tax Assets (net)	6	-	0.61
Other Non Current Assets	7	95.00	95.00
		95.80	**96.41**
Current Assets			
Financial Assets			
Cash and Cash Equivalents	8	15.20	3.98
Other Financial Assets	9	-	5.00
Other Current Assets	10	29.47	30.43
		44.67	**39.41**
Total Assets		**140.47**	**135.82**
Equity and Liabilities			
Equity			
Equity Share Capital	11	100.00	100.00
Other Equity	12	(315.09)	(298.60)
		(215.09)	**(198.60)**
Current Liabilities			
Financial Liabilities			
Borrowings	13	321.03	321.03
Trade Payables			
Total Outstanding dues of Micro Enterprises & Small Enterprises	14	-	-
Total Outstanding dues of Creditors Other than Micro Enterprises & Small Enterprises	14	14.53	1.48
Other Current Liabilities	15	20.00	11.91
		355.56	**334.42**
Total Equity and Liabilities		**140.47**	**135.82**

See accompanying notes to the Standalone Financial Statements. 1 to 26

As per our Report of even date
For Chaturvedi & Shah LLP
Chartered Accountants
(Firm Registration No : 101720W/W100355)

Parag D. Mehta
Partner
Membership No. 113904

Place : Mumbai
Date : 25th May, 2021

For and on behalf of the Board of Directors

Vidya S. Pingali
Director
DIN No. 02710397

Atul Ruia
Director
DIN No. 00087396

Pinnacle Real Estate Development Private Limited

(CIN No. U70100MH2006PTC161072)

Statement of Profit and Loss for the year ended 31st March 2021

(₹ in Thousands)

Particulars	Notes	For the year ended 31st March 2021	For the year ended 31st March 2020
Income			
Other Income	16	20.00	20.00
Total Revenue		**20.00**	**20.00**
Expenses			
Other Expenses	17	36.49	26.84
Total Expenses		**36.49**	**26.84**
Profit/(Loss) Before Tax		(16.49)	(6.84)
Tax Expenses		-	-
Profit/(Loss) for the year (A)		**(16.49)**	**(6.84)**
Other Comprehensive Income			
Items that will not be reclassified to Profit & Loss		-	-
Income tax relating to items that will not be reclassified to Profit & Loss		-	-
Other Comprehensive Income for the year (B)		-	-
Total Comprehensive Income for the year (A+B)		**(16.49)**	**(6.84)**
Earning Per Equity Share of face value of ₹. 10/- each Basic and Diluted EPS	21	(1.65)	(0.68)
See accompanying notes to the Standalone Financial Statements.	1 to 26		

As per our Report of even date
For Chaturvedi & Shah LLP
Chartered Accountants
(Firm Registration No : 101720W/W100355)

For and on behalf of the Board of Directors

Parag D. Mehta
Partner
Membership No. 113904

Vidya S. Pingali
Director
DIN No. 02710397

Atul Ruia
Director
DIN No. 00087396

Place : Mumbai
Date : 25th May, 2021

Pinnacle Real Estate Development Private Limited

(CIN No. U70100MH2006PTC161072)

Cash Flow Statement for the year ended 31st March 2021

(₹ in Thousands)

	Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
A	**CASH FLOW FROM OPERATING ACTIVITIES**		
	Net Profit /(Loss) before Taxation	(16.49)	(6.84)
	Operating Profit/(Loss) before Working Capital Changes	**(16.49)**	**(6.84)**
	Change in Working Capital:		
	Trade & Other receivable	5.96	(6.19)
	Current Liabilities and Provisions	21.75	(8.44)
	Taxes Paid (Net)	-	-
	Net Cash (used in)/Generated from Operating Activities	**11.22**	**(21.47)**
B	**CASH FLOW FROM INVESTING ACTIVITIES**		
	Net Cash used in Investing Activities	-	-
C	**CASH FLOW FROM FINANCING ACTIVITIES**		
	Net Cash used in Financing Activities	-	-
	Net Increase/ (Decrease) in Cash and Cash Equivalents	**11.22**	**(21.47)**
	Opening Balance of Cash and Cash Equivalents	3.98	25.45
	Closing Balance of Cash and Cash Equivalents (Refer Note - 8)	**15.20**	**3.98**
	Notes to Cash Flow		
	Component of cash & cash equivalents:		
	Cash on Hand	0.23	0.23
	Balance with Bank	14.97	3.75
		15.20	**3.98**

As per our Report of even date

For Chaturvedi & Shah LLP
Chartered Accountants
(Firm Registration No : 101720W/W100355)

Parag D. Mehta
Partner
Membership No. 113904

Place : Mumbai
Date : 25th May, 2021

For and on behalf of the Board of Directors

Vidya S. Pingali
Director
DIN No. 02710397

Atul Ruia
Director
DIN No. 00087396

Pinnacle Real Estate Development Private Limited

(CIN No. U70100MH2006PTC161072)

Statement of changes in Equity for the year ended 31st March 2021

A. EQUITY SHARE CAPITAL

For year ended 31st March, 2021

(₹ in Thousands)

Balance as at 1st April, 2020	Changes in equity share capital during the year	Balance as at 31st March 2021
100.00	-	100.00

For year ended 31st March, 2020

(₹ in Thousands)

Balance as at 1st April, 2019	Changes in equity share capital during the year	Balance as at 31st March 2020
100.00	-	100.00

B. Other Equity

For year ended 31st March , 2021

(₹ in Thousands)

Particulars	Reserves & Surplus	Total Other Equity
	Retained Earnings	
Balance as at 1st April, 2020	(298.60)	(298.60)
Loss for the year	(16.49)	(16.49)
Balance as at 31st March,2021	**(315.09)**	**(315.09)**

For year ended 31st March, 2020

(₹ in Thousands)

Particulars	Reserves & Surplus	Total Other Equity
	Retained Earnings	
Balance as at 1st April, 2019	(291.76)	(291.76)
Loss for the year	(6.84)	(6.84)
Balance as at 31st March , 2020	**(298.60)**	**(298.60)**

As per our Report of even date

For Chaturvedi & Shah LLP
Chartered Accountants
(Firm Registration No : 101720W/W100355)

For and on behalf of the Board of Directors

Parag D. Mehta
Partner
Membership No. 113904

Vidya S. Pingali
Director
DIN No. 02710397

Atul Ruia
Director
DIN No. 00087396

Place : Mumbai
Date : 25th May, 2021

Pinnacle Real Estate Development Private Limited
(CIN No. U70100MH2006PTC161072)
Notes to Financial Statements for the year ended 31st March 2021

(₹ in Thousands)

Notes	Particulars	As at March 31, 2021	As at March 31, 2020
5	**Non Current Investments**		
	Investment in Equity Shares at Cost		
	Unquoted		
	80 (P.Y. - 80;) Mugwort Land Holdings Private Limited	0.80	0.80
		0.80	**0.80**
6	**Deferred Tax Asset (Net)**		
	MAT Credit AY 2017-18	-	0.61
		-	**0.61**
7	**Other Non Current Assets**		
	(Unsecured and Considered Good)		
	Capital Advances		
	With Related party	50.00	50.00
	With Others	45.00	45.00
		95.00	**95.00**
8	**Cash & Cash Equivalents**		
	Balances with Banks	14.97	3.75
	Cash on hand	0.23	0.23
		15.20	**3.98**
9	**Other Financial Assets**		
	Unbilled Revenue	-	5.00
		-	**5.00**
10	**Other Current Assets**		
	Vat Deposits	25.00	25.00
	GST Input Receivable	4.47	5.43
		29.47	**30.43**
11	**Share Capital**		
	Authorised		
	10,000 (P.Y. - 10,000) Equity Shares of ₹.10/- each	**100.00**	**100.00**
	Issued, Subscribed and paid up		
	10,000 (P.Y. - 10,000) Equity Shares of ₹.10/- each fully paid up	100.00	100.00
		100.00	**100.00**
	a) Reconciliation of the Shares outstanding at the beginning and at the end of the reporting period	**No. of Shares**	**No. of Shares**
	Shares outstanding at the beginning the year	10,000	10,000
	Shares Issued during the year	-	-
	Shares outstanding at the end of the year	10,000	10,000
	b) Shares held by Holding Company		
	The Phoenix Mills Limited, 10,000 (P.Y. - 10,000) equity shares of ₹ 10 each fully paid up.	100.00	100.00

Pinnacle Real Estate Development Private Limited
(CIN No. U70100MH2006PTC161072)
Notes to Financial Statements for the year ended 31st March 2021

(₹ in Thousands)

Notes	Particulars	As at March 31, 2021	As at March 31, 2020

c) Details of shareholders holding more than 5% Shares in the company	31st March, 2021		31st March, 2020	
Equity Shares of ₹ 10 each fully paid	Number of shares	% of Holdings	Number of shares	% of Holdings
The Phoenix Mills Limited, holding company	10,000	100	10,000	100
Total	**10,000**	**100**	**10,000**	**100**

d) Terms of Issue

The Company has only one class equity shares having face value of ₹. 10 per share. Each holder of equity shares is entitled to one vote per share. Equity share holder are also entitled to dividend as and when proposed by the Board of Director and approved by Share holders in Annual General Meeting. In the event of liquidation of the company, the holders of Equity shares will be entitled to receive remaining assets of the Company, after distribution of all Preferential amounts which shall be in proportion to the number of shares held by the Shareholders.

Notes	Particulars	As at March 31, 2021	As at March 31, 2020
12	**Other Equity**		
	Retained Earnings		
	As per last Balance Sheet	(298.60)	(291.76)
	Loss for the year	(16.49)	(6.84)
	Closing Balance	**(315.09)**	**(298.60)**

Narure & Purpose of Reserves

Retained earnings: Retained earnings are the profits that the company has earned till date, less any transfers to General Reserve, dividends or other distributions paid to the shareholders.

Notes	Particulars	As at March 31, 2021	As at March 31, 2020
13	**Borrowings**		
	(Unsecured)		
	Loans from Related Party, repayable on demand	321.03	321.03
		321.03	**321.03**
14	**Trade Payable - current**		
	Total outstanding dues of Micro and Small Enterprises*	-	-
	Total outstanding dues of creditors other than Micro and Small Enterprises	14.53	1.48
		14.53	**1.48**

*There are no Micro and Small Enterprises, to whom the company owes dues, which are outstanding for more than 45 days during the year and as at March 31, 2021 and March 31,2020. The above information, regarding Micro and Small Enterprises has been determined to the extent such parties have been identified on the basis of information available with the company. This has been relied upon by the Auditors.

	Particulars	As at March 31, 2021	As at March 31, 2020
	The disclosure pursuant to the said Act under:		
a)	Principal amount due to supplier under MSMED Act, 2006	-	-
b)	Interest accrued and due on the above amount, unpaid	-	-
c)	Payment made beyond the appointed day during the year	-	-
d)	Interest paid	-	-
e)	Interest due and payable for the period of delay	-	-
f)	Interest remaining due and payable in succeeding year	-	-

Notes	Particulars	As at March 31, 2021	As at March 31, 2020
15	**Other Current Liabilities**		
	Provision for Expenses	20.00	11.30
	Provision for Tax	-	0.61
		20.00	**11.91**

Pinnacle Real Estate Development Private Limited
(CIN No. U70100MH2006PTC161072)
Notes to Financial Statements for the year ended 31st March 2021

(₹ in Thousands)

Notes	Particulars	For the year ended 31st March 2021	For the year ended 31st March 2020
16	**Other Income**		
	Service Fees	20.00	20.00
		20.00	**20.00**
17	**Other Expenses**		
	Legal and Professional expenses	12.57	16.60
	Profession Tax Company	2.50	-
	Auditor's Remuneration (Refer Note No. 17.1)	20.00	10.00
	Bank Charges	1.42	0.24
		36.49	**26.84**
17.1	**Payment to Auditor**		
	Audit Fees	20.00	10.00
		20.00	**10.00**

Pinnacle Real Estate Development Private Limited
(CIN No. U70100MH2006PTC161072)
Notes to Financial Statements for the year ended 31st March, 2021

18 Related party Disclusure:

In accordance with the requirements of IND AS 24, on related party disclosures, name of the related party, related party relationship, transactions and outstanding balances including commitments where control exits and with whom transactions have taken place during reported periods, are:

a) Related Party with whom transactions have been taken place and relationships:

Sr. No.	Name of the party	Relationship
1	The Phoenix Mills Limited	Holding Company
2	Market City Resources Pvt. Ltd.	Fellow Subsidiary

b) Transactions during the year

(₹ in Thousands)

Sr. No.	Nature of Transaction	Marketcity Resources Pvt Ltd.	Total
1	Service Income	20.00 (20.00)	20.00 (20.00)

Note:-Figures in bracket represents previous year figures.

c) Balance with the related party at the year end is as under

(₹ in Thousands)

Sr. No.	Nature of Transaction	The Phoenix Mills Limited	Total
1	Loan taken	321.03 (321.03)	321.03 (321.03)
2	Capital Advance	50.00 (50.00)	50.00 (50.00)

Note:-Figures in bracket represents previous year figures.

1. The transactions with related parties are made on terms equivalent to those that prevail in arm’s length transactions.
2. Review of outstanding balances is undertaken each financial year through examining the financial position of the related party and the market in which related party operates. These balances are unsecured and their settlement occurs through Banking channel.

Pinnacle Real Estate Development Private Limited

(CIN No. U70100MH2006PTC161072)

Notes to Financial Statements for the financial year ended 31st March, 2021

(₹ in Thousands)

Notes	Particulars	As at 31st March 2021	As at 31st March 2020
19	**Capital and Other Commitments** (Estimated amount of contracts remanining to be executed on capital account not provided for)	700.00	700.00

20 **Segment reporting:**

The Company is mainly engaged in real estate activities catering to Indian customers. Accordingly, the Company has only one identifiable segment reportable under IndAS 108“Operating Segment”.

21 **Earnings per Share (EPS)**

Notes	Particulars	As at 31st March 2021	As at 31st March 2020
i)	Net Profit after tax as per Statement of Profit and Loss attributable to Equity Shareholders	(16.49)	(6.84)
ii)	Weighted Average number of equity shares used as denominator for calculating EPS	10,000	10,000
iii)	Weighted Average number of equity shares used as denominator for calculating Diluted EPS	10,000	10,000
iv)	Basic Earnings per share	(1.65)	(0.68)
v)	Diluted Earnings per share	(1.65)	(0.68)
vi)	Face Value per equity share	10.00	10.00

Pinnacle Real Estate Development Private Limited
(CIN No. U70100MH2006PTC161072)
Notes to Financial Statements for the year ended 31st March, 2021

22 Company has incurred loss during the year and it's networth is negative. The current liabilities exceeds current assets by ₹ 310.89 thousands as at year end. Company relies on it's holding company for funding it's operations. In view of the support from holding company by way of unsecured loans, management has prepared these financial statements on a going concern basis.

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

Set out below is the comparison by class of carrying amounts and fair value of Company's financial instruments that are recognised in the financial statements.

(₹ in Thousands)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	Carrying Value	Fair Value	Carrying Value	Fair Value
Financial assets designated at amortised cost				
Cash and Cash Equivalents	15.20	15.20	3.98	3.98
Other Financial Assets	-	-	5.00	5.00
Total	**15.20**	**15.20**	**8.98**	**8.98**
Financial liabilities designated at amortised cost				
Short Term Borrowings	321.03	321.03	321.03	321.03
Trade and other payables	14.53	14.53	1.48	1.48
Total	**335.56**	**335.56**	**322.51**	**322.51**

Fair valuation techniques:

The Company maintains policies and procedures to value financial assets or financial liabilities using the best and most relevant data available.

The following methods and assumptions were used to estimate the fair values

1 Fair value of investment in unquoted equity shares are considered same as carrying value as the same are not material.

2 Fair value of Financial Assets & Financial Liability(except long term borrowings) are carried at amortised cost is not materially different from it’s carrying cost due to short term maturities

24 Financial risk Management:

The Company's activities expose it to credit risk, liquidity risk and market risk. This note explains the sources of risks which the entity is exposed to and how it mitigates that risk.

- **Market risk:**

Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market prices comprise three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity risk. Financial instruments affected by market risk include loans and borrowings and investments in securities.

Foreign currency risk
The Company is exposed to insignificant foreign exchange risk as at the respective reporting dates.

Interest rate risk
Fluctuation in fair value or future cash flows of a financial instrument because of changes in market interest rates gives rise to interest rate risk. The Company is not exposed to the Interest rate risk.

Commodity and Other price risk
The Company is not exposed to the comodity and other price risk.

- **Credit Risk**

Credit risk is the risk of financial loss to the Company that a customer or counter party to a financial instrument fails to meet its obligations. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks.

Trade and other recivables:
The Company is not exposed credit risk as the company does not have significant Trade &

other receivables as at the reporting dates.

Cash and cash equivalents and other investments
The Company considers factors such as track record, size of the institution, market reputation and service standards to select the banks with which balances and deposits are maintained. Generally, the balances are maintained with the institutions with which the Company has also availed borrowings. The Company does not maintain significant cash and deposit balances other than those required for its day to day operations.
Exposure to credit risk
The gross carrying amount of financial assets, net of impairment losses recognised represents the maximum credit exposure. The maximum exposure to credit risk as at March 31, 2021 and March 31, 2020 is as follows:

(₹ in Thousands)

	As at 31/03/2021	**As at 31/03/2020**
Financial assets for which loss allowances is measured using 12 months Expected Credit Losses (ECL):		
Cash and cash equivalents	15.20	3.98
Unbilled Revenue	-	5.00

Cash and Cash equivalent and Other Financial Assets are neither past due nor impaired. Management is of view that these financial assets are considered good and 12 months ECL is not provided.

- **Liquidity risk**

Liquidity risk is the risk that the Company may not be able to meet its present and future cash and collateral obligations without incurring unacceptable losses.
The Company’s objective is to at all times maintain optimum levels of liquidity to meet its cash and collateral requirements. The current borrowings are sufficient to meet its short to medium term expansion needs.

Pinnacle Real Estate Development Private Limited
(CIN No. U70100MH2006PTC161072)
Notes to Financial Statements for the year ended 31st March, 2021

(₹ in Thousands)

	As at 31st March, 2021					
Particulars	Carrying Amount	On Demand	Less than 12 months	1 - 5 Years	>5 years	Total
Short term Borrowings	321.03	321.03	-	-	-	321.03
Trade and other payables	14.53	-	14.53	-	-	14.53

(₹ in Thousands)

	As at 31st March, 2020					
Particulars	Carrying Amount	On Demand	Less than 12 months	1 - 5 Years	>5 years	Total
Short term Borrowings	321.03	321.03	-	-	-	321.03
Trade and other payables	1.48	-	1.48	-	-	1.48

25 **Capital management :**

The primary objective of the Company's capital management is to maximize the shareholder value. The Company's primary objective when managing capital is to ensure that it maintains an efficient capital structure and healthy capital ratios and safeguard the Company's ability to continue as a going concern in order to support its business and provide maximum returns for shareholders. The Company also proposes to maintain an optimal capital structure to reduce the cost of capital. No changes were made in the objectives, policies or processes during the year ended 31st March 2021 and 31st March 2020.For the purpose of the Company's capital management, capital includes issued capital, share premium and all other equity reserves. Net debt includes, interest bearing loans and borrowings less cash and short term deposits.

(₹ in Thousands)

Particulars	As At 31-03-2021	As At 31-03-2020
Loans and Borrowings	321.03	321.03
Less: Cash and cash equivalents + Bank Deposits	15.20	3.98
Net Debt	305.82	317.05
Total Capital	(215.09)	(198.60)
Capital+Net Debt	90.73	118.45
Gearing Ratio	337%	268%

26 The previous year figures have been regrouped, reworked, rearranged and reclassified, whenever necessary and are to be read in relation to the amounts and other disclosures relating to the current year.

As per our Report of even date
For Chaturvedi & Shah LLP
Chartered Accountants
(Firm Registration No : 101720W/W100355)

For and on behalf of the Board of Directors

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Place : Mumbai
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