

**Aarvi Encon FZE**  
**Standalone Financial Statement as at March 31, 2020**  
*(All figures are Rupees in lacs unless otherwise stated)*

Particulars	Note Ref	As at March 31, 2020	As at March 31, 2019	As at April 01, 2018
<b>ASSETS</b>				
<b>(1) Non-current assets</b>				
(a) Property, Plant and Equipment	1	0.21	0.28	-
(b) Financial Assets	2			
(i) Trade receivables	2.1	-	-	-
(ii) Loans and Advances	2.3	182.77	116.96	45.65
(iii) Other Financial Assets	2.4	18.38	18.83	-
(c) Other non current assets	3	-	-	-
		<b>201.36</b>	<b>136.07</b>	<b>45.65</b>
<b>(2) Current Assets</b>				
(a) Financial Assets				
(i) Trade receivables	2.1	968.46	652.55	233.91
(ii) Cash and cash equivalents	2.2	469.61	51.61	160.26
(iii) Loans and Advances	2.3	12.17	11.18	-
(b) Other current assets	3	7.11	6.46	-
		<b>1,457.34</b>	<b>721.79</b>	<b>394.17</b>
<b>Total Assets</b>		<b>1,658.71</b>	<b>857.87</b>	<b>439.82</b>
<b>EQUITY &amp; LIABILITIES</b>				
<b>Equity</b>				
(a) Equity Share capital	4	27.07	27.07	27.07
(b) Other Equity	5	1,073.15	656.63	348.80
		<b>1,100.21</b>	<b>683.70</b>	<b>375.87</b>
<b>Non-current liabilities</b>				
(a) Financial Liabilities	6			
(i) Borrowings	6.1	31.06	26.64	6.24
(ii) Other financial liabilities	6.2	-	-	-
(d) Other Non-current liabilities	7	-	-	-
		<b>31.06</b>	<b>26.64</b>	<b>6.24</b>
<b>Current liabilities</b>				
(a) Financial Liabilities	6			
(i) Borrowings	6.1	-	-	-
(ii) Trade payables				
- Dues of Micro and Small Enterprise	6.3	-	-	-
- Dues of Other than Micro and Small Enterprise	6.3	486.73	83.69	11.21
(iii) Other financial liabilities	6.2	35.35	56.32	44.95
(d) Other current liabilities	7	5.36	7.53	1.55
		<b>527.43</b>	<b>147.53</b>	<b>57.70</b>
<b>Total Equity and Liabilities</b>		<b>1,658.71</b>	<b>857.87</b>	<b>439.82</b>

For Aarvi Encon FZE

Mr. Manoj Ramakrishnan  
(Manager)



**Aarvi Encon FZE**  
**Statement of Profit and Loss for the Year ended March 31, 2020**  
*(All figures are Rupees in lacs unless otherwise stated)*

Particulars	Note Ref	Year ended March 31, 2020	Year ended March 31, 2019
<b>I Revenue from Operations</b>	8	2,683.24	1,410.29
<b>II Other Income</b>	9	-	0.28
<b>III Total Income (I +II )</b>		<b>2,683.24</b>	<b>1,410.57</b>
<b>IV Expenses:</b>			
Employee benefit expenses	10	290.83	596.94
Finance Costs	11	2.00	1.08
Depreciation & amortization	12	0.07	0.07
Other expenses	13	2,049.06	538.91
<b>Total Expenses</b>		<b>2,341.97</b>	<b>1,136.99</b>
<b>Profit before exceptional Item and tax (III-IV)</b>		<b>341.27</b>	<b>273.58</b>
Exceptional items		-	-
<b>Profit / (Loss) before tax</b>		<b>341.27</b>	<b>273.58</b>
<b>Tax expenses</b>	14		
Current Tax		-	-
Short provision of earlier years		-	-
Deferred Tax (Credit)/Charge		-	-
MAT Entitlement		-	-
Deferred Tax		-	-
<b>V Total tax expenses</b>		<b>-</b>	<b>-</b>
<b>VI Profit for the period</b>		<b>341.27</b>	<b>273.58</b>
<b>VII Other Comprehensive Income</b>			
Items that will be reclassified to profit or loss			
Changes in Foreign currency translation reserve		75.24	34.25
Tax Effect thereon			
Re-measurement gains/ (losses) on defined benefit plans			
Income Tax relating to items that will not be reclassified to statement of profit and loss			
<b>Other Comprehensive Income for the year, net of tax</b>		<b>75.24</b>	<b>34.25</b>
<b>VIII Total comprehensive income for the year</b>		<b>416.52</b>	<b>307.83</b>
<b>IX Earnings per equity share</b>	15		
Nominal Value		10.00	10.00
Basic		3,41,27,394	2,73,57,758
Diluted		3,41,27,394	2,73,57,758

For Aarvi Encon FZE

Mr. Manoj Ramakrishnan  
(Manager)



**Aarvi Encon FZE**  
**Cash Flow Statement for the period ended March 31, 2020**  
**(All amounts are Rupees in lakhs unless otherwise stated)**

Particulars	2019-20	2018-19
<b>Cash flows from operating activities</b>		
Profit /(loss) before tax	341.27	273.58
<b>Adjustments:</b>		
Depreciation & amortisation	0.07	0.07
Interest expense	2.00	1.08
Sundry Balances Written Off	-	18.68
Liabilities no longer required written back	-	(0.28)
Foreign Exchange Gain/Loss	1.85	-
	3.93	19.54
	<b>345.21</b>	<b>293.12</b>
<b>Operating cash flows before working capital changes and other assets</b>		
Decrease/ (increase) in Trade receivables	(242.52)	(403.07)
Decrease/ (increase) in Financial Assets	(66.35)	(101.33)
Decrease/ (increase) in Other Assets	(0.65)	(6.46)
(Decrease)/increase in Trade Payables	403.04	72.76
(Decrease)/increase in Financial Liabilities	(20.97)	11.37
(Decrease)/increase in Other Liabilities	(2.17)	5.98
	70.38	(420.74)
<b>Cash generated from operations</b>	<b>415.59</b>	<b>(127.63)</b>
Income taxes refund / (paid), net	-	-
<b>Net cash generated from in operating activities</b>	<b>415.59</b>	<b>(127.63)</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment and CWIP	-	(0.35)
Proceeds from sale of property, plant and equipment	-	-
	-	(0.35)
<b>Cash flows from financing activities</b>	<b>415.59</b>	<b>(127.97)</b>
Proceeds from long-term borrowings	4.42	20.40
Interest paid	(2.00)	(1.08)
	2.42	19.32
<b>Net cash used in financing activities</b>	<b>418.00</b>	<b>(108.65)</b>
<b>Net increase / decrease in cash and cash equivalents</b>		
Cash and cash equivalents at the beginning of the period	51.61	160.26
Cash and cash equivalents at the end of the period	469.61	51.61
	<b>418.00</b>	<b>(108.65)</b>

For Aarvi Encon FZE

Mr. Manoj Ramakrishnan  
 (Manager)





## Statement of Significant Accounting policies and Other Explanatory Notes

## (A) Corporate Information

M/s Aarvi Encon(FZE), is a free Zone Establishment with Limited Liability registered with the government of Sharjah under SAIF Zone Authorities, Sharjah, UAE vide service License No.15906. The Original license has been issued on 13th day of October 2015, The registered address of the Establishment is saif suite X1 - 51, Post Box No. 122723, SAIF Zone, Sharjah, UAE.

## (B) Significant Accounting Policies

## I) Basis of Preparation

These financial statements are Separate Financial Statements as per Ind AS 27 - Separate Financial Statements and are prepared in accordance with Indian Accounting Standards (Ind AS) prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016. For all periods upto and including the year ended March 31, 2019 the Company prepared its financial statements in accordance with Companies (Accounting Standard) Rules, 2006 notified under the section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2014 (Previous GAAP).

The year ended March 31, 2020 is the first period for which the Company has prepared its financial statements in accordance with Ind AS. The previous period comparatives for the period ended March 31, 2019 which were earlier prepared as per the aforesaid Companies (Accounting Standards) Rules, 2016 have been restated as per Ind AS to make them comparable. The date of transition to Ind AS is therefore April 1, 2018 for which the Opening Balance Sheet is prepared.

These financial Statements are prepared under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values.

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

## II) Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions. These estimates, judgements and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of financial statements and reported amounts of revenues and expenses during the period. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of circumstances surrounding the estimates. Changes in estimates are reflected in the financial statement in the period in which changes are made and if material, their effects are disclosed in the notes to the financial statements.

## III) Summary of significant accounting policies

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

## (a) Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when :

- It is expected to be realised or intended to be sold or consumed in normal operating cycle or
- It is held primarily for the purpose of trading or
- It is expected to be realised within twelve months after the reporting period, or
- It is 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 current when :

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

The Company classifies all other liabilities as non-current.

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

## (b) Property, Plant and Equipment

- i) Property, plant and equipment (PPE) are measured at cost, net of accumulated depreciation and/or accumulated impairment losses, if any. The cost of PPE includes freight, duties, taxes and other incidental expenses related to the acquisition or construction of those PPE.

An item of property, plant and equipment is derecognized upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in statement of profit or loss in the year the asset is derecognized.

- ii) Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company. All other repairs and maintenance costs are recognised in statement of profit and loss as incurred.
- iii) The charge in respect of periodic depreciation is derived after estimating the asset's expected useful life and the expected residual value at the end of its life. The depreciation method, useful lives and residual values of Company's assets are estimated by Management at the time the asset is acquired and reviewed during each financial year.

- iv) Depreciation on all assets of the Company is charged on written down method over the useful life of assets mentioned in Schedule II to the Companies Act, 2013 or the useful life previously assessed by the management based on technical review whichever is lower for the proportionate period of use during the year. Intangible assets are amortised over the economic useful life estimated by the management.
- v) Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date are shown as capital advances under long-term loans and advances and the cost of property, plant and equipment not ready for their intended use before such date are disclosed under capital work-in-progress.
- c) **Intrangible Assets**
- i) Intangible assets are recorded at the consideration paid for cost of acquisition or development less accumulated depreciation and/or accumulated impairment loss, if any. The cost of an internally generated asset comprises all expenditure that can be directly attributed, or allocated on a reasonable and consistent basis, to create, produce and make the asset ready for its intended use.
  - ii) Intangible assets under development are capitalized only if the Company is able to establish control over such assets and expects future economic benefit will flow to the Company.
  - iii) Intangible assets are amortised over their estimated useful life, from the date that they are available for use based on the expected pattern of consumption of economic benefits of the asset.
- d) **Borrowings**
- General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale. Other borrowing costs are expensed in the period in which they are incurred.
- e) **Impairment of Assets**
- Assets subject to amortization/depreciation are tested for impairment provided that an event or change in circumstances indicates that their carrying amount might not be recoverable. An impairment loss is recognized in the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher between an asset's fair value less sale costs and value in use. For the purposes of assessing impairment, assets are grouped together at the lowest level for which there are separately identifiable cash flows (cash-generating units). Non-financial assets other than goodwill for which impairment losses have been recognized are tested at each balance sheet date in the event that the loss has reversed.
- f) **Cash and cash equivalents**
- Cash and cash equivalents include cash in hand, demand deposits in banks and other short-term highly liquid investments with original maturities of three months or less. Bank overdrafts are shown within bank borrowings in current liabilities on the balance sheet.
- g) **Provisions**
- The Company recognizes a provision when: it has a present legal or constructive obligation as a result of past events; it is likely that an outflow of resources will be required to settle the obligation; and the amount has been reliably estimated. Provisions are not recognized for future operating losses.
- j) **Fair Value Measurement**
- The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:
- In the principal market for the asset or liability, or
  - In the absence of a principal market, in the most advantageous market for the asset or liability
- The principal or the most advantageous market must be accessible by the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest.
- k) **Financial Instruments**
- (i) **Financial Assets & Financial Liabilities**
- Initial recognition and measurement**
- All financial assets and liabilities are recognised initially at fair value.
- In the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset is treated as cost of acquisition. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.
- Subsequent Measurement**
- For purposes of subsequent measurement, financial assets are classified in following categories:
- Debt instruments at amortised cost
  - Debt instruments at fair value through other comprehensive income (FVTOCI)
  - Debt instruments, derivatives and equity instruments at fair value through profit or loss (FVTPL)
  - Equity instruments measured at fair value through other comprehensive income (FVTOCI)



Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the Balance Sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

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

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk. The Explanatory Notes details how the entity determines whether there has been a significant increase in credit risk. For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

#### **Derecognition of financial instruments**

A financial asset is derecognised only when

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the group evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the group has not retained control of the financial asset. Where the group retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.

A financial liability (or a part of a financial liability) is derecognized from the Company's Balance Sheet when the obligation specified in the contract is discharged or cancelled or expires.

#### **l) Revenue Recognition**

- i) Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duties collected on behalf of the government. The Company has concluded that it is the principal in all of its revenue arrangements since it is the primary obligor in all the revenue arrangements as it has pricing latitude and is also exposed to credit risks. The specific recognition criteria described below must also be met before revenue is recognised.

##### **Revenue**

Income represents the invoiced value of goods sold/services rendered during the year, net of discounts and return

##### **Interest Income**

For all financial instruments measured at amortised cost, interest income is recorded using the effective interest rate (EIR). The EIR is the rate that exactly discounts the estimated future cash receipts over the expected life of the financial instrument or a shorter period, where appropriate, to the net carrying amount of the financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses. Interest income is included in finance income in the statement of profit or loss.

##### **Dividends**

Dividend income is recognised when the Company's right to receive the payment is established, which is generally when shareholders approve the dividend.

#### **m) Taxes**

Tax expenses comprise Current Tax and Deferred Tax.:

##### **i) Current Tax:**

The income tax expense or credit for the period is the tax payable on the current period's taxable income based on the applicable income tax rate for each jurisdiction adjusted by changes in deferred tax assets and liabilities attributable to temporary differences and to unused tax losses. The current income tax charge is calculated on the basis of the tax laws enacted or substantively enacted at the end of the reporting period in the countries where the company and its subsidiaries and associates operate and generate taxable income. Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities.

##### **ii) Deferred Tax:**

Deferred income tax is provided in full, using the liability method, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the standalone financial statements. However, deferred tax liabilities are not recognised if they arise from the initial recognition of goodwill. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantively enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled. Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilise those temporary differences and losses. Current and deferred tax is recognised in profit or 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.

For items recognised in OCI or equity, deferred / current tax is also recognised in OCI or equity.

##### **iii) MAT Credit:**



Minimum Alternate Tax (MAT) paid in a year is charged to the statement of profit and loss as current tax. The Company recognises MAT credit available as an asset only to the extent that there is reasonable certainty that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward. The MAT credit to the extent there is reasonable certainty that the Company will utilise the credit is recognised in the Statement of profit and loss and corresponding debit is done to the Deferred Tax Asset as unused tax credit.

**n) Earnings Per Share**

Earnings per share is calculated by dividing the net profit or loss before OCI for the year by the weighted average number of equity shares outstanding during the period. For the purpose of calculating diluted earnings per share, the net profit or loss before OCI for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**o) Dividend Distribution**

Dividend distribution to the Company's equity holders is recognized as a liability in the Company's annual accounts in the year in which the dividends are approved by the Company's equity holders.

**p) Foreign exchange transactions**

Foreign currency transactions are recorded at the rates of exchange prevailing on the dates of the respective transaction. Exchange differences arising on foreign exchange transactions settled during the year are recognised in the statement of profit and loss.

Monetary assets and liabilities denominated in foreign currencies as at the balance sheet date are translated at the closing exchange rates on that date, the resultant exchange differences are recognised in the statement of profit and loss.

**q) Employee benefits**

**Short term employee benefits**

Employee benefits payable wholly within twelve months of receiving employee services are classified as short-term employee benefits. These benefits include salaries and wages, bonus and other benefits. The undiscounted amount of short-term employee benefits to be paid in exchange for employee services is recognised as an expense as the related service is rendered by employees.

**Post-employment benefits**

**i. Defined contribution plans**

A defined contribution plan is a post-employment benefit plan where the company makes specified monthly contributions towards employee provident fund to Government administered provident fund scheme which is a defined contribution plan. The Company's contribution is recognised as an expense in the statement of profit and loss during the period in which the employee renders the related service.

**ii. Defined benefit plans - Gratuity**

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

Liabilities with regard to the Gratuity plan are determined by actuarial valuation, performed by an independent actuary, at each reporting date using the projected unit credit method. Actuarial gains and losses are recognised in full in the other comprehensive income for the period in which they occur. Current service cost and the interest cost on obligation related to defined benefit plans are recognised in the statement of profit or loss.

**r) Leases**

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease, if the use of such option is reasonably certain. The Company makes an assessment on the expected lease term on a lease-by-lease basis and thereby assesses whether it is reasonably certain that any options to extend or terminate the contract will be exercised. In evaluating the lease term, the Company considers factors such as any significant leasehold improvements undertaken over the lease term, costs relating to the termination of the lease and the importance of the underlying asset to Company's operations taking into account the location of the underlying asset and the availability of suitable alternatives. The lease term in future periods is reassessed to ensure that the lease term reflects the current economic circumstances. After considering current and future economic conditions, the Company has concluded that no changes are required to lease period relating to the existing lease contracts.

For Aarvi Encon FZE

Mr. Manoj Ramakrishnan  
(Manager)



**Aarvi Encon FZE**  
**Notes to financial statements**  
**(All figures are Rupees in lacs unless otherwise stated)**  
**Statement of Changes in Equity**

Equity Particulars	As at March 31, 2020			As at March 31, 2019			As at April 1, 2018		
	Number of Shares	Amount		Number of Shares	Amount		Number of Shares	Amount	
1 share Dhs.150000/- Each									
Balance at the beginning of the reporting period	1	27.07		1	27.07		1	27.07	
Changes in equity share capital during the year - issued during the reporting period	-	-		-	-		-	-	
<b>Balance at the end of Reporting period</b>	<b>1</b>	<b>27.07</b>		<b>1</b>	<b>27.07</b>		<b>1</b>	<b>27.07</b>	

Other Equity Particulars	Retained Earnings			Other Comprehensive Income (not to be reclassified to P&L)			Total		
Balance as at April 1, 2018 as per IND AS	353.03		(4.23)				348.80		
Profit/(Loss) for the year	273.58		-				273.58		
Changes in Foreign Currency Translation Reserve account	-		34.25				34.25		
<b>Balance as at 31 March 2019</b>	<b>626.61</b>		<b>30.02</b>				<b>656.63</b>		
Profit/(Loss) for the year	341.27		-				341.27		
Changes in Foreign Currency Translation Reserve account			75.24				75.24		
<b>Balance as at 31 March 2020</b>	<b>967.88</b>		<b>105.26</b>				<b>1,073.15</b>		

For Aarvi Encon FZE

  
 Mr. Manoj Ramakrishnan  
 (Manager)  
 Executive Director & CFO



**2 Financial Assets**

**2.1 Trade Receivables**

(Unsecured, at amortised cost)

i) Considered good

ii) Considered doubtful

Less: Expected credit Loss

**Total**

March 31, 2020	As at		March 31, 2020	As at	
	March 31, 2019	April 01, 2018		March 31, 2019	April 01, 2018
Non Current			Current		
	-	-	968.46	652.55	233.91
	-	-	-	-	-
	-	-	-	-	-
	-	-	-	-	-
	-	-	968.46	652.55	233.91

Trade receivables and unbilled revenue are unsecured and are derived from revenue earned from customers primarily located in India. Periodically, the Company evaluates all customer dues to the Company for collectability. The need for impairment is assessed based on various factors including collectability of specific dues, risk perceptions of the industry in which the customers operates, general economic factors, which could affect the customer's ability to settle. More than 95% of the Company's customers have been transacting with the Company for over five years and none of these customers' balance are credit impaired. An impairment analysis is performed at each reporting date on invoice wise receivable balances.

The Life time credit loss write off during the year arises more out of the disputes or charges rather than credit impairment.

Since the Company Calculates impairment under the simplified approach the Company does not track the changes in credit risk of trade receivables the impairment amount represents lifetime expected credit loss. Hence the additional disclosures in trade receivables for changes in credit risk and credit impaired trade receivable are not disclosed.

**2.2 Cash and Bank Balances**

A Cash and cash equivalents

i) Balances with banks

Bank Balance

ii) Cash on hand

**Total**

March 31, 2020	As at		March 31, 2020	As at	
	March 31, 2019	April 01, 2018		March 31, 2019	April 01, 2018
Current					
	468.52	50.61	159.77		
	1.09	1.00	0.50		
	469.61	51.61	160.26		

**2.3 Loans and Advances (at amortised cost)**

(Unsecured, Considered good)

i) Loan & Advances to Others

**Total**

March 31, 2020	As at		March 31, 2020	As at	
	March 31, 2019	April 01, 2018		March 31, 2019	April 01, 2018
Non Current			Current		
	182.77	116.96	45.65	12.17	11.18
	182.77	116.96	45.65	12.17	11.18

**2.4 Others**

i) Contract Assets - Security Deposit including Retention

March 31, 2020	As at		March 31, 2020	As at	
	March 31, 2019	April 01, 2018		March 31, 2019	April 01, 2018
Non Current			Current		
	18.38	18.83	-	-	-
	18.38	18.83	-	-	-

**3 Other Assets**

i) Prepayments

ii) Advance to Staff

**Total**

March 31, 2020	As at		March 31, 2020	As at	
	March 31, 2019	April 01, 2018		March 31, 2019	April 01, 2018
Non Current			Current		
	-	-	5.01	6.46	-
	-	-	2.09	-	-
	-	-	-	-	-
	-	-	7.11	6.46	-

**4 Equity Share capital**

i) Authorised shares:

1 share of Dhs 150,000 each

**Total**

ii) Issued and subscribed share and paidup:

1 share of Dhs 150,000 each

**Total**

**Total paid-up share capital**

a) Reconciliation of the equity shares outstanding at the beginning and at the end of the period

March 31, 2020	As at		March 31, 2020	As at	
	March 31, 2019	April 01, 2018		March 31, 2019	April 01, 2018
Non Current			Current		
	1.50	1.50	1.50	1.50	1.50
	1.50	1.50	1.50	1.50	1.50
	27.07	27.07	27.07	27.07	27.07
	27.07	27.07	27.07	27.07	27.07
	27.07	27.07	27.07	27.07	27.07

Balance, beginning of the period  
Issued during the period

March 31, 2020	As at		March 31, 2020	As at	
	March 31, 2019	April 01, 2018		March 31, 2019	April 01, 2018
Non Current			Current		
	1.00	27.07	1.00	27.07	1.00
	-	-	-	-	-

**Aarvi Encon FZE**  
**Notes to Standalone financial statements as at March 31, 2020**  
**(All figures are Rupees in lacs unless otherwise stated)**

Balance, end of the period	1.00	27.07	1.00	27.07	1.00	27.07
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**b) Details of Shareholding more than 5%**

	As at					
	March 31, 2020	March 31, 2020	March 31, 2019	March 31, 2019	April 01, 2018	April 01, 2018
	Number	Amount	Number	Amount	Number	Amount
M/s Aarvi Encon Limited (India), Incorporated in India	1.00	27.07	1.00	27.07	1.00	27.07
	1.00	27.07	1.00	27.07	1.00	27.07

d) As per the records of the Company, including its register of shareholders/members and other declarations received from shareholders, the above shareholding represents legal ownerships of the shares.

	March 31, 2020	As at March 31, 2019	April 01, 2018
5 Other Equity			
i) Retained Earnings	967.88	626.61	353.03
ii) Other Comprehensive Income	105.26	30.02	(4.23)
	1,073.15	656.63	348.80

	March 31, 2020	March 31, 2019	April 01, 2018	March 31, 2020	March 31, 2019	April 01, 2018
6 Financial Liabilities (at amortised cost)						
6.1 Borrowings						
i) Loan From Related Party	31.06	26.64	6.24	-	-	-
Total	31.06	26.64	6.24	-	-	-
The break-up of above:						
Secured	-	-	-	-	-	-
Unsecured	31.06	26.64	6.24	-	-	-

	March 31, 2020	March 31, 2019	April 01, 2018	March 31, 2020	March 31, 2019	April 01, 2018
6.2 Other Financial Liabilities (at amortised cost)						
i) Employee Liabilities	-	-	-	35.35	56.32	44.95
Total	-	-	-	35.35	56.32	44.95
6.3 Trade Payables (at amortised cost)						
i) Dues to Micro, small and medium enterprises	-	-	-	-	-	-
ii) Dues to other than Micro, small and medium enterprises	-	-	-	-	-	-
Related Parties	-	-	-	-	-	-
Others	-	-	-	486.73	83.69	11.21
Total	-	-	-	486.73	83.69	11.21

**a) Amounts due to Micro, Small and Medium Enterprises**

As per the information available with the Company, there are no Micro, Small and Medium Enterprises, as defined in the Micro, Small, Medium Enterprises Development Act, 2006, to whom the Company owes dues on account of principal amount together with interest and accordingly no additional disclosures have been made.

The above information regarding Micro, Small and Medium Enterprises have been determined to the extent such parties have been identified on the basis of information available with the Company. This is relied upon by the auditors.

	March 31, 2020	March 31, 2019	April 01, 2018	March 31, 2020	March 31, 2019	April 01, 2018
7 Other Liabilities						
i) Duties and Taxes payable	-	-	-	5.36	7.53	1.55
Total	-	-	-	5.36	7.53	1.55

	March 31, 2020	March 31, 2019
8 Revenue from Operations		
a) Revenue from port operations	2,683.24	1,410.29
Business Consultancy Fees		
Total	2,683.24	1,410.29

	March 31, 2020	March 31, 2019
9 Other Income		
i) Sundry Balance Writtrn Back	-	0.28
Total	-	0.28



10	Employee benefit expenses		
	i) Salaries, wages and bonus	285.54	594.79
	ii) Staff Welfare Expenses	5.30	2.15
		-	-
	<b>Total</b>	<b>290.83</b>	<b>596.94</b>
		<b>March 31,</b>	<b>March 31,</b>
		<b>2020</b>	<b>2019</b>
11	Finance Costs:		
	i) Other finance costs	2.00	1.08
	<b>Total</b>	<b>2.00</b>	<b>1.08</b>
		<b>March 31,</b>	<b>March 31,</b>
		<b>2020</b>	<b>2019</b>
12	Depreciation & Amortization		
	i) Depreciation	0.07	0.07
	<b>Total</b>	<b>0.07</b>	<b>0.07</b>
		<b>March 31,</b>	<b>March 31,</b>
		<b>2020</b>	<b>2019</b>
13	Other expenses		
	i) Legal and professional fees	13.48	0.75
	ii) Payments to auditors (Refer Note below)	0.59	0.37
	iii) Food and Accommodation Expenses	53.95	4.02
	iv) Professional Fees - Project	1,799.10	471.49
	v) Rent	-	-
	vi) Advertisement expenses	0.19	4.68
	vi) Travelling and conveyance	166.10	32.05
	vii) Power and fuel	0.04	0.27
	viii) Printing and stationery	-	0.00
	ix) Communication expenses	0.36	0.15
	x) Sundry balances written off	-	18.68
	xi) Accounting Charges	-	1.92
	xii) Training Expense	-	-
	xiii) Foreign Exchange Loss	1.85	-
	xiv) Miscellaneous expenses	13.40	4.54
	<b>Total</b>	<b>2,049.06</b>	<b>538.91</b>

- 15 Disclosure as required by Accounting Standard – IND AS 33 “Earning Per Share” of the Companies (Indian Accounting Standards) Rules 2015.  
Net Profit / (loss) attributable to equity shareholders and the weighted number of shares outstanding for basic and diluted earnings per share are as summarised below:

Particulars	March 31, 2020	March 31, 2019
Net Profit / (Loss) as per Statement of Profit and Loss	341.27	273.58
Outstanding equity shares at period end	1.00	1.00
Weighted average Number of Shares outstanding during the period – Basic	1.00	1.00
Weighted average Number of Shares outstanding during the period - Diluted	1.00	1.00
Earnings per Share - Basic (Rs.)	3,41,27,394	2,73,57,758
Earnings per Share - Diluted (Rs.)	3,41,27,394	2,73,57,758
<b>Reconciliation of weighted number of outstanding during the period:</b>		
<b>Particulars</b>	<b>March 31, 2020</b>	<b>March 31, 2019</b>
Nominal Value of Equity Shares (Rs per share)		
For Basic EPS:		
Total number of equity shares outstanding at the beginning of the period	1.00	1.00
Add : Issue of Equity Shares	-	-
Total number of equity shares outstanding at the end of the period	1.00	1.00
Weighted average number of equity shares at the end of the period	1.00	1.00

The Company has not issued any potential dilutive equity share and therefore the Basic and Dilutive earning per Share will be the same. The earning per share is calculated by dividing the profit after tax by weighted average no. of shares outstanding.

16	Commitments			
	Particulars	March 31, 2020	March 31, 2019	April 01, 2018
	Capital Commitments			
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>
17	Contingent Liabilities			
	Particulars	March 31, 2020	March 31, 2019	April 01, 2018
	Bank Guarantees			
	<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>

- 18 Disclosure in accordance with Ind AS – 108 “Operating Segments”, of the Companies (Indian Accounting Standards) Rules, 2015.  
Based on the “management approach” as defined in Ind AS 108, the Chief Operating Decision Maker (CODM) evaluates the Company's performance in accordance with IND AS “Operating Segment”. The Company has only one reportable operating segment i.e. Manpower Supply and Consultancy Services.

- 19 Significant accounting judgements, estimates and assumptions  
The financial statements require management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosures of contingent liabilities. 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.
- Judgements**

In the process of applying the company's accounting policies, management has made the following judgements, which have the most significant effect on the amounts recognised in the separate financial statements.

**Taxes**

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

**20 First-time adoption of Ind AS**

These financial statements, for the year ended March 31, 2020, are the first the Company has prepared in accordance with Ind AS. For periods up to and including the year ended March 31, 2019, the Company prepared its financial statements in accordance with accounting standards Companies (Accounting Standard) Rules, 2006 notified under section 133 of the Companies Act, 2013 read together with paragraph 7 of the Companies (Accounts) Rules, 2015 (Previous GAAP).

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for periods ending on March 31, 2020 together with the comparative period data as at and for the year ended March 31, 2019, as described in the summary of significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at April 1, 2018, the Company's date of transition to Ind AS. Since there is no Ind AS impact as on the transition date and as at March 31, 2019 no reconciliation is given.

**21 Exemptions Applied**

Ind AS 101 allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has not applied any of the exemptions

**22 Financial Instruments**

i) The carrying value and fair value of financial instruments by categories as at March 31, 2020, March 31, 2019 and April 1, 2018 is as follows:

	Carrying Value			Fair Value		
	March 31, 2020	March 31, 2019	April 01, 2018	March 31, 2020	March 31, 2019	April 01, 2018
<b>a) Financial Assets</b>						
Amortised Cost						
Trade Receivable	968.46	652.55	233.91	968.46	652.55	233.91
Loans and Advances	194.94	128.14	45.65	194.94	128.14	45.65
Cash and cash equivalents	469.61	51.61	160.26	469.61	51.61	160.26
Other Financial Assets	18.38	18.83	-	18.38	18.83	-
<b>Total Financial Assets</b>	<b>1,651.39</b>	<b>851.13</b>	<b>439.82</b>	<b>1,651.39</b>	<b>851.13</b>	<b>439.82</b>
<b>b) Financial Liabilities</b>						
Amortised Cost						
Borrowings	31.06	26.64	6.24	31.06	26.64	6.24
Trade payables	486.73	83.69	11.21	486.73	83.69	11.21
Other Financial Liabilities	35.35	56.32	44.95	35.35	56.32	44.95
<b>Total Financial Liabilities</b>	<b>553.14</b>	<b>166.65</b>	<b>62.40</b>	<b>553.14</b>	<b>166.65</b>	<b>62.40</b>

The management assessed that fair value of cash and short-term deposits, trade receivables, trade payables, bank overdrafts and other current financial assets and liabilities approximate their carrying amounts largely due to the short-term maturities of these instruments.

The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

**22 Fair Value Hierarchy**

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are (a) recognised and measured at fair value and (b) measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the group has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.

**Level 1** - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

**Level 2** - Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).

**Level 3** - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

During the year, the Company has no financial assets and liabilities which are measured at fair value.

**23 Financial risk factors**

**Risk management framework**

The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed regularly to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

**(a) Credit risk**

Credit risk is the risk that counterparty will not meet its contractual obligations under a financial instrument or customer contract, leading to a financial loss. The Company is exposed to credit risk from its operating activities (primarily trade receivables) and loans receivables, investments and other financial instruments.

**(b) Liquidity risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation. The Company monitors its risk of a shortage of funds on a regular basis. The Company's objective is to maintain a balance between continuity of funding and flexibility through the use of cash credit facilities.

**(c) Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises two types of risk: interest rate risk and foreign currency risk. Financial instruments affected by market risks include trade receivable and trade payable.

**1. Interest rate Risk**

Interest rate risk is the risk that the fair value or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. The Company does not have significant debt obligation with floating interest rates, hence is not exposed to any significant interest rate risks.



## II. Foreign Currency Risk

Foreign currency risk is the risk that the fair value or future cash flows of an exposure will fluctuate because of changes in foreign currency rates. The Company does not have significant foreign currency exposure and hence is not exposed to any significant foreign currency risks.

### The Working Capital Position of the Company is given

	March 31, 2020	March 31, 2019
Trade receivable	968.46	652.55
Cash and Cash Equivalent	469.61	51.61
Loans and Advances	12.17	11.18
Others	7.11	6.46
<b>Total</b>	<b>1,457.34</b>	<b>721.79</b>
<b>Less:</b>		
Borrowings	-	-
Trade Payables	486.73	83.69
Others	40.70	63.85
<b>Total</b>	<b>527.43</b>	<b>147.53</b>
<b>Net Working Capital</b>	<b>929.91</b>	<b>574.26</b>

The table below provides details regarding the contractual maturities of significant financial liabilities:

	Less than 1	2-5 years	Total
<b>As at March 31, 2020</b>			
Borrowings		31.06	
Other Financial Liabilities	35.35		
Trade Payables	486.73	-	486.73
<b>Total</b>	<b>522.08</b>	<b>31.06</b>	<b>486.73</b>
<b>As at March 31, 2019</b>			
Borrowings		26.64	
Other Financial Liabilities	56.32		
Trade Payables	83.69	-	83.69
<b>Total</b>	<b>140.00</b>	<b>26.64</b>	<b>83.69</b>
<b>As at April 01, 2018</b>			
Borrowings		6.24	6.24
Other Financial Liabilities	44.95		44.95
Trade Payables	11.21	-	11.21
<b>Total</b>	<b>56.16</b>	<b>6.24</b>	<b>62.40</b>

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### Capital management

For the purpose of the company's capital management, capital includes issued equity capital and all other equity reserves attributable to the equity holders of the parent. The primary objective of the company's capital management is to maximise the shareholder value.

The company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. The company monitors capital using a gearing ratio, which is net debt divided by total capital plus net debt. The company includes within net debt, short term borrowings, trade and other payables, less cash and cash equivalents.

Particulars	March 31, 2020	March 31, 2019	April 1, 2018
Gross debt	31.06	26.64	6.24
<b>Less:</b>			
Cash and Cash Equivalent	469.61	51.61	160.26
<b>Net debt (A)</b>	<b>(438.55)</b>	<b>(24.97)</b>	<b>(154.02)</b>
<b>Total Equity (B)</b>	<b>1,073.15</b>	<b>656.63</b>	<b>348.80</b>
<b>Gearing ratio (A/B)</b>	<b>(2.45)</b>	<b>(26.30)</b>	<b>(2.26)</b>

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The balance sheet, statement of profit and loss, cash flow statement, statement of changes in equity, statement of significant accounting policies and the other explanatory notes forms an integral part of the financial statements of the Company for the year ended March 31, 2020.

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These accounts have been prepared for the purpose of facilitation of consolidation of this company into the financial statements of the Aarvi Encon Limited. Therefore, these are not general purpose financial statements.

For Aarvi Encon FZE

Mr. Manoj Ramakrishnan  
 (Manager)

