

PARANJAPE SCHEMES (CONSTRUCTION) LIMITED

CIN : U70100MH1987PLC044721

Registered Address: 1 Somnath CTS No. 988 Ram Mandir
Road Vile Parle East Mumbai-400057

Tel: +91 22 26105350 / 26105165

E-Mail: cs@pscl.in | **Website:** www.pscl.in



4th August, 2023

To,
The Manager - Listing Department,
BSE Limited,
Phiroze Jeejeebhoy Tower,
Dalal Street, Mumbai – 400 001

Scrip Code: 951305, 952515, 952919 and 954830

Sub. : Outcome of Board Meeting
Ref : Regulation 51 and 52(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”)

Dear Sir / Madam,

In continuation to our letter dated 15th May, 2023 and pursuant to Regulation 51 and 52 read with Part B of Schedule III of Listing Regulations, we would like to enclose Statement of Impact of Audit Qualifications along with the Audited Consolidated Financial Results of the Company for the financial year ended 31st March, 2022 (“Financial Results”) together with notes forming part thereto and the Auditor’s Report thereon.

The above information will be available on the Company’s website www.pscl.in.

We request you to kindly take the same on record and treat the same as compliance under the applicable provisions of the Listing Regulations.

Thanking you,
Yours faithfully,
For Paranjape Schemes (Construction) Limited

Mahesh Singhi
Company Secretary and Compliance Officer
Membership No.: F7066

Encl.: As above

PARANJAPE SCHEMES (CONSTRUCTION) LIMITED

'PSC House', CTS No. 111+111/2, Anand Colony, Off. Prabhat Road,
Dr. Ketkar Marg, Erandawane, Pune-411 004, Maharashtra, India.
Tel.: +91 20 2544 0986 | Fax : +91 20 2546 0986

**PARANJAPE**

The Spirit Of New India

Paranjape Schemes (Construction) Limited**Statement of Consolidated Audited Financial Results for the Year Ended March 31 2022**

(Rs. in Million)

Particulars	Year ended March 31 2022	Year ended March 31 2021
	Audited	Audited
1. Income		
(a) Revenue from Operations	4,744.44	2,035.64
(b) Other Income	357.78	336.39
Total Income	5,102.22	2,372.03
2. Expenses		
(a) Cost of Land, Development Rights and Constructed Properties	2,940.43	1,432.73
(b) Employee Benefits Expense	410.79	353.79
(c) Finance Costs	1,065.59	871.45
(d) Depreciation and Amortisation Expense	151.67	141.60
(e) Other Expenses	1,629.70	1,587.39
Total Expenses	6,198.18	4,386.96
3. Profit/(Loss) before share of profit/(loss) of an associate / a joint venture and tax	(1,095.94)	(2,014.93)
Share of profit/ (loss) of joint venture and associates	12.03	(0.11)
4. Profit/ (loss) before Tax and Non-Controlling Interest	(1,083.91)	(2,015.04)
5. Tax expense/(benefit)		
(a) Current Tax	130.72	5.90
(b) Deferred Tax	269.23	(256.71)
Tax expense/(benefit)	399.95	(250.81)
6. Profit/(Loss) after Tax but before Non-Controlling Interest	(1,483.86)	(1,764.23)
Non-Controlling Interest - share of Profit from continuing operations	(78.55)	(53.55)
7. Other Comprehensive income, net of tax	(0.04)	5.59
8. Total Comprehensive income	(1,405.35)	(1,705.09)

See accompanying notes to the financial results

For Paranjape Schemes (Construction) Limited

Place: Pune

Date: May 15, 2023



Shashank P. Paranjape
Managing Director
DIN-00131956

Paranjape Schemes (Construction) Limited			
Audited Consolidated Financial Results for the Year Ended March 31 2022			
Annexure - A		(Rs. in Million)	
Sr No.	Particulars	Year ended March 31	Year ended March 31
		2022	2021
		Audited	Audited
1	Basic Earning/(Loss) Per Share (EPS) (In Rupees)	(14.83)	(18.06)
2	Diluted Earning/(Loss) Per Share (EPS) (In Rupees)	(14.83)	(18.06)
3	Paid-up equity share capital (Face value Rs.10/- per share)	947.33	947.33
4	Paid up Debt Capital (Refer note a)	1,750.00	1,697.59
5	Reserves excluding Revaluation Reserves as per balance sheet date	(8,806.27)	(7,287.76)
6	Debenture Redemption Reserve	209.73	334.98
7	Debt Equity Ratio (Refer note c)	(2.59)	(3.07)
8	Debt Service Coverage Ratio (Refer note d)	0.02	(0.32)
9	Interest Service Coverage Ratio (Refer note e)	0.07	(0.50)
10	Current Ratio (Refer note f)	0.86	0.79
11	Long term debt to working capital (Refer note g)	(2.12)	(0.88)
12	Bad debts to Account receivable ratio (Refer note h)	N.A	N.A
13	Current Liability ratio (Refer note i)	0.75	0.82
14	Total debts to total assets (Refer note j)	0.58	0.56
15	Debtors turnover ratio (times in a year) (Refer note k)	12.55	4.38
16	Inventory turnover (Refer note l)	0.13	0.07
17	Operating margin (Refer note m)	(0.05)	(0.66)
18	Net profit margin (Refer note n)	(0.35)	(1.06)
19	Sector specific equivalent ratios	N.A	N.A
20	Net worth (Refer note b)	(7,858.94)	(6,340.43)

For the purpose of calculation of above ratios, the following basis have been used.

a) Paid up debt capital represents - "Secured and Unsecured non-convertible debentures listed on BSE excluding other debts".

b) Networth = (Equity share capital + other equity (including debenture redemption reserve))

c) Debt equity ratio = (Total secured and unsecured long term and short term borrowings including current maturities) / Shareholders' fund, where Shareholders' fund = Equity share capital + reserves and surplus excluding Debenture redemption reserve.

d) Debt service coverage ratio = Earnings before interest and tax / (Interest + Principal repayment during the period excluding bank overdraft).

e) Interest service coverage ratio = Earnings before interest and tax / Interest Expenses.

f) Current Ratio = Current Assets/ Current Liabilities

g) Long term debt to working capital = long term borrowings/Net working Capital

h) Bad debt to account receivable ratio = Bad Debts/Average Trade Receivable

i) Current liability ratio = Current liabilities / total liabilities

j) Total debt to total assets ratio = Debt /Total Assets

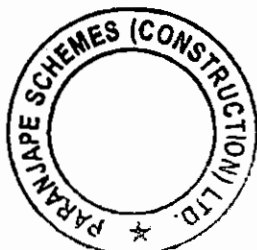
k) Debtor turnover ratio = Revenue from operations /Average Trade Receivable

l) Inventory turnover ratio = Cost of Goods sold/ Inventory

m) Operating margin (%) = (Earning before interest , depreciation and tax - less other income) / Revenue from operations

n) Net profit margin (%) = Net Profit / Revenue from operations

Place: Pune
 Date: May 15, 2023



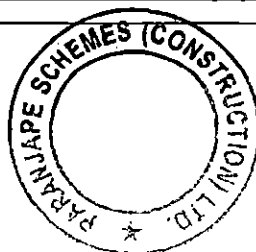
For Paranjape Schemes (Construction) Limited

Shashank P. Paranjape
 Managing Director
 DIN-00131956

Paranjape Schemes (Construction) Limited
 Notes to the Consolidated Audited Financial Results for the Year Ended March 31 2022
 Audited Consolidated Balance Sheet

Particulars	(Rs. in Million)	
	As At March 31 2022	As At March 31 2021
ASSETS :		
Non-current Assets		
(a) Property, Plant and Equipment	1,500.01	2,600.76
(b) Capital Work-in-progress	0.02	-
(c) Goodwill	772.99	1,618.35
(d) Investment Property	159.62	172.80
(e) Other Intangible Assets	0.32	1.48
(f) Intangible Assets under Development	2.02	2.02
(g) Financial Assets		
(i) Investments	2,272.11	1,096.16
(ii) Loans	401.32	143.92
(iii) Other Financial Assets	256.77	243.50
(h) Deferred Tax Assets (net)	949.37	1,221.10
(i) Other Non-current Assets	1,012.11	1,049.68
Total Non-Current Assets	7,326.66	8,149.78
Current Assets		
(a) Inventories	24,034.56	22,819.80
(b) Financial Assets		
(i) Investments	0.01	0.01
(ii) Trade Receivables	309.44	338.83
(iii) Cash and Cash Equivalents	1,066.75	401.82
(iv) Bank balances other than cash and cash equivalent	540.65	251.97
(v) Loans	91.84	18.29
(vi) Other Financial Assets	243.59	869.48
(c) Current Tax Assets (Net)	530.49	466.40
(d) Other Current Assets	1,197.80	1,039.36
(e) Assets Held for Sale	764.06	-
Total Current Assets	28,779.19	26,205.96
Total Assets	36,105.85	34,355.73
EQUITY AND LIABILITIES :		
Equity		
(a) Equity Share Capital	947.33	947.33
(b) Other Equity	(8,806.27)	(7,287.76)
Equity Attributable to the owners of the Company	(7,858.94)	(6,340.43)
Non controlling Interest	(190.85)	103.54
Total Equity	(8,049.79)	(6,236.89)
Liabilities		
Non-current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	9,596.26	6,175.79
(ii) Lease Liabilities	184.05	203.64
(iv) Other Financial Liabilities	1,029.79	547.78
(b) Provisions	32.84	118.13
(c) Other Non Current Liabilities	13.89	292.28
Total Non-Current Liabilities	10,856.83	7,337.62
Current Liabilities		
(a) Financial Liabilities		
(i) Borrowings	11,261.52	12,975.79
(ii) Lease Liabilities	8.91	12.38
(iii) Trade Payables		
i) total outstanding dues of micro enterprises and small enterprises	103.66	77.41
ii) total outstanding dues of creditors other than micro enterprise and small enterprise	5,064.68	5,322.72
(iv) Other Financial Liabilities	3,937.03	3,797.88
(b) Provisions	92.23	8.45
(c) Current tax liabilities (Net)	382.00	276.71
(d) Other Current Liabilities	12,448.78	10,783.65
Total Current Liabilities	33,298.81	33,255.00
Total Equity and Liabilities	36,105.85	34,355.73

Place: Pune
 Date: May 15, 2023



For Paranjape Schemes (Construction) Limited

(Signature)
 Shashank P. Paranjape
 Managing Director
 DIN-00131956

PARANJAPE SCHEMES (CONSTRUCTION) LIMITED

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PARANJAPE SCHEMES (CONSTRUCTION) LIMITED
Consolidated Cash Flow Statement for the year ended 31 March 2022

(Rs. in Million)

	Particulars	For the Year Ended 31 March 2022	For the Year Ended 31 March 2021
A	Cash Flow from Operating Activities		
	Profit before tax	(1,083.91)	(2,015.03)
	Adjustments for:		
	Depreciation and amortisation expense	151.67	141.60
	Adjustment on fair valuation of borrowings	555.18	366.45
	Fair value gain on debentures	(143.15)	(112.41)
	Adjustment for expected credit loss	55.07	57.89
	Provision for doubtful advances (net)	23.88	458.37
	Provision for doubtful advances for project construction	0.36	-
	Interest income - ICD / Bank Deposits	(48.51)	(59.55)
	Finance cost	1,065.59	871.45
	Loss on discard of assets	-	0.02
	Profit on discard of assets	(62.96)	(40.34)
	Liability no longer required written back	(4.53)	(0.63)
	Excess Provision written back	(62.14)	(82.41)
	Provision for foreseeable losses	(14.97)	(208.80)
	Remeasurements of the Defined Benefit Liabilities - gain / (loss)		
	Profit in investments in JV/ Associates	(12.03)	-
	Loss on impairment of assets	260.68	-
	Other adjustments	(4.12)	-
	Operating Profit/(Loss) before Working Capital Changes	676.10	(623.40)
	<u>Changes in working capital:</u>		
	Adjustments for operating activities:		
	(Increase) / decrease in Inventories	(1,687.23)	(1,562.08)
	(Increase) / decrease in Trade receivables	(25.32)	6.75
	(Increase) / decrease in Other assets	(182.32)	23.62
	(Increase) / decrease in Loans	(317.84)	(130.54)
	(Increase) / decrease in Other financial assets	17.77	(197.11)
	Increase / (decrease) in Trade payables	97.71	512.08
	Increase / (decrease) in Other financial liabilities	507.31	(53.93)
	Increase / (decrease) in Provisions	(0.60)	27.72
	Increase / (decrease) in Other liabilities of Joint Venture	8.91	-
	Increase / (decrease) in Other liabilities	1,386.74	1,913.93
	Cash generated from Operations	481.23	(82.97)
	Net income tax (paid) / refunds	(84.84)	(3.84)
	Net cash flow from / (used in) operating activities (A)	396.38	(86.81)



PARANJAPE SCHEMES (CONSTRUCTION) LIMITED
Consolidated Cash Flow Statement for the year ended 31 March 2022

(Rs. in Million)

	Particulars	For the Year Ended 31 March 2022	For the Year Ended 31 March 2021
B	Cash flow from Investing Activities		
	Capital expenditure on Purchase of Property, Plant and Equipment and intangible assets, capital work in progress and capital advances	(81.95)	(41.44)
	Proceeds from Property, Plant and Equipment	79.44	42.17
	Fixed Deposits / Margin Money Deposits:		
	- Placed	(288.68)	92.60
	- Matured		
	Interest received - loans and debentures	379.82	63.51
	Interest received - others	39.12	30.54
	Investment in structured entities	(35.42)	(56.39)
	Other non-current assets	-	-
	Net cash flow from / (used in) investing activities (B)	92.33	130.98
C	Cash Flow from Financing Activities		
	Amount paid for acquisition of minority shareholding of FIL	(3.85)	(94.35)
	Proceeds from Borrowings	4,426.53	1,696.54
	Repayment of Borrowings	(3,275.51)	(1,071.54)
	Interest paid	(970.96)	(530.63)
	Net cash flow from / (used in) financing activities (C)	176.21	0.02
	Net increase / (decrease) in Cash and cash equivalents (A+B+C)	664.92	44.19
	Cash and cash equivalents at the beginning of the year	401.83	357.63
	Cash and cash equivalents at the end of the year	1,066.75	401.83
	Reconciliation of Cash and cash equivalents with the Balance Sheet:		
	(a) Cheques on hand	2.04	-
	(b) Cash on hand	11.78	14.24
	(c) Balances with banks		
	- In current accounts	1,042.93	387.58
	- In Fixed Deposit	10.00	-
	Add: Current Investments considered as part of Cash and Cash Equivalents	0.01	0.01
	Cash and Cash Equivalents at the end of the year (refer note 15)	1,066.75	401.83



For and on behalf of the Board of Directors

Shashank P. Paranjape
 Managing Director

DIN - 00131956

Place : Pune
 Date: May 15, 2023

Paranjape Schemes (Construction) Limited

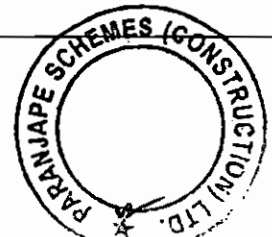
Notes to the Consolidated Audited Financial Results for the Year Ended 31 March 2022

Explanatory Notes:

- 1 The above audited consolidated financial results for the year ended 31 March 2022 have been approved by the Board of Directors at its meeting held on 15 May 2023.
- 2 These results have been prepared in accordance with Regulation 52 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 read with SEBI Circular No. CIR/IMD/DF1/69/2016 dated 10 August 2016.
- 3 The Group is engaged in Real Estate. The operations of the Group do not qualify for reporting as business segments as per the criteria set out under Indian Accounting Standard 108 (IND AS-108) on "Operating Segments". The Group is into one reportable segment that is real estate development and hence there is no reportable geographic segment. Accordingly no disclosure is required under IND AS - 108.
- 4 The listed non convertible debentures are secured by first and exclusive charge on the residential projects being developed by the Group at Varve and Wagholi, Pune and first and exclusive charge on the escrow accounts for those projects.
 - a. As per the terms of extension the Group had to pay coupon for the period from 1st January 2017 to 30th September 2017 on or before 30th April 2020, coupon for the period from 1st October 2017 to 31st March 2018 was to be paid on or before 31st July 2020. In addition to the above payments the entire Coupon accrued and outstanding on the Debentures being redeemed at any point in time shall be paid at the time of such redemption. In the event Surplus Funds are available in the Project Escrow Account, the Group with prior approval of the Debenture Holders may service the Coupon as per the availability of the funds.
 - b. As per the 5th supplemental Debenture Trust Deed executed on 2nd October 2020 between Paranjape Schemes (Construction) Limited (PSCL) and Superior Investment PTE Limited along with HDFC Investment Trust II, amount of debentures along with the entire accrued interest would have been payable on or before 30th April 2021.
 - c. Further, during the year, the Group could not comply with the requirements of the financial covenant of the 6th Supplemental Debenture Trust Deed with Superior Investment PTE Ltd. and HDFC Investment Trust II ('the Lenders') which has resulted into an event of default and entitled the lender to recover the whole of the debt including interest. However, there has been no action taken by the Lenders as a result of the non-adherence to the financial covenants. The Group has submitted a revised plan for repayment of the dues with the Lenders. The plan is under discussion with the Lenders and the management believes that there would be no adverse impact on the financial position of the Group as a result of the said event.
- 5 Maharashtra and Government of India announced lockdown due to pandemic of Covid 19 from 02 April 2021 till June 2021. As a consequence, the Group had to close down all its business operations and functions which resulted in all the work relating to accounts department closed down totally. All this happened during the peak times of finalization of accounts of the Group. After the lockdown was lifted partially, the Group too started functioning, albeit with around 10% attendance. This seriously affected the work of finalization of accounts and audit thereof. Considering the loss of time and other practical difficulties, the Group applied for and obtained extension of time to hold its Annual General Meeting (AGM) on or before 31 December 2021. However, due to difficulties in finalizing the accounts of its US based subsidiaries, the Group could not finalize its consolidated accounts on or before 31 December 2021 thereby it did not hold its AGM for FY 2020-21 on or before 31 December 2021.

Accordingly, the Group has also not complied with the requirements of Regulation 52 of the Securities and Exchange Board of India (SEBI) (Listing Obligations and Disclosure) Requirements 2015 in connection with the declaration of audited annual results for the year ended 31 March 2021 within the prescribed (and extended) statutory timelines.

As a result of the same the Group could not comply with the prescribed timelines in connection with declaration of standalone and consolidated audited results for the year ended 31 March 2022.



Paranjape Schemes (Construction) Limited
Notes to the Consolidated Audited Financial Results for the Year Ended 31 March 2022

Explanatory Notes:

6 The Group has incurred a loss of INR 1,483.86 million during the year ended March 31, 2022 (loss of INR 1,764.23 million for the year ended March 31, 2021) and accumulated deficit in statement of profit and loss as at March 31, 2022 are aggregating to INR 6,053.22 million as of March 31, 2022. Though, this cast material uncertainty on going concern, the financial statements have been prepared on going concern basis due to following:

1. The Group has assessed the cash flow projections for the ongoing business activities (real-estate projects) and basis the same, the Group would be able to continue as a going concern for the next 12 months;
2. The management has taken up the below steps for the purpose of ensuring that the working capital requirements of the Group are met for the next 12 months:
 - a) Scale up the operational activities in order to ensure the projects are completed with the timelines reported including realignment of lender relations for certain projects in order to provide adequate funds for accelerating the operations of the specific project(s);
 - b) Negotiations with the existing lenders and prospective lenders for extended funding
 - c) Contracted / Proposed and Possible transactions for the sale of the surplus Floor Space Index ('FSI') available in the townships where the construction activities have been committed and are in progress earning significant cash inflows for the subsidiary project entities resulting in the repayment of the amounts advanced to such subsidiaries.
 - d) Laying emphasis on the customer relationships and aiming for higher customer advances for the ongoing projects;The cash flows resulting from the above steps would be adequate to meet the annual working capital cycle requirements.

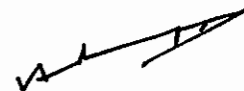
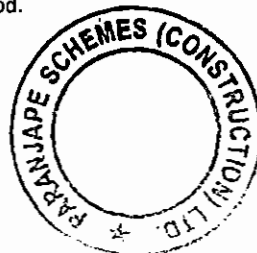
Further, subsequent to the reporting date, the Group could not comply with the requirements of the financial covenant of the 6th Supplemental Debenture Trust Deed with Superior Investment PTE Ltd. and HDFC Investment Trust II ('the Lenders') which has resulted into an event of default and entitled the lender to recover the whole of the debt including interest. However, there has been no action taken by the Lenders as a result of the non-adherence to the financial covenants. The Group has submitted a revised plan for repayment of the dues with the Lenders. The plan is under discussion with the Lenders and the management believes that there would be no adverse impact on the financial position of the Group as a result of the said event.

Based on above assessment, the management has a reasonable expectation that the Group would have adequate resources to continue its operational existence for the foreseeable future, accordingly, the financial statements of the Group have been prepared on going concern basis.

7 The Code on Social Security 2020 ('the Code') relating to employee benefits, during employment and post-employment, has received Presidential assent on September 28, 2020. The Code has been published in the Gazette of India. Further, the Ministry of Labour and Employment has released draft rules for the Code on November 13, 2020. However, the effective date from which the changes are applicable is yet to be notified and rules for quantifying the financial impact are also not yet issued. The Group will assess the impact of the Code and will give appropriate impact in the financial statements in the period in which, the Code becomes effective and the related rules to determine the financial impact are published.

8 Figures pertaining to previous period have been regrouped or reclassified, wherever necessary, to conform to the classification adopted in the current period.

Place: Pune
Date: May 15, 2023



Shashank P. Paranjape
Managing Director
DIN-00131956

REGARDING POINT II OF ANNEXURE 1 TO SEBI CIRCULAR NO. CIR/CFD/CMD/56/2016 May 27, 2016 - this is applicable in case of PAPARNAJAPE SCHEMES (CONSTRUCTION) LTD. for FY 2021-22, for consolidated financials only

II (a) Details of Audit Qualification:

A. The independent auditors of a jointly controlled entity of the Company "M/s Kaleidoscope Developers Private Limited" has qualified their report in respect to the matter stated below:

1. "Current borrowings as at March 31, 2022 include balances amounting to Rs. 3,828.99 million, in respect of which direct confirmations from the respective banks/debenture holder has not been received. Further, in respect of the said loan/debenture the principal balances and the interest accrued has not been confirmed by the bank/debenture holder. In absence of such direct confirmation from the banks/debenture holder or sufficient and appropriate alternate audit evidence, we are unable to comment on the adjustments and changes in classification of balances in accordance with principle of Ind AS 1, Presentation of Financial Statements, if any, that may be required to the carrying value of the afore-mentioned balances in the consolidated financial statements."

This matter was also qualified in our report on the consolidated Ind AS financial statements for the year ended March 31, 2021.

b. Type of Audit Qualification: Qualified opinion

c. Frequency of qualification: It is a repetitive qualification which is continuing - 2 Financial Years ie from FY 2020-2021 and FY 2021-2022.

d. For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views: Not quantified by auditor as same relates only to the confirmation. Hence management will not consider any additional impact in the books apart from figure already included as part of Current Liabilities in the Financial Statements.

e. For Audit Qualification(s) where the impact is not quantified by the auditor:

(i) Management's estimation on the impact of audit qualification: No impact

(ii) If management is unable to estimate the impact, reasons for the same: Not applicable

(iii) Auditors' Comments on (i) or (ii) above:

Qualification pertains only to the confirmation which was not received from the respective lender/ debenture holder in the individual financial statements of the component which is carried forward in the Consolidated Financial Statement as the amount is material at the group level .

Being the Statutory auditors of the holding company and qualification being material, was considered to be carried forward from the standalone audit report of the component and presented in the consolidated audit report as at 31 March 2022, as in the absence of such

direct confirmation from the respective banks/debenture holder, we are unable to comment on any adjustments if required to be posted as at 31 March 2022.

2. "There is a clause in debenture trust deed which states that - in the event of default, in addition to any other right of the Debenture Holders under the said Debenture Trust Deed, Debentures Trustees shall have an option ("Default Put option"), by delivering of written notice (the "Default Put Option Notice") to require the promoters (or any of their nominees) to purchase the Debentures held by the Debenture Holder ("Default Put Option Debentures") at a price which provide the Debenture Holders at an amount equivalent to the Investment amount along with the Default IRR at the rate of 21% thereon ("Default Put Price"). A Default Put Option is not actually received and in absence of sufficient appropriate audit evidence, we are unable to comment on the effect of the same on accompanying standalone Financial statement."

b. **Type of Audit Qualification:** Qualified Opinion

c. **Frequency of qualification:** Appearing for the first time

d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** Not quantified by auditor and management does not anticipate any impact.

e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**

(i) **Management's estimation on the impact of audit qualification:** No impact

(ii) **If management is unable to estimate the impact, reasons for the same:** Not applicable

(i) **Auditors' Comments on (i) or (ii) above:**

In absence of any communication from the bank for exercising the "Default Put Option", higher IRR of 21% is not levied by debenture holders and quantification of same is not possible, thus component auditors are unable to comment on the effect and impact of the transaction.

Being the Statutory auditors of the holding company and qualification being material, was considered to be carried forward from the standalone audit report of the component and presented in the consolidated audit report as at 31 March 2022.

B. The independent auditors of partnership firm, PSC Pacific, in which the company has financial interest and whose results are consolidated in the Consolidated financial Statements have qualified their report in respect to the matters stated below:

"The firm had accepted loans from various parties over past years during the course of business. The management has represented that a memorandum of understanding (MOU) has been reached with certain consenting parties which had agreed to convert some of the aforementioned loans into advances Rs. 118.56 million specifying that the principal loan Rs. 95.80 million and interest Rs.22.76 million booked towards the same till the date of execution of such MOU will be adjusted' against a completed flat constructed by or a piece of land owned by the Parent company "Paranjape Schemes (Construction) Limited". Therefore, such

loans have been classified as "Advance against sale of flats/land" in Note 17(i) in the standalone financial statements as on the year ended March 31, 2022. Also, no interest has been provided on such loans converted into advance against sale of property. Until the conclusion of our audit, no MOU / documentation affirming such arrangements was produced before us for verification."

- b. **Type of Audit Qualification:** Qualified Opinion
- c. **Frequency of qualification:** Appearing for the first time
- d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** The interest amount cannot be quantified by the management as there exist no Memorandum of understanding (MOU)
- e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**
 - (i) **Management's estimation on the impact of audit qualification:** No impact
 - (ii) **If management is unable to estimate the impact, reasons for the same:** Not applicable

Auditors' Comments on (i) or (ii) above:

In absence of the MOU for the loan amount being converted to the Advances from customers and management not being able to quantify the impact, interest component cannot be derived and impact cannot be assessed by the component auditor.

Being the Statutory auditors of the holding company and qualification being material, was considered to be carried forward from the standalone audit report of the component and be presented in the consolidated audit report as at 31 March 2022.

C. The independent auditors of a Subsidiary of the Company "Paranjape Premises Private Limited" have qualified their report in respect to the matter stated below:

The Subsidiary Company has not complied with the provision of Sections 135 of Companies Act, 2013 during the current year, since the Subsidiary company has not spent two per cent of the average net profits made during immediately preceding three financial years towards Corporate Social Responsibility and also has not transferred the unspent amount to a Fund Specified in Schedule VII to Companies Act, 2013 within a period of 6 months from the end of Financial Year ended March 31, 2022 which is a non-compliance of the provision of said section.

- b. **Type of Audit Qualification:** Qualified Opinion
- c. **Frequency of qualification:** Whether appeared first time
- d. **For Audit Qualification(s) where the impact is quantified by the auditor, Management's Views:** Impact not quantified by auditor.
- e. **For Audit Qualification(s) where the impact is not quantified by the auditor:**
 - (i) **Management's estimation on the impact of audit qualification:** An expenditure of Rs.2,56,912/- (Rupees Two lac fifty six thousands nine hundred twelve) is required and management shall make good this inadvertent lapse during FY 2023-2024

PARANJAPE SCHEMES (CONSTRUCTION) LIMITED

1, Somnath, CTS No. 988, Ram Mandir Road,

Next to Tilak Mandir, Vile Parle (East), Mumbai - 400 057.

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Amount to be expensed for Corporate Social responsibility has been verified by the relevant component auditor. In view of the management the same will be expensed by FY 2023-2024.




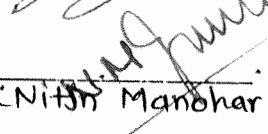
(ii) If management is unable to estimate the impact, reasons for the same: Not applicable

(i) Auditors' Comments on (i) or (ii) above:

The independent auditor report qualification was based on qualitative nature and since there is a noncompliance with Section 135 of the Companies Act, 2013.

Being the Statutory auditors of the holding company, the qualification was considered to be carried forward from the standalone audit report of the component and be presented in the consolidated audit report as at 31 March 2022.

Signatories:

- CEO/Managing Director  Shashank Paranjape
- CFO  Kamlesh Dutta
- Audit Committee Chairman  Rajesh Hukeri
- Statutory Auditor  (Nishu Manohar Jumarani)



PARANJAPE SCHEMES (CONSTRUCTION) LTD.

PUNE

DATED July 25, 2023