Aarvi Encon Resource Ltd - UK

Statement of unaudited Standalone Assets and Liabilities as on Mar 31, 2022

(All figures are Rupees in lacs unless otherwise stated)

Particulars	Note Ref	As at March 31, 2022	As at March 31, 2021
ASSETS			
(1) Current Assets			
(b) Financial Assets			
(i) Cash and cash equivalents	1.1	0.19	0.10
(iv) Loans and Advances	1.2	0.14	-
		0.34	**0.10**
Total Assets		**0.34**	**0.10**
EQUITY & LIABILITIES			
Equity			
(a) Equity Share capital	2	0.09	0.09
(b) Other Equity	3	(0.17)	0.01
		(0.08)	**0.10**
Current liabilities			
(a) Financial Liabilities			
(i) Borrowings	4		
(ii) Trade payables			
- Dues of Micro and Small Enterprise			
- Dues of Other than Micro and Small Enterprise			
(iii) Other financial liabilities		**0.42**	
(d) Other current liabilities			
		0.42	**-**
Total Equity and Liabilities		**0.34**	**0.10**

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Date: 25th May, 2022

Jaydev V. Sanghavi
Director

Aarvi Encon Resource Ltd - UK

Statement of unaudited Standalone Results for the Quarter and nine months ended Mar 31, 2022

(All figures are Rupees in lacs unless otherwise stated)

	Particulars	Note Ref	Quarter Ended Mar 22	Quarter Ended Dec 21	Quarter Ended Mar 21	Year ended March 31, 2022	Year ended March 31, 2021
I	**Revenue from Operations**		-	-	-	-	
II	**Other Income**		0.10	-	-	0.10	
III	**Total Income (I +II)**			**-**	**-**	**0.10**	**-**
IV	**Expenses:**				-		
	Employee benefit expenses		-	-	-		
	Finance Costs	15	(0.00)	0.00	-	0.01	-
	Depreciation & amortization		-	-	-		
	Other expenses		0.29	-	-	0.29	-
	Total Expenses		**0.29**	**0.00**	**-**	**0.30**	**-**
	Profit before exceptional Item and tax (III-IV)		**(0.29)**	**(0.00)**	**-**	**(0.19)**	**-**
	Exceptional items		-				
V	**Profit / (Loss) before tax**		**(0.29)**	**(0.00)**	**-**	**(0.19)**	**-**
	Tax expenses						
	1. Current Tax						
	2. Short/Excess Provision of Tax						
	3. Deferred Tax						
	4. MAT Credit						
VI	**Total tax expenses**		**-**	**-**	**-**	**-**	**-**
VII	**Profit/(Loss) for the period (V-VI)**		**(0.29)**	**(0.00)**	**-**	**(0.19)**	**-**
	Other comprehensive income						
	Items that will not be reclassified to profit or loss						
	Changes in Foreign currency transalation reserve		(0.00)	0.00	0.00	0.01	0.01
	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						
VIII	**Other Comprehensive Income for the year, net of tax**		(0.00)	0.00	0.00	0.01	0.01
IX	**Total comprehensive income for the year**		**(0.29)**	**0.00**	**0.00**	**(0.19)**	**0.01**
X	**Earnings per equity share**	5					
	Nominal Value		10	10	10	10	10
	Basic		(289.10)	(0.03)	-	(194.76)	-
	Diluted		(289.10)	(0.03)	-	(194.76)	-

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Jaydev V. Sanghavi
Director

Aarvi Encon Resource Ltd - UK
Standalone Cash Flows Statement for the year ended March 31, 2022
(All figures are Rupees in lacs unless otherwise stated)

Particulars	21-22		20-21	
Cash flows from operating activities				
Profit /(loss) before tax		(0.19)		0.01
Adjustments:				
Depreciation & amortisation				
Interest expense				
Interest Income on Finanical Assets at FVTPL				
Interest Income				
Sundry Balances Written Off				
Operating cash flows before working capital changes and other assets		**(0.19)**		**0.01**
Decrease/ (increase) in Trade receivables				
Decrease/ (increase) in Financial Assets	(0.14)			
Decrease/ (increase) in Other Assets				
(Decrease)/increase in Trade Payables				
(Decrease)/increase in Financial Liabilities	0.42		-	
(Decrease)/increase in Other Liabilities				
		0.28		-
Cash generated from operations		**0.09**		**0.01**
Income taxes refund / (paid), net		-		
Net cash generated from in operating activities		**0.09**		**0.01**
Cash flows from investing activities				
Investments in Mutual Funds	-			
Interest Received	-			
Cash flows from financing activities		**0.09**		**0.01**
Proceeds from long-term borrowings	-			
Interest paid	-			
Net cash used in financing activities		**0.09**		**0.01**
Net increase / decrease in cash and cash equivalents				
Cash and cash equivalents at the beginning of the period		0.10		0.09
Cash and cash equivalents at the end of the period		0.19		0.10
		0.09		**0.01**

As per our report of even date

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Date: 25th May, 2022

Jaydev V. Sanghavi
Director

Aarvi Encon Resource Ltd - UK
Notes to financial statements for the year ended March 31,2022
(All figures are Rupees in lacs unless otherwise stated)
Statement of Changes in Equity

Equity

Particulars	As at March 31, 2022 Number of Shares	As at March 31, 2022 Amount	As at March 31, 2021 Number of Shares	As at March 31, 2021 Amount
Balance at the beginning of the reporting period	100	0.09	100	0.09
Changes in equity share capital during the year - issued during the reporting period	-	-	-	-
Balance at the end of Reporting period	**100**	**0.09**	**100**	**0.09**

Other Equity

Particulars	Retained Earnings	Other Comprehensive Income (not to be reclassified to P&L)	Total
Balance as at 31 March 2020	**-**	**(0.01)**	**(0.01)**
Profit/(Loss) for the year	-		-
Changes in Foreign Currency translation Reserve Account		0.01	0.01
Balance as at 31 March 2021	**-**	**0.01**	**0.01**
Profit/(Loss) for the year	(0.19)		(0.19)
Changes in Foreign Currency translation Reserve Account		0.01	0.01
Balance as at 31 March 2022	**(0.19)**	**0.01**	**(0.18)**

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Aarvi Encon Resource Ltd - UK
Notes to Standalone financial statements as at March 31,2022
(All figures are Rupees in lacs unless otherwise stated)

				As at		
				March 31, 2022	**March 31, 2021**	
				Current		
1.1	**Cash and Bank Balances**					
	A		**Cash and cash equivalents**			
	i)		Balances with banks			
			Bank Deposit		-	
			Bank Balance	0.09	-	
	ii)		Cash on hand	0.10	0.10	
			Total	**0.19**	**0.10**	
1.2			**Loans and Advances**	**0.14**	**-**	
				0.14	**-**	
2	**Equity Share capital**					
	i)	**Authorised shares :**				
		100 Ordinary Equity Shares of the Face Value of Rs. 89 per share. (1 GBP)		0.09	0.09	
		Total		**0.09**	**0.09**	-
	ii)	**Issued and subscribed share and paidup :**				
		100 Ordinary Equity Shares of the Face Value of Rs. 89 per share. (1 GBP)		0.09	0.09	
		Total		**0.09**	**0.09**	-
		Total paid-up share capital		**0.09**	**0.09**	-

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

	As at			
	March 31, 2022	**March 31, 2022**	**March 31, 2021**	**March 31, 2021**
	Number	**Amount**	**Number**	**Amount**
Balance, beginning of the period	100	0.09	100	0.09
Issued during the period	-	-	-	-
Balance, end of the period	**100**	**0.09**	**100**	**0.09**

b) Terms / rights attached to equity shares
The Ordinary Shares Shall Be Non Redeemable But Shall Hold Full Rights In Respect Of Voting, And Shall Entitle The Holder To Full Participation In Respect Of Equity And In The Event Of A Winding Up Of The Company. The Shares May Be Considered By The Directors When Considering Dividends From Time To Time.

c) Details of Shareholding more than 5%

	As at			
	March 31, 2022	**March 31, 2022**	**March 31, 2021**	**March 31, 2021**
	Number	**Amount**	**Number**	**Amount**
M/s Aarvi Encon Limited(India), Incorporated in india	100	0.09	100	0.09
	100	**0.09**	**100**	**0.09**

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.

			As at	
			March 31, 2022	**March 31, 2021**
3	**Other Equity**			
	i)	Retained Earnings	(0.19)	-
	ii)	Other Comprehensive Income	0.01	0.01
			(0.18)	0.01

			As at	
			March 31, 2022	**March 31, 2021**
4	**Other Liabilities**			
	i)	Borrowings	0.42	-
			0.42	-

5 **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, 2022**	**March 31, 2021**
Net Profit / (Loss) as per Statement of Profit and Loss	(0.19)	-
Outstanding equity shares at period end	100	100
Weighted average Number of Shares outstanding during the period – Basic	100	100
Weighted average Number of Shares outstanding during the period - Diluted	100	100
Earnings per Share - Basic (Rs.)	(194.76)	-
Earnings per Share - Diluted (Rs.)	(194.76)	-

Reconciliation of weighted number of outstanding during the period:

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Aarvi Encon Resource Ltd - UK
Notes to Standalone financial statements as at March 31,2022
(All figures are Rupees in lacs unless otherwise stated)

Particulars	**March 31, 2022**	**March 31, 2021**
Nominal Value of Equity Shares (Rs per share)		
For Basic EPS :		
Total number of equity shares outstanding at the beginning of the period	100	100
Add : Issue of Equity Shares	-	-
Total number of equity shares outstanding at the end of the period	100	100
Weighted average number of equity shares at the end of the period	100	100

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.

6 **Commitments**

Particulars	**March 31, 2022**	**March 31, 2021**
Capital Commitments		
Total	-	-

7 **Contingent Liabilities**

Particulars	**March 31, 2022**	**March 31, 2021**
Bank Guarantees		
Total	-	-

8 **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. Human resources provision and management of human resources functions

9 **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. Uncertainity 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.

10 **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

11 **Financial Instruments**

i) **The carrying value and fair value of financial instruments by categories as at March 31, 2022, March 31, 2021 is as follows:**

	Carrying Value			**Fair Value**		
	March 31, 2022	**March 31, 2021**		**March 31, 2022**	**March 31, 2021**	
a) **Financial Assets**						
Amortised Cost						
Cash and cash equivalents	0.19	0.10		0.19	0.10	
Total Financial Assets	**0.19**	**0.10**		**0.19**	**0.10**	
b) **Financial Liabilities**						
Amortised Cost						
Trade payables	-	-	-	-	-	-
Total Financial Liabilities	-	-	-	-	-	-

The management assessed that fair value of cash and short-term deposits, trade receivables, trade payables, book 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.

12 **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.

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13 **Financial risk factors**

Risk management framework

(All figures are Rupees in lacs unless otherwise stated)

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.

i. 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 below:

	March 31, 2022	March 31, 2021	
Cash and Cash Equivalent	0.19	0.10	-
Total	**0.19**	**0.10**	
Less:			
Borrowings	0.42	-	
Trade Payables	-	-	
Others	-	-	
Total	**0.42**	**-**	
Net Working Capital	**(0.23)**	**0.10**	

14 **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, 2022**	**March 31, 2021**
Gross debt		-	-
Less:			
Cash and Cash Equivalent		0.19	0.10
Other Bank Balances		-	-
Net debt (A)	-	**(0.19)**	**(0.10)**
Total Equity (B)		**(0.17)**	**0.01**
Gearing ratio (A/B)		**0.90**	**(0.12)**

		March 31, 2022	**March 31, 2021**
15	**Other expenses**		
	Bank Charges	0.01	-
	Professional Fees	0.29	
		0.30	**-**

16 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, 2022.

17 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 financials statements.

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Date: 25th May, 2022

Jaydev V Sanghavi
Director

Aarvi Encon Resource Ltd - UK

Statement of Significant Accounting policies and Other Explanatory Notes

(A) Corporate Information

Aarvi Encon Resources Ltd is a private company limited by shares incorporated in England and Wales. The registered office is 11/12 Hallmark Trading Centre, Fourth Way, Wembley, Middlesex, HAg 0LB.

(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 atleast 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 wriiten 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.

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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.

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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 substantially 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

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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. Acturial 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.

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Date: 25th May, 2022

Jaydev V Sanghavi
Director