

PARAMONE CONCEPTS LIMITED

(Formerly known as Aqua Pumps Infra Ventures Limited)

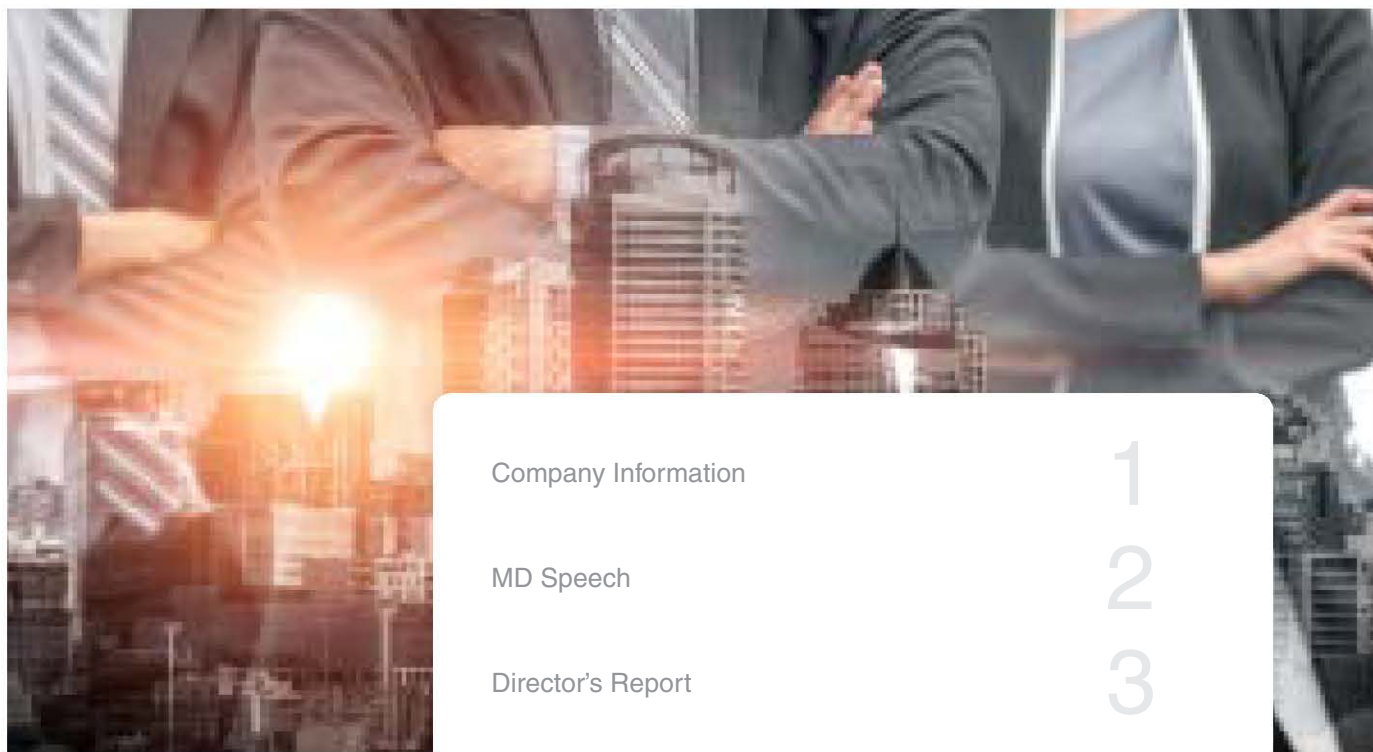


ANNUAL REPORT

2020-21



CONTENT



Company Information	1
MD Speech	2
Director's Report	3
Annexures to Directors' Report	13
Management Discussion and Analysis Report	18
Report on Corporate Governance	21
Independent Auditors' Report – Standalone	38
Standalone Financial Statements	47
Independent Auditors' Report – Consolidated	98
Consolidated Financial Statements	105
Notice of 29 th Annual General Meeting	151

COMPANY INFORMATION

BOARD OF DIRECTORS

Mr. Govind Ram Patodia

Managing Director

Mr. Surendra Kumar Kulhari
(appointed w.e.f. Nov 6, 2020)

Executive Director

Mr. Mushtaq Shaikh

Executive Director

Mr. Sundarlal Sanwarmal Bagaria

Non-Executive Independent Director

Mr. Vijendra Jain

Non-Executive Independent Director

Mrs. Ekta Gupta

Non-Executive Independent Director

Mr. Deepak Ranjan Nayak
(resigned w.e.f. Nov 3, 2020)

Executive Director

REGISTERED OFFICE

12A, Narayan Plaza, Near Boomerang
Building, Chandivali, Mumbai – 400 072

CIN: L74110MH1992PLC070070

Tel: +91-22-40149792;

Email: info@paramoneconcepts.com

Website: www.paramoneconcepts.com

CHIEF FINANCIAL OFFICER

Mr. Deepak Ranjan Nayak

COMPANY SECRETARY AND COMPLIANCE OFFICER

Mr. Amit Soni

REGISTRAR & SHARE TRANSFER AGENT

Skyline Financial Services Pvt. Ltd.
D-153A, 1st Floor, Okhla Industrial Area,
Phase-I, New Delhi- 110020
Tel: +91 011 41044923
E-mail: info@skylinerta.com

STATUTORY AUDITORS

M/s. Agarwal Desai & Shah,
Chartered Accountants
Ground Floor, Bandra Arcade Building,
Opp. Railway Station,
Bandra (W), Mumbai- 400 050

BANKERS TO THE COMPANY

HDFC Bank
Canara Bank

SECRETARIAL AUDITORS

M/s. Nidhi Bajaj & Associates
Company Secretaries
A/ 401, Kailash Mansarovar,
Amritvani Road, Bhayander (West),
Thane – 401 101

MESSAGE FROM MANAGING DIRECTOR

Dear Shareholders,

It gives me great pleasure to write you and present this year's Annual Report – a document that distinctly exhibits our purpose, potential and the context we operate within, but the backdrop is unfortunately not as ideal as we would like it to be. The ongoing COVID-19 pandemic has clouded over most of FY21, and I take this opportunity to send thoughts and prayers to all stakeholders affected by this crisis, including the families, friends and relatives of the valued members of your Company. We have not suffered a global health crisis of this magnitude in generations, and are more than grateful to all those frontline workers who have worked tirelessly to help keep others safe and provide essential goods and services to all.

At Paramone, our members come first and we are focusing on their well-being by taking all possible steps to provide the support required to cope with these difficult times. Despite the widespread disruption during the year under review, your Company managed to survive this crisis. This has only reinforced our faith in the lasting strength of the strategic building blocks of your Company, i.e. people and culture. The fortitude of our members and the values ingrained in our culture have truly come to the fore in these unprecedented times. I firmly believe that it is only when you're empowered with freedom and opportunity that you rise above the task at hand and take complete ownership to make a difference.

The Company is one of the rapidly growing consultancy firms in India with the presence in segments like, Roads and Highways, Affordable Housing, Water Management, Urban Development and Sustainability, Environment and Solid Waste Management and Public Financial Reforms. The recent impetus of the Government on spending in Infra Sectors such as Health, Water and Roads provides new business avenues for your Company.

Despite of Covid related restrictions on travel and working, we actively engaged with our clients/customers and associates on video calls to explore how we could continue rendering our services to our esteemed customers across the country. The technology roadmap for the future is robust, and the current crisis has only accentuated the need for businesses to deploy digital technologies urgently. When we emerge out of this crisis, the world will be a very different place. We are witnessing many of those changes already. With cloud and the new class of collaboration tools, people are discovering that they are able to collaborate with each other just as well working from home, as they did in person in the pre-COVID era. Employers are discovering that the productivity is just as good, if not better, in this new way of working.

In any crisis, it is important to move quickly to reset objectives in line with changing market realities. Your Company will continue to focus on nurturing and rendering responsible, safe, authentic and trusted services for our customers and making them more accessible through agile and resilient execution. We will maintain a collaborative approach with all our partners in the value chain and stay true to our commitment to the community and the planet in a bid to create sustainable value for all.

I would once again like to express my gratitude to all our team members for valiantly fighting through the challenges posed by this unprecedented crisis and extend my sincere gratitude to the Board for its continued guidance and support. I also convey heartfelt appreciation for all our business partners, vendors and other business associates who have firmly stood by your Company amidst adversity. We deeply value the faith, guidance and support of all our shareholders and would continue to do so as we attempt to emerge stronger from the challenges and look ahead to brighter times.

Govind Ram Patodia

Managing Director

DIRECTOR'S REPORT

To,

The Members,

Your Directors are pleased to present the 29th Annual Report on the business and affairs of Paramone Concepts Limited (the "Company") along with the Audited Financial Statements for the year ended on March 31, 2021 and other accompanying reports, notes and certificates.

1) FINANCIAL HIGHLIGHTS

The Company has adopted Accounting Standards ("Ind AS") notified by the Companies (Indian Accounting Standards) Rules, 2015, accordingly the Financial Statements for the current financial year 2020-21 have been prepared as per Ind AS reporting framework .

The table below gives the financial highlights of the Company for the year ended March 31, 2021 on standalone & consolidated basis compared to the previous financial Year.

Financial Highlights of the Company

(Rs. in Lakhs)

Particulars	Standalone		Consolidated	
	Year Ended 31.03.2021	Year Ended 31.03.2020	Year Ended 31.03.2021	Year Ended 31.03.2020
Total Income	6459.05	5593.25	6459.05	5593.25
Total Expenditure	5668.86	5458.59	5680.04	6060.67
Profit Before Tax	790.19	134.66	779.01	(467.42)
Provision for Tax	35.64	199.64	35.48	199.64
Profit After Tax	754.57	(64.98)	743.53	(667.05)
Add: Other Comprehensive income				
Re-measurement of gains/ (Loses) on defined benefit obligations	5.32	(1.02)	5.32	(1.02)
Re-measurement of investment in equity	131.43	(637.55)	131.43	(637.55)
Total Comprehensive Income	891.32	(703.55)	880.28	(1305.63)

2) COMPANY'S PERFORMANCE

On Consolidated basis, the total income of the Company for the Year under Review is Rs. 6459.05 Lakhs as compared to Rs. 5593.25 Lakhs in the previous year. Net profit after tax stood at Rs. 743.53 Lakhs as compared to net loss of Rs. 667.05 Lakhs in the previous year. On Standalone basis, the total income of the Company for the Year under Review is Rs. 6459.05 Lakhs as compared to Rs. 5593.25 Lakhs in the previous year. Net profit

after tax stood at Rs. 754.57 Lakhs as compared to net loss of Rs. 64.98 Lakhs in the previous year.

With the COVID-19 pandemic imposing restrictions in the early part of last year, the Company undertook multiple initiatives across Employee Safety & Well Being, and Digital engagement with customers. Gradually all activities are resuming, however it is very much uncertain to assume the time by which the same will return to normalcy. This will certainly affect the operations including revenue and profitability and liquidity of the company. we are confident about our ability to manage this crisis through our financial stability, our trusted brands, our consumers, our committed employees and with the joint efforts and quality of leadership, we are glad to state that we have achieved revenue of Rs. 6459.05 Lakhs.

3) **RESERVES**

No amount is apportioned from profit and loss Account and transferred to any Reserve Account in the Financial Year 2020-21.

4) **DIVIDEND**

The Board of Directors, after considering the relevant circumstances, has decided that it would be prudent, not to recommend any dividend for the financial year ended March 31, 2021.

5) **SHARE CAPITAL**

The paid-up Equity Share Capital as on March 31, 2021 was Rs. 15,12,76,000/-. During the year under review, the Company has not issued any shares. The Company has not issued shares with differential voting rights. It has neither issued employee stock options nor sweat equity shares and does not have any scheme to fund its employees to purchase the shares of the Company.

6) **SUBSIDIARY AND /ASSOCIATE COMPANY**

Your Company has one wholly owned subsidiary M/s. Choice Realty Private Limited, which is engaged in the activity of Development & Construction. Pursuant to Section 129(3) of the Companies Act, 2013 (the “Act”) the Consolidated Financial Statements of the Company and its subsidiary, prepared in accordance with the relevant Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 form part of this Annual Report. Apart from above, there are no other companies which have become or ceased to be subsidiaries, joint venture or associate of the Company within the meaning of relevant provisions of the Act, during the financial year 2020–21.

7) **CORPORATE STRUCTURE – DIRECTORS AND KEY MANAGERIAL PERSONNEL**

As on March 31, 2021, the Board of Directors comprised of 6 (Six) Directors. Of the 6 (Six) Directors, 3 (Three) are Non-executive Independent Directors (including a Women Director) and 3 (Three) are Executive Directors including 1(One) Managing Director. The composition of the Board is in conformity with the provisions of the Act and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (“Listing Regulations”)

All the Independent Directors of the Company have given declarations and confirmed that they meet the criteria of ‘Independence’ as stipulated under the Act and the Listing Regulations.

Meeting of the Board of Directors

During the year under review, 4 (Four) meetings of the Board of Directors were held. The details of composition of the Board, meetings of the Board held and attendance of the Directors at such meetings are provided in the Corporate Governance Report, which forms part of this Report.

Appointment and Resignation

The Members at 28th AGM held on December 28, 2020, by passing of a special resolution has appointed Mr.

Sundarlal Bagaria, as an Independent Director of the Company for the second term of five consecutive years from November 06, 2020 to November 05, 2025.

Mr. Surendra Kumar Kulhari, was appointed as an Additional Executive Director of the Company on November 6, 2020 by the Board. At 28th Annual General Meeting held on December 28, 2020, the Members approved appointment of Mr. Surendra Kumar Kulhari as an Executive Director of the Company.

Mr. Deepak Ranjan Nayak, Executive Director & Chief Financial Officer of the Company, resigned from the Board of the Company with effect from November 3, 2020, due to his other commitments. However, he continues his engagement with the Company as Chief Financial Officer.

The Board placed on record its appreciation for the contributions made by Mr. Ranjan during his tenure as a Director.

Director Retiring by Rotation

Pursuant to Section 152(6) of the Act and in terms of the Articles of Association of the Company, Mr. Surendra Kumar Kulhari (DIN: 00727964) retires by rotation at the forthcoming AGM and being eligible, he offers himself for re-appointment. The Nomination and Remuneration Committee and the Board recommend his re-appointment. The relevant details of Mr. Surendra Kumar Kulhari forms part of the Notice convening 29th AGM.

Key Managerial Personnel (KMP's)

As on March 31, 2021, the Key Managerial Personnel of the Company are as follows:

Mr. Govind Patodia	Managing Director
Mr. Deepak Ranjan Nayak	Chief Financial Officer
Mr. Amit Soni	Company Secretary and Compliance Officer

Ms. Swati Gupta resigned as Company Secretary and Compliance Officer of the Company with effect from September 10, 2020. Mr. Amit Soni, was appointed as Company Secretary and Compliance Officer of the Company with effect from September 10, 2020.

Committees of the Board

Currently, there are 3 (Three) Statutory Committees of the Board, as Follows:

- (a) Audit Committee
- (b) Nomination and Remuneration Committee;
- (c) Stakeholders' Relationship Committee.

The constitution of Committees, their scope, role and terms of reference are as per the provisions of the Act, the Rules made thereunder and the Listing Regulations. All the recommendations made by the Audit Committee and Nomination and Remuneration Committee were accepted by the Board. Details of all the Committees along with their terms of reference, composition and meetings of each Committee held during the financial year are provided in the Corporate Governance Report, which forms part of this Report.

Board Evaluation

Pursuant to the provisions of the Act and the Listing Regulations, performance evaluation of the Board, its Committees, the Chairman & Managing Director and the Independent Directors was carried out. The manner in which the evaluation is carried out has been detailed below:

Evaluation Process:

The Company believes in value for its stakeholders through ethical process and integrity. The Board plays a very important role in ensuring the Company's performance to monitor and provide timely inputs to enhance the Company's Performance and set right direction for growth. Hence it is important that every individual Board Member effectively contributes in the Board deliberations.

The Company follows annual evaluation for its Key Managerial Persons and other eligible employees including the senior management team. A process sculpted on this method has been designed for evaluation of Directors under this process, the company management will:

- Formulate the process for evaluating and rating Directors
- Design the evaluation template/questionnaire and implementation process
- Peer review of each Director
- Analyse feedback received from each Director
- Weighting the Evaluation summary of each Director.

Key Evaluation Criteria:

- Attendance and contribution at Board and Committee meetings
- His/her stature, appropriate mix of expertise, skills, behavior, experience, leadership qualities.
- Sense of sobriety and understanding of business, strategic direction to align company's value and standards.
- His/her knowledge of finance, accounts, legal, investment, marketing, foreign exchange/ hedging, internal controls, risk management, assessment and mitigation, business operations, processes and Corporate Governance.
- His/her ability to create a performance culture that drives value creation and a high quality of debate with robust and probing discussions.
- Effective decisions making ability to respond positively and constructively to implement the same to encourage more transparency.
- Open channels of communication with executive management and other colleague on Board to maintain high standards of integrity and probity.
- Recognize the role which he/she is expected to play, internal Board Relationships to make decisions objectively and collectively in the best interest of the Company to achieve organizational successes and harmonizing the Board.
- His/her global presence, rational, physical and mental fitness, broader thinking, vision on corporate social responsibility etc.
- Quality of decision making & understanding financial statements and business performance, raising of finance, best source of finance, working capital requirement, forex dealings, geopolitics, human resources etc.
- His/her ability to monitor the performance of management and satisfy himself with integrity of the financial controls and systems in place by ensuring right level of contact with external stakeholders.
- His/her contribution to enhance overall brand image of the Company.

Criteria for Determining Remuneration of Director's, Key Managerial Personnel and Particulars of Employees:

Policy on Director's Appointment and Remuneration and other Details

The Remuneration paid to the Directors is in accordance with the Nomination & Remuneration Policy formulated in accordance with Section 178 of the Act and Regulation 19 of the Listing Regulations (including any statutory Modification(s) or re-enactment(s) thereof for the time being in force. No employee in the Company is drawing remuneration more than Rupees One Crore Two Lakhs if employed throughout the financial year or drawing remuneration more than Rupees Eight Lakh Fifty Thousand, if employed for part of the financial year.

The Board, on the recommendation of the Nomination & Remuneration Committee, has adopted a policy for Selection, Appointment and Remuneration of Directors, Key Managerial Personnel & Senior Management Team and Policy for determining qualification positive attributes, independence of a Director. The details of these policies are given hereunder. The Policies are available on website <http://paramoneconcepts.com/data/corporate-governance/policy.html>.

The remuneration policy is designed to attract talented Personnel and remunerate them fairly and responsibly at each level of the organization. The Policy broadly lays down the guiding principles, philosophy and the basis of payment of remuneration.

The policy also provides the criteria for determining Qualifications, positive attributes and Independence of Directors and criteria for appointment of Key Managerial Personnel, Senior Management and performance evaluation which are considered by the Nomination and Remuneration Committee and the Board of Directors while making selection of the candidates.

The Company has a Nomination and Remuneration Committee (NRC), which is responsible for formulating the criteria for appointment of Directors on the Board of the Company and persons holding Senior Management positions in the Company including their remuneration and other matters as provided under Section 178 of the Act and the Listing Regulations. The role of the NRC encompasses conducting a gap analysis to refresh the Board on a periodic basis, including each time a Directors appointment or re- appointment is required. The NRC is also responsible for reviewing the Profiles of Potential candidates the required, competencies and due diligence and meeting of potential candidates prior to making recommendations of their nomination to the Board.

8) VIGIL MECHANISM/ WHISTLE BLOWER POLICY

The Company has in place a Whistle Blower/Vigil Mechanism Policy through which its Stakeholders, Directors and Employees can report genuine concerns about unethical behavior and actual or suspected fraud or violation of the Company's code of Business Conduct and Ethics. The said policy provides for adequate safeguards against victimization and also direct access to the Audit Committee.

The Whistle Blower Policy has been placed on the Company's website at <http://paramoneconcepts.com/data/corporate-governance/policy.html>.

9) INTERNAL FINANCIAL CONTROLS

The Company has proper and adequate system of internal controls which ensures that all assets are safeguarded against loss from unauthorized use or disposition and all the transaction are authorized, recorded and reported correctly. Regular internal audits and checks are carried out to provide assurance that the responsibilities at various levels are discharged effectively and that adequate systems are in existence. The management continuously reviews the internal control systems and procedure for efficient conduct of business.

10) RELATED PARTY TRANSACTIONS

In line with the requirements of Act and the Listing Regulations, the Company has formulated a Policy on Related Party Transactions and the same can be accessed on the Company's website at <http://paramoneconcepts.com/data/corporate-governance/policy.html>. All the Related Party Transactions entered into during the financial year

were on arm's length basis and were in ordinary course of business. The Company has not entered into any transactions with Related Parties which could be considered material in terms of Section 188 of the Act. Thus, the disclosure of Related Party Transactions as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable.

11) PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS BY THE COMPANY

Details of Loans, Guarantees and Investments covered under the provisions of the Act along with the applicable Rules framed thereunder are given in the notes to the Financial Statements forming part of this Report.

12) DEPOSITS

Pursuant to Section 73 and 74 of the Act read with Companies (Acceptance of Deposits) Rules, 2014, the Company has not accepted any deposits from public during the year under review.

13) DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has in place a policy on prevention, prohibition and redressal of sexual harassment at the work place in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder, for prevention and redressal of complaints of sexual harassment at workplace. The objective of this policy is to lay clear guidelines and provide right direction, in case of any reported incidence of sexual harassment across the Company's offices and take appropriate decision in resolving such issues.

There were no incidences of sexual harassment reported during the year under review, in terms of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

14) CODE OF CONDUCT

The Board of Directors has approved a Code of Conduct which is applicable to the Members of the Board and all employees in the course of day to day business operations of the Company. The Company believes in "Zero Tolerance" against bribery, corruption and unethical dealings / behaviors of any form and the Board has laid down the directives to counter such acts. The Code has been posted on the Company's website at <http://paramoneconcepts.com/data/corporate-governance/policy.html>.

15) CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE

Conservation of Energy

(a) Steps taken or impact on conservation of Energy:

The Operations of the Company are not energy intensive. However adequate measures have been initiated by the Company for conservation of energy.

(b) The steps taken by the Company for utilizing alternate source of energy:

Though the operations of the Company are not energy intensive, the Company promotes green energy and energy saving initiatives among its employees.

(c) The Capital Investments on energy conservation equipments by the Company: Nil

Technology Observation

i. The efforts towards technology absorption:

The minimum technology required for the business has been absorbed, the Company has also adopted an online enterprise wide Human Resource System which eliminates manual working, encourages paperless working & easy availability of data on the system.