

Yerrowda Investments Limited  
Balance Sheet as at March 31, 2020  
(All Amounts in Rs in Lacs unless otherwise stated)

	Notes	As at 31 March 2020	As at 31 March 2019
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	3,577	3,656
Right of use asset	3	2	-
<b>Financial assets</b>			
i. Investments	4	-	-
ii. Other financial assets	8	13	13
<b>Total non-current assets</b>		<b>3,592</b>	<b>3,669</b>
<b>Current assets</b>			
Inventories	9	5	5
<b>Financial assets</b>			
i. Investments	5	1	1
ii. Trade receivables	6	9	3
iii. Cash and cash equivalents	7	175	189
iv. Bank balances other than (iii) above			
iv. Other financial assets	8	-	1
Current tax assets (net)		8	9
Other current assets	10	43	24
<b>Total current assets</b>		<b>241</b>	<b>232</b>
<b>Total assets</b>		<b>3,833</b>	<b>3,901</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	11	24	24
<b>Other equity</b>			
Reserves and surplus	12	3,801	3,851
Other reserves			
<b>Total equity</b>		<b>3,825</b>	<b>3,875</b>
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
<b>Financial liabilities</b>			
i. Trade payables			
(a) total outstanding dues of micro enterprises and small enterprises; and	13	-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises.	13	7	23
Provisions	14	-	2
Other current liabilities	15	1	1
<b>Total current liabilities</b>		<b>8</b>	<b>26</b>
<b>Total liabilities</b>		<b>8</b>	<b>26</b>
<b>Total equity and liabilities</b>		<b>3,833</b>	<b>3,901</b>

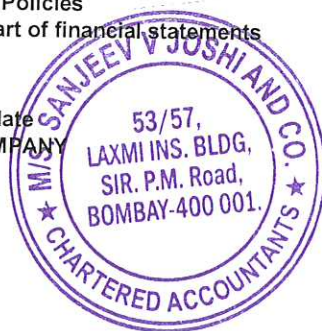
Summary of significant Accounting Policies 1  
Accompanying Notes are integral part of financial statements 2-21

As per our attached report of even date  
For M/s SANJEEV V. JOSHI & COMPANY  
Chartered Accountants

S. V. Joshi

Sanjeev V Joshi  
Proprietor  
M.No. 035522  
Place - Mumbai

FRN - 153304W  
Date : 31st July 2020



On Behalf of the Board of Director of  
Yerrowda Investments Limited

AMITABH Digitally signed  
by AMITABH  
BHARGAVA  
Date: 2020.07.31  
16:50:12 +05'30'

Amitabh Bhargava  
Director  
DIN - 00109596  
Place : Pune

Digitally signed  
by KRISHNAN  
SUBHARAMAN  
Date:  
2020.07.31  
16:07:53 +05'30'

K Subharaman  
Director  
DIN - 01518995



UDIN - 20035522 AAAAAAL3840

**Yerrowda Investments Limited**  
**Statement of profit and loss for the year ended March 31, 2020**  
(All Amounts in Rs in Lacs unless otherwise stated)

	Notes	Year ended 31 March 2020	Year ended 31 March 2019
<b>Continuing operations</b>			
Revenue from operations			
Other income	16	47	178
<b>Total income</b>		<b>47</b>	<b>178</b>
<b>Expenses</b>			
Cost of materials consumed		-	-
Purchases of stock-in-trade		-	-
Changes in inventories of work-in-progress, stock-in-trade and finished goods		-	-
Employee benefit expense		-	-
Depreciation and amortisation expense	17	76	76
Other expenses	18	1	108
<b>Total expenses</b>		<b>77</b>	<b>184</b>
<b>Profit before tax</b>		<b>(30)</b>	<b>(6)</b>
Income tax expense			
- Current tax (includes last year's adjustment)		20	-
- Deferred tax		-	-
<b>Total tax expense</b>		<b>20</b>	<b>-</b>
<b>Profit for the year</b>		<b>(50)</b>	<b>(6)</b>
<b>Earnings per equity share</b>			
Basic		(20.73)	(2.42)
Diluted		(20.73)	(2.42)
Weighted average no. of shares		2,40,000	2,40,000

Summary of significant Accounting Policies 1  
Accompanying Notes are integral part of financial statements 2-20

As per our attached report of even date  
For M/s SANJEEV V. JOSHI & COMPANY  
Chartered Accountants

S. V. Joshi



Sanjeev V Joshi  
Proprietor  
M.No. 035522 FRN - 153304W  
Place - Mumbai Date : 31st July 2020

On Behalf of the Board of Director of  
Yerrowda Investments Limited

AMITABH Digitally signed  
by AMITABH  
BHARGAVA  
Date: 2020.07.31  
16:50:38 +05'30'

Amitabh Bhargava  
Director  
DIN - 00109596  
Place : Pune

KRISHNA Digitally signed  
by KRISHNA  
SUBHARAMAN  
Date: 2020.07.31  
16:08:19 +05'30'

K Subharaman  
Director  
DIN - 01518995

UPIA - 40035522 AAAAL 3840



**Yerrowda Investments Limited**

**Statement of Changes in Equity for the year ended March 31, 2020**  
(All Amounts in Rs in Lacs unless otherwise stated)

**A. Equity Share Capital**

	31 March 2020	31 March 2019
Balance at the beginning of the year	24	24
Changes in equity shares capital during the year	-	-
Balance at the end of the year	24	24

**B. Other Equity**

	Reserves and surplus			Total
	Securities premium	Retained earnings	Other Reserves (General Reserve & Capital Redemption Reserve)	
Balance at 1 April 2018	5,928	(2,074)	3	3,857
Profit for the year	-	(6)	-	(6)
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the year</b>	-	(6)	-	(6)
Balance at 31 March 2019	5,928	(2,080)	3	3,851
Profit for the year	-	(50)	-	(50)
Other comprehensive income	-	-	-	-
<b>Total comprehensive income for the year</b>	-	(50)	-	(50)
Balance at 31 March 2020	5,928	(2,130)	3	3,801

As per our report of even date  
For M/s SANJEEV V. JOSHI & COMPANY  
Chartered Accountants



*S. V. Joshi*

Sanjeev V Joshi  
Proprietor  
M.No. 035522  
Place - Mumbai  
FRN - 153304W  
Date : 31st July 2020

On Behalf of the Board of Director of  
Yerrowda Investments Limited

Digitally signed  
by AMITABH  
BHARGAVA  
Date:  
2020.07.31  
16:50:55 +05'30'

Amitabh Bhargava  
Director  
DIN - 00109596  
Place : Pune

Digitally signed  
by KRISHNAN  
SUBHARAMAN  
Date:  
2020.07.31  
16:10:30  
+05'30'

K Subharaman  
Director  
DIN - 01518995



*WJIV-2003SS22AAAAAL3840*

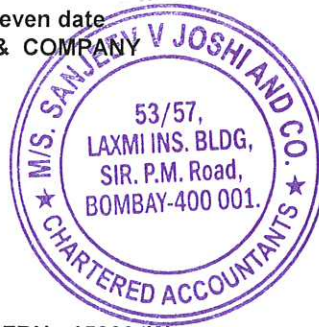
**Yerrowda Investments Limited**  
**Cash flow statement for the year ended March 31, 2020**  
 (All Amounts in Rs in Lacs unless otherwise stated)

	Year ended 31 March 2020	Year ended 31 March 2019
<b>Cash flow</b>		
Profit before tax	(30)	(6)
Adjustments for		
Depreciation and amortisation expense	76	76
Dividend and interest income classified as investing cash flows	-	(1)
<b>Change in operating assets and liabilities, net of effects</b>		
(Increase)/Decrease in trade receivables	(6)	0
Increase/(decrease) in trade payables	(16)	(65)
(Increase)/Decrease in other financial assets	1	38
Increase/(decrease) in other non-current liabilities	-	1
(Increase)/decrease in other current assets	(19)	2
Increase/(decrease) in other current liabilities	(2)	(2)
<b>Cash generated from operations</b>	<b>4</b>	<b>43</b>
Income taxes paid	(20)	(2)
<b>Net cash inflow from operating activities</b>	<b>(16)</b>	<b>41</b>
Cash flows from investing activities		
Interest received	1	14
<b>Net cash outflow from investing activities</b>	<b>1</b>	<b>14</b>
Cash flows from financing activities		
Interest paid	-	-
<b>Net cash inflow (outflow) from financing activities</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(15)</b>	<b>55</b>
Cash and cash equivalents at the beginning of the financial	189	134
<b>Cash and cash equivalents at end of the year</b>	<b>174</b>	<b>189</b>

Cash and cash equivalents as per above comprise of the following	Year ended 31 March 2020	Year ended 31 March 2019
Cash and cash equivalents	175	189
<b>Balances per statement of cash flows</b>	<b>175</b>	<b>189</b>

As per our attached report of even date  
 For M/s SANJEEV V. JOSHI & COMPANY  
 Chartered Accountants

*S. V. Joshi*



Sanjeev V Joshi  
 Proprietor  
 M.No. 035522  
 Place - Mumbai

FRN - 153304W  
 Date : 31st July 2020

On Behalf of the Board of Director of  
 Yerrowda Investments Limited

AMITABH  
 BHARGAVA  
 VA

Digitally signed  
 by AMITABH  
 BHARGAVA  
 Date:  
 2020.07.31  
 16:51:13 +05'30'

KRISHNA  
 N  
 SUBHAR  
 AMAN

Digitally signed  
 by KRISHNAN  
 SUBHARAMAN  
 Date: 2020.07.31  
 16:10:47 +05'30'

Amitabh Bhargava  
 Director  
 DIN - 00109596  
 Place : Pune

K Subharaman  
 Director  
 DIN - 01518995

UDIA-20035521 AAAAAL3040



**Yerrowda Investments Limited**  
(All Amounts in Rs in Lacs unless otherwise stated)

**Note 2: Property, Plant & Equipment**

	Lease-hold Land	Buildings	Total
<b>Gross carrying value</b>			
As at 1 April 2018	2	3,961	3,963
Additions	-	-	-
Disposals	-	-	-
<b>Gross carrying amount as at 31 March 2018</b>	<b>2</b>	<b>3,961</b>	<b>3,963</b>
<b>Accumulated Depreciation</b>			
As at 1 April 2018	-	(231)	(231)
Depreciation charge during the year	-	(76)	(76)
Disposals	-	-	-
<b>Accumulated depreciation and impairment as at 31 March 2019</b>	<b>-</b>	<b>(307)</b>	<b>(307)</b>
<b>Net carrying amount as at 31 March 2019</b>	<b>2</b>	<b>3,654</b>	<b>3,656</b>
<b>Gross carrying value</b>			
As at 1 April 2019	2	3,961	3,963
Additions	-	-	-
Transfers to Right of use	(2)	-	(2)
<b>Gross carrying amount as at 31 March 2020</b>	<b>-</b>	<b>3,961</b>	<b>3,961</b>
<b>Accumulated Depreciation</b>			
As at 1 April 2019	-	(307)	(307)
Depreciation charge during the year	-	(76)	(76)
Disposals	-	-	-
<b>Accumulated depreciation and impairment as at 31 March 2020</b>	<b>-</b>	<b>(383)</b>	<b>(383)</b>
<b>Net carrying amount as at 31 March 2020</b>	<b>-</b>	<b>3,577</b>	<b>3,577</b>

Note : As per the Memorandum of Association of the Company, the shareholders of the Company have been provided right of use to the land and building owned by the Company till the time the shareholders continue to hold equity shares of the Company.



**Note 3: LEASES**

**A. Right of use assets**

	Leasehold land
<b>Gross carrying amount</b>	
Balance as at 1 April 2019	-
Add: Reclassification on account of adoption of Ind AS 116	2
Add: Additions	-
Less: Disposals	-
<b>Gross carrying amount as at 31 March 2020</b>	<b>2</b>
<b>Accumulated amortization</b>	
Balance as at 1 April 2019	-
Less: Amortisation for the year	-
Accumulated depreciation as at 31 March 2020	-
<b>Net carrying amount as at 31 March 2020</b>	<b>2</b>

**Note 4: Investments**

	31 March 2020	31 March 2019
<b>Investments in equity instruments at amortised cost</b>		
<b>Unquoted</b>		
10,000 (31 March 2019 : 10,000) equity shares of Priyanka Mercantile Limited	1	1
10,000 (31 March 2019 : 10,000) equity shares of Sandhya Commercial Limited	1	1
<b>Total (equity instruments)</b>	<b>2</b>	<b>2</b>
<b>Total Non-current investments</b>	<b>2</b>	<b>2</b>
Aggregate amount of unquoted investments	2	2
Aggregate amount of impairment in the value of investments	(2)	(2)
<b>Net Non-current investments</b>	<b>-</b>	<b>-</b>

**Note 5: Current investments**

	31 March 2020	31 March 2019
<b>Investment in mutual funds</b>		
Religare Invesco Liquid Fund-Direct Plan-Growth	1	1
<b>Total (mutual funds)</b>	<b>1</b>	<b>1</b>
<b>Total current investments</b>	<b>1</b>	<b>1</b>
Aggregate amount of quoted investments and market value thereof	1	1

**Note 6: Trade Receivables**

	31 March 2020	31 March 2019
<b>Trade receivables</b>		
Unsecured, considered good	9	3
<b>Total Receivables</b>	<b>9</b>	<b>3</b>

**Note 7: Cash & Cash Equivalents**

	31 March 2020	31 March 2019
<b>Balances with banks</b>		
- in current accounts	175	189
Cash on hand	0	0
<b>Total cash and cash equivalents</b>	<b>175</b>	<b>189</b>

**Note 8: Other Financial Assets**

	31 March 2020		31 March 2019	
	Current	Non Current	Current	Non Current
<b>(i) Others</b>				
Interest receivable	-	-	1	-
Security deposits	-	13	-	13
<b>Total other financial assets</b>	<b>-</b>	<b>13</b>	<b>1</b>	<b>13</b>

**Note 9: Inventories**

	31 March 2020	31 March 2019
<b>Stock-in-trade</b>	<b>5</b>	<b>5</b>
<b>Total Inventories</b>	<b>5</b>	<b>5</b>

**Note 10: Other Current Assets**

	31 March 2020	31 March 2019
<b>Balances with Statutory / Government Authorities</b>	<b>-</b>	<b>-</b>
Prepaid Expenses	-	-
Other Receivable	43	24
<b>Total Other Current Assets</b>	<b>43</b>	<b>24</b>



**Yerrowda Investments Limited**  
(All Amounts in Rs in Lacs unless otherwise stated)

**Note 11: Share Capital**

	31 March 2020	31 March 2019
<b>Authorised</b>		
2,50,000 equity shares of Rs. 10/- each.	25	25
(March 31, 2019 : 2,50,000 equity shares of Rs 10/- each)		
<b>Issued, subscribed and fully paid share capital (Nos)</b>		
2,40,000 equity shares of Rs. 10/- each.	25	25
(March 31, 2019 : 2,40,000 equity shares of Rs 10/- each)	24	24
<b>Fully Paid Share Capital</b>	<b>24</b>	<b>24</b>

(i) Reconciliation of the number of Equity Shares

	31 March 2020		31 March 2019	
	No of Shares	Amount	No of Shares	Amount
<b>Equity Shares</b>				
Balance as at the beginning of the year	24	24	24	24
Add: Issued during the year	-	-	-	-
<b>Closing Balance</b>	<b>24</b>	<b>24</b>	<b>24</b>	<b>24</b>

**Terms and rights attached to equity shares**

The Company has only one class of issued Equity Shares having at par value of Rs. 10 per Share. Each holder of Equity Shares is entitled to one vote per Share.

The Company declares and pay dividend in Indian Rupee except in the case of overseas Shareholders where dividend is paid in respective foreign currencies considering foreign exchange rate applied at the date of remittance. The dividend proposed by the Board of Directors is subject to the approval of Shareholders in the ensuring Annual General Meeting.

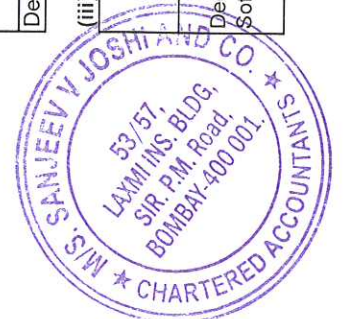
In the event of liquidation of the Company the holders of Equity Share will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts in proportion to their shareholding.

(ii) Shares of the company held by holding/ultimate holding company

	31 March 2020	31 March 2019
Deepak Fertilisers and Petrochemicals Corporation Limited	2,03,995	2,03,995

(iii) Details of shareholders holding more than 5% shares in the company

	31 March 2020		31 March 2019	
	Number of shares	% Holding	Number of shares	% Holding
Deepak Fertilisers and Petrochemicals Corporation Limited	2,03,995	85.00%	2,03,995	85.00%
Sofotel Infra Private Limited	36,000	15.00%	36,000	15.00%



*3*

**Yerrowda Investments Limited**

(All Amounts in Rs in Lacs unless otherwise stated)

**Note No 12: Reserves & Surplus**

	31 March 2020	31 March 2019
Securities premium (Refer Note (i))	5,928	5,928
General Reserve (Refer Note (ii))	3	3
Retained earnings (Refer Note (iii))	(2,130)	(2,080)
<b>Total reserves and surplus</b>	<b>3,801</b>	<b>3,851</b>

**(i) Securities Premium Reserve**

	31 March 2020	31 March 2019
Opening Balance	5,928	5,928
Movement (If any)	-	-
<b>Closing Balance</b>	<b>5,928</b>	<b>5,928</b>

**(ii) General Reserve**

	31 March 2020	31 March 2019
Opening Balance	3	3
Movement (If any)	-	-
<b>Closing Balance</b>	<b>3</b>	<b>3</b>

**(iii) Retained earnings**

	31 March 2020	31 March 2019
Opening balance	(2,080)	(2,074)
Net profit for the period	(50)	(6)
<b>Closing Balance</b>	<b>(2,130)</b>	<b>(2,080)</b>

**Note 13: Trade Payables**

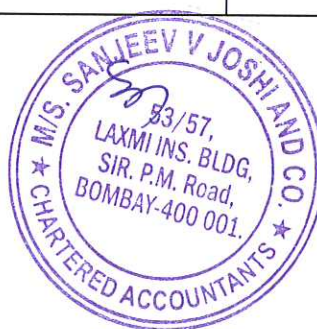
	31 March 2020	31 March 2019
Trade payables		
(a) total outstanding dues of micro enterprises and small enterprises; and	-	-
(b) total outstanding dues of creditors other than micro enterprises and small enterprises.	7	23
<b>Total trade payables</b>	<b>7</b>	<b>23</b>

**Note 14: Current tax Liabilities**

	31 March 2020	31 March 2019
Provision for taxation	-	2
<b>Closing balance</b>	<b>-</b>	<b>2</b>

**Note 15: Other current liabilities**

	31 March 2020	31 March 2019
Customer advances	-	-
Statutory tax payables	1	1
<b>Total other current liabilities</b>	<b>1</b>	<b>1</b>





**Yerrowda Investments Limited**  
(All Amounts in Rs in Lacs unless otherwise stated)

**Note 16: Other income and other gains/(losses)**

	31 March 2020	31 March 2019
Rental income	33	16
Interest income from financial assets mandatorily measured at fair value through profit or loss	-	1
Other non-operating income	14	161
<b>Total other income</b>	<b>47</b>	<b>178</b>

**Note 17: Depreciation and amortisation expense**

	31 March 2020	31 March 2019
Depreciation of property, plant and equipment	76	76
<b>Total depreciation and amortisation expense</b>	<b>76</b>	<b>76</b>

**Note 18: Other expenses**

	31 March 2020	31 March 2019
Repairs Others	0	0
Rates, taxes and Duties	0	76
Legal and Professional Fees	0	3
Electricity Expenses	0	18
Payments to auditors (refer note 18(a) below)	0	1
Miscellaneous expenses	0	10
<b>Total other expenses</b>	<b>1</b>	<b>108</b>

**Note 19: Details of payments to auditors**

	31 March 2020	31 March 2019
<b>Payment to auditors</b>		
<b>As auditor:</b>		
Audit fee	0	1
Tax audit fee	-	-
<b>In other capacities</b>		
Taxation matters	-	-
Certification fees	-	-
Re-imbursment of expenses	-	-
<b>Total payments to auditors</b>	<b>0</b>	<b>1</b>

**Note 20 :** Previous year's figure have been re-grouped wherever necessary to confirm current year;s grouping. Wherever, an amount is represented as INR '0' (zero) it construes value less than Rs.50,000. Previous year figures are given in bracket/italics.

**Note 21 : Related Party Transactions**

Nature of Transactions	31-Mar-20	
	Jointly Controlled Entities	Key Management Personnel
<b>Rendering of services/reimbursement of expenses</b>		
Deepak Fertilisers and Petrochemicals Corporation Limited	108	-
	-31	-
<b>Balance Receivable/(Payable)</b>		
Deepak Fertilisers and Petrochemicals Corporation Limited	41	-
	-21	-

\* bracket represents previous year figures



**Corporate Information: -**

Yerrowda Investments Limited is a public limited company domiciled in India and incorporated under the provisions of Companies Act, 1956. The company is in the business of realty having registered office at Deepak Complex, Off Golf Course, Shastri Nagar, Yerwada, Pune-411006.

**Note 1: Significant Accounting Policies**

This note provides a list of the significant accounting policies adopted in the preparation of these financial statements. These policies have been consistently applied to all the years presented, unless otherwise stated. The standalone financial statements are for the Company consisting of Smartchem Technologies Limited (the 'Company').

**(a) Basis of Preparation: -**

**i. Compliance with Ind AS**

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements have been prepared on accrual and going concern basis. The accounting policies are applied consistently to all the periods presented in the financial statements. All assets and liabilities have been classified as current or non current as per the Company's normal operating cycle and other criteria as set out in the Division II of Schedule III to the Companies Act, 2013. Based on the nature of products and the time between acquisition of assets for processing and their realisation in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities.

**ii. Use of Estimates**

The preparation of financial statements requires the management of the Company to make an estimate & assumptions that affect the reported balances of Assets & Liabilities and disclosure relating to Contingent liabilities as at the date of financial statements & reported amounts of Income & Expenses during the year. The estimates are based on management's best knowledge of current events and actions. However, due to uncertainty of the assumptions and estimates the carrying amounts of the assets & liabilities may require material adjustment in future periods.

**iii. Revenue Recognition**

a) Rental income from realty business is recognised based on the contractual terms. In case of revenue sharing arrangements, the rental income is recognised on the basis of provisional information provided by the lessees where the final data is awaited on the date of revenue recognition.

b) Revenue in respect of Interest on deposits Maharashtra State Electricity Distribution Company Limited is recognized on time proportion basis

**iv. Property, Plant & Equipment**

All items of property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items. Cost may also include transfers from equity of any gains or losses on qualifying cash flow hedges of foreign currency purchases of property, plant and equipment.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the group and the cost of the item can be measured reliably. The carrying amount of any component accounted for as a separate asset is derecognised when replaced. All other repairs and maintenance are charged to profit or loss during the reporting period in which they are incurred.

**v. Cash and Cash Equivalents**

For the purpose of presentation in the statement of cash flows, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

**vi. Trade Receivables**

Trade receivables are recognised initially at fair value and subsequently measured at amortised cost using the effective interest method, less provision for impairment.



Stock-in-trade is valued at lower of cost and net realisable value.

#### viii. Depreciation on Property, Plant & Equipment

Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets as prescribed in Schedule – II of the Companies Act, 2013. As per requirements of the Companies Act, 2013 the Company has also identified significant components of the assets and its useful life based on the internal technical evaluation. Estimated useful life adopted in respect of the following assets is different from the useful life prescribed in Schedule – II of the Companies Act, 2013.

Name of assets	Estimated useful life
Buildings other than Factory Buildings RCC Frame Structure	61 Years

- Depreciation for assets purchased/sold during a period is proportionately charged.
- Depreciation on exchange rate variances capitalised as part of the cost of Fixed Assets, has been provided prospectively over the residual useful life of the assets.

#### ix. Leases

The determination of whether an arrangement is (or contains) a lease is based on the substance of the arrangement at the inception of the lease. The arrangement is, or contains, a lease if fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset or assets, even if that right is not explicitly specified in an arrangement.

##### Company as a lessee

A lease is classified at the inception date as a finance lease or an operating lease. A lease that transfers substantially all the risks and rewards incidental to ownership to the Company is classified as a finance lease. Finance leases are capitalized at the commencement of the lease at the inception date fair value of the leased property or, if lower, at the present value of the minimum lease payments. Lease payments are apportioned between finance charges and reduction of the lease liability so as to achieve a constant rate of interest on the remaining balance of the liability. Finance charges are recognized as finance costs in the statement of profit and loss, unless they are directly attributable to qualifying assets in which case they are capitalized in accordance with the Company's general policy on borrowing costs. A leased asset is depreciated over the useful life of the asset. However, if there is no reasonable certainty that the Company will obtain ownership by the end of the lease term, the asset is depreciated over the shorter of the estimated useful life of the asset and the lease term. Operating lease payments are recognized as an expense in the statement of profit and loss on a straight-line basis over the lease term.

##### Company as a lessor

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset are classified as operating leases. Rental income from an operating lease is recognized on a straight-line basis over the term of the relevant lease. Leases are classified as finance leases when substantially all of the risks and rewards of ownership transfer from the Company to the lessee. Amounts due from lessees under finance leases are recorded as receivables at the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the net investment outstanding in respect of the lease.

##### Transition to Ind AS 116

The Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases, and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement,



**x) Investments and other financial assets**

**(a) Classification**

The company classifies its financial assets in the following measurement categories:

- Those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and
- Those measured at amortised cost.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

For assets measured at fair value, gains and losses will either be recorded in profit or loss or other comprehensive income. For investments in debt instruments, this will depend on the business model in which the investment is held. For investments in equity instruments, this will depend on whether the Company has made an irrevocable election at the time of initial recognition to account for the equity investment at fair value through other comprehensive income.

The Company reclassifies debt investments when and only when its business model for managing those assets changes.

**(b) Measurement**

At initial recognition, the Company measures a financial asset at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs that are directly attributable to the acquisition of the financial asset. Transaction costs of financial assets carried at fair value through profit or loss are expensed in profit or loss.

Financial assets with embedded derivatives are considered in their entirety when determining whether their cash flows are solely payment of principal and interest.

**Debt instruments:** Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the cash flow characteristics of the asset. There are three measurement categories into which the Company classifies its debt instruments:

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

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

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

**Equity instruments:** The Company initially records at cost all equity investments measures them at fair value. Where the Company's management has elected to present fair value gains and losses on equity investments in other comprehensive income, there is no subsequent reclassification of fair value gains and losses to profit or loss. Dividends from such investments are recognised in profit or loss as other income when the Company's right to receive payments is established

Changes in the fair value of financial assets at fair value through profit or loss are recognised in other gain/ (losses) in the statement of profit and loss. Impairment losses (and reversal of impairment losses) on equity investments measured at FVOCI are not reported separately from other changes in fair value.



**(xi) Impairment of financial assets**

The Company assesses on a forward booking basis the expected credit losses associated with its assets carried at amortised cost and FVOCI debt instruments. The impairment methodology applied depends on 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.

**(xii) Taxes on Income**

Provision for current Income Tax is determined in accordance with the provisions of Income Tax Act 1961. Minimum Alternate Tax (MAT) paid / provided in the year is charged to the Statement of Profit and Loss as current Tax. Deferred Tax – subject to materiality – is recognized on temporary differences between the tax basis of assets and liabilities & there carrying amount for financial reporting purposes at the reporting date. Deferred tax asset is recognized & carried forward only to the extent that there is a reasonable certainty that the asset will be realized in future

**(xiii) Provisions, Contingent Liabilities & Commitments and Contingent assets**

Provisions in respect of present obligations arising out of past events are made in accounts when reliable estimates can be made of the amounts of obligations. Provisions are not discounted to their present value and reviewed at each reporting date. Contingent liabilities & commitments are not accounted but disclosed separately. Contingent assets are neither accounted nor disclosed in the financial statements.

**(xiv) Earnings per share**

The earnings considered in ascertaining the Company's earnings per share are net profit after tax, preference dividend & tax attributable to Preference Dividend. The number of shares is considered on weighted average basis. Partly paid equity shares are treated as fraction of equity share to the extent they are entitled to participate in dividends. For the purpose of calculating dilutive EPS, the net profit attributable to equity shareholders and weighted average number of shares are adjusted for the effect of Dilutive Potential Equity shares.

**(xv) Borrowing cost**

No borrowing costs have been capitalised or charged off to revenue during the year.

