

## INDEPENDENT AUDITORS' REPORT

To the Members of Yerrowda Investments Limited

Report on the audit of the Financial Statements

### Opinion

We have audited the accompanying Financial Statements of Yerrowda Investments Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss including Other Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards as prescribed under Section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015 as amended ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its loss and total comprehensive income, its changes in equity and its cash flows for the year ended on that date.

### Basis for Opinion

We conducted our audit of the Financial Statements in accordance with the Standards on Auditing (SAs) specified under Section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Statements' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ("the ICAI") together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our audit opinion on the Financial Statements.

### Information Other than the Financial Statements and Auditors' Report thereon

The Company's Board of Directors is responsible for the other information. The other information comprises the Directors' Report and the related annexures, but does not include the Financial Statements and our auditors' report thereon.

Our opinion on the Financial Statements does not cover the other information and we do not express any form of assurance conclusion thereon.

*Signature*

In connection with our audit of the Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Financial Statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

## **Responsibilities of management for the Financial Statements**

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Act with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

## **Auditors' Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the Financial Statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these Financial Statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the Financial Statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal financial control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditors' report to the related disclosures in the Financial Statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditors' report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Financial Statements, including the disclosures, and whether the Financial Statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Financial Statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Financial Statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the Financial Statements of the current year and are therefore the key audit matters. We describe these matters in our auditors' report unless law or

regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-Section (11) of Section 143 of the Act and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
  - (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive income, the Statement of Changes in Equity and the Cash Flow Statement dealt with by this report are in agreement with the books of account.
  - (d) In our opinion, the aforesaid Financial Statements comply with the Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
  - (f) With respect to the adequacy of the internal financial controls with reference to Financial Statements of the Company and the operating effectiveness of such controls, refer to our separate report in Annexure B. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls with reference to the Financial Statements.
  - (g) The Company has not paid any remuneration to managerial personnel as defined in the Act. Accordingly, the provisions of Section 197 of the Act related to the managerial remuneration are not applicable.
  - (h) With respect to the other matters to be included in the Auditors' Report in accordance with the requirements of Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:



- (i) The Company does not have any pending litigations which would impact its financial position;
- (ii) The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses; and
- (iii) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company;
- (iv) (a) The management has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities (“Intermediaries”), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The management has represented that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (c) Based on such audit procedures that we considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (a) and (b) contain any material misstatement.
- (v) The Company has not declared or paid any dividend during the year.

For SANJEEV V JOSHI & COMPANY  
CHARTERED ACCOUNTANTS  
Firm Registration No. 153304W

*S. V. Joshi*

**SANJEEV JOSHI**  
Proprietor  
Membership No. 035522  
UDIN: 22035522AIIUYX5578  
Mumbai, 03-05-2022



## ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT

[Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date on the Financial Statements of Yarrowda Investments Limited for the year ended March 31, 2022

1. (a) (A) According to the information and explanations given to us, the Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant and equipment.  
  
(B) According to the information and explanations given to us, the Company does not have any intangible assets and hence the provisions of this clause are not applicable.  
  
(b) The Company has a regular programme for physical verification of its property, plant and equipment by which the property, plant and equipment are verified by the management according to a phased programme designed to cover all the items every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its property, plant and equipment. In accordance with the programme, the Company has physically verified all of its property, plant and equipment during the year and no material discrepancies were noticed on such verification.  
  
(c) According to the information and explanations given to us, the title deeds of immovable properties (other than properties where the Company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the Company.  
  
(d) According to the information and explanations given to us, the Company has not revalued any of its Property, Plant and Equipment (including Right of Use assets) during the year.  
  
(e) Based on the audit procedures performed by us and according to the information, explanations and representations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
2. (a) According to the information and explanations given to us, inventories represented by stock in trade has been physically verified at reasonable intervals by the management during the year. In our opinion, coverage and procedure of such verification is appropriate and no material discrepancies were noticed on such verification between the physical inventory and the book records.  
  
(b) According to the information and explanations given to us, the Company has not been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets at any point of time during the year.
3. According to the information and explanations given to us, the Company has not made investments in or provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties

during the year. Accordingly, the reporting under Clauses 3(iii)(a) to 3(iii)(f) of the Order is not applicable to the Company.

4. According to the information and explanations given to us, the Company has not granted any loans or made any investments or provided any guarantees or security to the parties covered under Sections 185 and 186 of the Act. Accordingly, the reporting under Clause 3(iv) of the Order is not applicable to the Company.
5. According to the information and explanations given to us, the Company has not accepted deposits under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed thereunder. Accordingly, the reporting under Clause 3(v) of the Order is not applicable to the Company.
6. The Central Government has not specified the maintenance of cost records under sub-section (1) of Section 148 of the Act for any of the products of the Company. Accordingly, the reporting under Clause 3(vi) of the Order is not applicable to the Company.
7. (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, the amounts deducted / accrued in the books of account in respect of undisputed statutory dues including Goods and Services tax, Provident Fund, Employees' State Insurance, Income-tax, Cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. The amounts deducted / accrued in the books of account in respect of undisputed statutory dues of Income-tax have been regularly deposited during the year by the Company with the appropriate authorities. According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no undisputed statutory dues payable in respect of Sales tax, Service tax, Duty of Customs, Duty of Excise and Value Added Tax.

According to the information and explanations given to us and on the basis of our examination of records of the Company, there were no arrears of outstanding statutory dues in respect of Goods and Services tax, Provident fund, Employees' State Insurance, Income-tax, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and other material statutory dues as on the last day of the financial year for a period of more than six months from the date they became payable.

(c) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no statutory dues in respect of Goods and Services Tax, Provident Fund, Employees' State Insurance, Sales tax, Service tax, Duty of Customs, Duty of Excise, Value Added Tax, Cess and any other statutory dues as at 31 March 2022, which have not been deposited with the appropriate authorities on account of any dispute.

8. According to the information and explanations given to us, there are no transactions not recorded in the books of account which have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961. Accordingly, the reporting under Clause 3(viii) of the Order is not applicable to the Company.



9. (a) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any loans or other borrowings during the year. Accordingly, the reporting under Clause 3(ix)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us, the Company has not been declared a wilful defaulter by any bank or financial institution or any other lender till the date of our audit report.
- (c) According to the information and explanations given to us and based on the audit procedures performed by us, the Company has not availed any loans during the year. Accordingly, the reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.
- (d) In our opinion and according to the information and explanations given to us and on an overall examination of the Balance Sheet of the Company, there were no funds raised during the year. Accordingly, the reporting under Clause 3(ix)(c) of the Order is not applicable to the Company.
- (e) and (f) The Company does not have any subsidiaries or associates and hence the reporting under Clause (ix) (e) and (f) of the Order is not applicable to the Company.
10. (a) According to the information and explanations given to us, the Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, the reporting under Clause 3(x)(a) of the Order is not applicable to the Company.
- (b) According to the information and explanations given to us, the Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, the reporting under Clause 3(x)(b) of the Order is not applicable to the Company.
11. (a) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company noticed or reported during the year, nor have we been informed of any such case by the management.
- (b) There has been no report filed by us under sub-section (12) of Section 143 of the Act in Form ADT-4 as prescribed under Rule 13 of the Companies (Audit and Auditors) Rules, 2014 with the Central Government. Accordingly, the reporting under Clause 3(xi)(b) of the Order is not applicable to the Company.
- (c) As represented to us by the management, no whistle blower complaints were received by the Company during the year.
12. According to the information and explanations given to us, the Company is not a Nidhi company and the Nidhi Rules, 2014 are not applicable to it. Accordingly, the reporting under Clause 3(xii) of the Order is not applicable to the Company.

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13. In our opinion and according to the information and explanations given to us, the Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of such related party transactions have been disclosed in the Financial Statements as required by Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified under Section 133 of the Act.
14. In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per the provisions of the Act.
15. According to the information and explanations given to us, the Company has not entered into any non-cash transactions with its directors or directors of its holding, or subsidiary company or persons connected with them during the year and hence, the provisions of Section 192 of the Act are not applicable to the Company. Accordingly, the reporting under Clause 3(xv) of the Order is not applicable to the Company.
16. (a) According to the information and explanations given to us, the Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the reporting under Clause 3(xvi) of the Order is not applicable to the Company.  
  
(b) In our opinion and according to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities. Accordingly, the reporting under Clause 3(xvi)(b) of the Order is not applicable to the Company.  
  
(c) and (d) In our opinion and according to the information and explanations given to us, the Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the reporting under Clauses 3(xvi)(c) and 3(xvi)(d) of the Order is not applicable to the Company.
17. In our opinion and according to the information and explanations given to us, the Company has not incurred cash losses in the current financial year as well as in the immediately preceding financial year.
18. There has been no resignation of the statutory auditors during the year. Accordingly, the reporting under Clause 3(xviii) of the Order is not applicable to the Company.
19. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realisation of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of Balance Sheet as and when they fall due within a period of one year from the Balance Sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the Balance Sheet date, will get discharged by the Company as and when they fall due.

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# Sanjeev V Joshi & Co.

CHARTERED ACCOUNTANTS

53 / 57, Laxmi Insurance Building,  
Sir P. M. Road, Fort, Mumbai 400001.  
Tel. No. 22 66 0945  
Mob. +91 98 21 620 353  
Email – [sanjeevjoshi59@yahoo.co.in](mailto:sanjeevjoshi59@yahoo.co.in)

20. (a) According to the information and explanations given to us, provisions of section 135 of the Act is not applicable to the company and hence reporting under the provisions of clause (XX) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us, in respect of ongoing projects, the Company has no unspent amount which needs to be transferred to a special account in compliance with sub-section (6) of Section 135 of the Act.

For **SANJEEV V JOSHI & COMPANY**  
CHARTERED ACCOUNTANTS  
Firm Registration No. 153304W

*S. V. Joshi*

**SANJEEV JOSHI**  
Proprietor  
Membership No. 035522  
UDIN: 22035522AIIUYX5578  
Mumbai, 03-05-2022



## **ANNEXURE B TO THE INDEPENDENT AUDITORS' REPORT**

[Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date]

### **Report on the Internal Financial Controls with reference to Financial Statements under Clause (i) of sub-section (3) of Section 143 of the Companies Act, 2013 ("the Act")**

We have audited the internal financial controls with reference to Financial Statements of XXX Limited ("the Company") as of March 31, 2022 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

#### **Management's Responsibility for Internal Financial Controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business including adherence to the Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Financial Statements of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting ("the Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Financial Statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system with reference to Financial Statements and their operating effectiveness. Our audit of internal financial controls with reference to Financial Statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system with reference to financial statements.

## **Meaning of Internal Financial Controls with reference to Financial Statements**

A company's internal financial control with reference to Financial Statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of Financial Statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control with reference to Financial Statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of Financial Statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorisations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

## **Inherent Limitations of Internal Financial Controls with reference to financial statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Financial Statements to future periods are subject to the risk that the internal financial control with reference to Financial Statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

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# Sanjeev V Joshi & Co.

CHARTERED ACCOUNTANTS

53 / 57, Laxmi Insurance Building,  
Sir P. M. Road, Fort, Mumbai 400001.  
Tel. No. 22 66 0945  
Mob. +91 98 21 620 353  
Email – [sanjeevjoshi59@yahoo.co.in](mailto:sanjeevjoshi59@yahoo.co.in)

## Opinion

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system with reference to Financial Statements and such internal financial controls with reference to Financial Statements were operating effectively as at March 31, 2022, based on the criteria for internal financial control with reference to Financial Statements established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **SANJEEV V JOSHI & COMPANY**  
CHARTERED ACCOUNTANTS  
Firm Registration No. 153304W

*S. V. Joshi*

**SANJEEV JOSHI**  
Proprietor  
Membership No. 035522  
UDIN: 22035522AIIUYX5578  
Mumbai, 03-05-2022



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Yerrowda Investments Limited  
Balance Sheet as at March 31, 2022

(All Amounts in Rs in Lacs unless otherwise stated)

	Notes	As at 31 March 2022	As at 31 March 2021
<b>ASSETS</b>			
<b>Non-current assets</b>			
Property, plant and equipment	2	3,428	3,502
Right of use asset	3	-	2
<b>Financial assets</b>			
i. Other financial assets	8	8	13
Tax assets (net)		10	9
<b>Total non-current assets</b>		<b>3,446</b>	<b>3,526</b>
<b>Current assets</b>			
Inventories	9	5	5
<b>Financial assets</b>			
i. Investments	5	2	2
ii. Trade receivables	6	-	0
iii. Cash and cash equivalents	7	10	127
iv. Bank balances other than (iii) above	7(a)	200	90
v. Other financial assets	8	9	4
Other current assets	10	1	1
<b>Total current assets</b>		<b>227</b>	<b>229</b>
<b>Total assets</b>		<b>3,673</b>	<b>3,755</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	11	24	24
<b>Other equity</b>			
Reserves and surplus	12	3,649	3,718
<b>Total equity</b>		<b>3,673</b>	<b>3,742</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	0	13
Other current liabilities	15	0	0
<b>Total current liabilities</b>		<b>0</b>	<b>13</b>
<b>Total liabilities</b>		<b>0</b>	<b>13</b>
<b>Total equity and liabilities</b>		<b>3,673</b>	<b>3,755</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		On Behalf of the Board of Director of Yerrowda Investments Limited	
Sanjeev V Joshi Proprietor M.No. 035522 Place - Mumbai		Amitabh Bhargava Director DIN - 00109596 Place : Pune	
FRN - 153304W Date : May 03, 2022		Ritesh Chaudhry Director DIN - 09532132	

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Yerrowda Investments Limited  
Statement of profit and loss for the year ended March 31, 2022

(All Amounts in Rs in Lacs unless otherwise stated)

	Notes	Year ended 31 March 2022	Year ended 31 March 2021
<b>Continuing operations</b>			
Revenue from operations	16	4	2
Other income	17	18	32
<b>Total income</b>		<b>22</b>	<b>34</b>
<b>Expenses</b>			
Depreciation and amortisation expense	18	74	76
Other expenses	19	17	34
<b>Total expenses</b>		<b>91</b>	<b>110</b>
<b>Profit before exceptional items and tax</b>		<b>(69)</b>	<b>(76)</b>
Exceptional items		-	-
<b>Profit before tax</b>		<b>(69)</b>	<b>(76)</b>
Income tax expense			
- Current tax (includes last year's adjustment)		-	8
<b>Total tax expense</b>		<b>-</b>	<b>8</b>
<b>Profit for the year</b>		<b>(69)</b>	<b>(84)</b>
<b>Earnings per equity share</b>			
Basic		(28.61)	(34.87)
Diluted		(28.61)	(34.87)
Weighted average no. of shares		2,40,000	2,40,000
<b>Summary of significant Accounting Policies</b> 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		On Behalf of the Board of Director of	
Chartered Accountants		Yerrowda Investments Limited	
<i>S. V. Joshi</i>		<i>Amitabh Bhargava</i>	
<i>Ritesh Chaudhry</i>			
Sanjeev V Joshi		Amitabh Bhargava	Ritesh Chaudhry
Proprietor		Director	Director
M.No. 035522	FRN - 153304W	DIN - 00109596	DIN - 09532132
Place - Mumbai	Date : May 03, 2022	Place : Pune	

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Yerrowda Investments Limited  
Statement of Changes in Equity for the year ended March 31, 2022

(All Amounts in Rs in Lacs unless otherwise stated)

	31 March 2022		31 March 2021	
	24	24	24	24
<b>A. Equity Share Capital</b>				
Balance at the beginning of the year				
Balance at the end of the year				
<b>B. Other Equity</b>				
	<b>Reserves and surplus</b>			
	<b>Securities premium</b>	<b>Retained earnings</b>	<b>Other Reserves (General Reserve &amp; Capital Redemption Reserve)</b>	<b>Total</b>
Balance at 1 April 2020	5,928	(2,130)	3	3,801
Profit for the year	-	(84)		(84)
Total comprehensive income for the year	-	(84)	-	(84)
Balance at 31 March 2021	5,928	(2,213)	3	3,718
Profit for the year	-	(69)		(69)
Total comprehensive income for the year	-	(69)		(69)
Balance at 31 March 2022	5,928	(2,282)	3	3,649

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 : May 03, 2022

On Behalf of the Board of Director of  
Yerrowda Investments Limited

*Amitabh Bhargava*

Amitabh Bhargava  
Director  
DIN - 00109596  
Place : Pune

*Ritesh Chaudhry*

Ritesh Chaudhry  
Director  
DIN - 09532132

*Shava*





Yerrowda Investments Limited  
Cash flow statement for the year ended March 31, 2022

(All Amounts in Rs in Lacs unless otherwise stated)

	Year ended 31 March 2022	Year ended 31 March 2021
<b>Cash flow</b>		
Profit before tax	(69)	(76)
Adjustments for		
Depreciation and amortisation expense	74	76
Dividend and interest income classified as investing cash flows	(5)	(5)
<b>Change in operating assets and liabilities, net of effects from</b>		
(Increase)/Decrease in trade receivables	0	9
Increase/(decrease) in trade payables	(12)	6
(Increase)/Decrease in other current financial assets	(5)	(4)
(Increase)/Decrease in other non current financial assets	5	-
(Increase)/decrease in current tax assets	(2)	(0)
(Increase)/decrease in other current assets	0	42
Increase/(decrease) in other current liabilities	0	(1)
<b>Cash generated from operations</b>	<b>(14)</b>	<b>47</b>
Income taxes paid	-	(8)
<b>Net cash inflow from operating activities</b>	<b>(14)</b>	<b>39</b>
Cash flows from investing activities		
Proceeds from sale of property, plant and equipment	2	
Investment in Fixed deposit	(110)	(90)
MTM gain on investment in Mutual Funds	0	1
Interest received	5	4
<b>Net cash outflow from investing activities</b>	<b>(103)</b>	<b>(85)</b>
Cash flows from financing activities		
<b>Net cash inflow (outflow) from financing activities</b>	<b>-</b>	<b>-</b>
<b>Net increase (decrease) in cash and cash equivalents</b>	<b>(117)</b>	<b>(46)</b>
Cash and cash equivalents at the beginning of the financial year	127	174
<b>Cash and cash equivalents at end of the year</b>	<b>10</b>	<b>127</b>
Cash and cash equivalents as per above comprise of the following	Year ended 31 March 2022	Year ended 31 March 2021
Cash and cash equivalents	10	127
<b>Balances per statement of cash flows</b>	<b>10</b>	<b>127</b>
As per our attached report of even date		
For M/s SANJEEV V JOSHI & COMPANY		
Chartered Accountants		
<i>S. V. Joshi</i>	On Behalf of the Board of Director of Yerrowda Investments Limited	
Sanjeev V Joshi	<i>Amitabh Bhargava</i>	<i>Ritesh Chaudhry</i>
Proprietor	Amitabh Bhargava	Ritesh Chaudhry
M.No. 035522	Director	Director
Place - Mumbai	FRN - 153304W	FRN - 153304W
	Date : May 03, 2022	DIN - 09532132
	Place : Pune	

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**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 2020	2	3,961	3,963
Additions	-	-	-
Transfers to Right of use	(2)	-	(2)
<b>Gross carrying amount as at 31 March 2021</b>	-	3,961	3,961
<b>Accumulated Depreciation</b>			
As at 1 April 2020	-	(383)	(383)
Depreciation charge during the year	-	(76)	(76)
Disposals	-	-	-
<b>Accumulated depreciation and impairment as at 31 March 2021</b>	-	(459)	(459)
<b>Net carrying amount as at 31 March 2021</b>	-	3,502	3,502
<b>Gross carrying value</b>			
As at 1 April 2021	-	3,961	3,961
Additions	-	-	-
Transfers to Right of use	-	-	-
<b>Gross carrying amount as at 31 March 2022</b>	-	3,961	3,961
<b>Accumulated Depreciation</b>			
As at 1 April 2021	-	(459)	(459)
Depreciation charge during the year	-	(74)	(74)
Disposals	-	-	-
<b>Accumulated depreciation and impairment as at 31 March 2022</b>	-	(533)	(533)
<b>Net carrying amount as at 31 March 2022</b>	-	3,428	3,428

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.

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

**Note 3: LEASES**

**A. Right of use assets**

	Leasehold land
<b>Gross carrying amount</b>	
Balance as at 1 April 2021	2
Add: Additions	-
Less: Disposals	(2)
<b>Gross carrying amount as at 31 March 2022</b>	-
<b>Accumulated amortization</b>	
Balance as at 1 April 2021	-
Less: Amortisation for the year	-
Accumulated depreciation as at 31 March 2022	-
<b>Net carrying amount as at 31 March 2022</b>	-

**Note 4: Investments**

	31 March 2022	31 March 2021
<b>Investments in equity instruments at amortised cost</b>		
<b>Unquoted</b>		
10,000 (31 March 2019 : 10,000) equity shares of Sandhya Commercial Limited	1	1
<b>Total (equity instruments)</b>	1	1
<b>Total Non-current investments</b>	1	1
Aggregate amount of unquoted investments	1	1
Aggregate amount of impairment in the value of investments	(1)	(1)
<b>Net Non-current investments</b>	-	-

**Note 5: Current investments**

	31 March 2022	31 March 2021
<b>Investment in mutual funds</b>		
Religare Invesco Liquid Fund-Direct Plan-Growth	2	2
<b>Total (mutual funds)</b>	2	2
<b>Total current investments</b>	2	2
<b>Aggregate amount of quoted investments and market value thereof</b>	2	2

**Note 6: Trade Receivables**

	31 March 2022	31 March 2021
Trade receivables		
Unsecured, considered good	-	0
<b>Total Receivables</b>	-	0

**Note 7: Cash & Cash Equivalents**

	31 March 2022	31 March 2021
Balances with banks		
- in current accounts	10	126
Cash on hand	0	0
<b>Total cash and cash equivalents</b>	10	127

**Note 7(a): Bank balances other than cash & cash equivalents**

	31 March 2022	31 March 2021
Deposits with maturity upto 12 months from the reporting date	200	90
<b>Total Bank balances other than cash &amp; cash equivalents</b>	200	90

**Note 8: Other Financial Assets**

	31 March 2022		31 March 2021	
	Current	Non Current	Current	Non Current
<b>(i) Others</b>				
Interest receivable	4	-	4	-
Security deposits	5	8	-	13
<b>Total other financial assets</b>	9	8	4	13

**Note 9: Inventories**

	31 March 2022	31 March 2021
Stock-in-trade	5	5
<b>Total Inventories</b>	5	5

**Note 10: Other Current Assets**

	31 March 2022	31 March 2021
Balances with Statutory / Government Authorities	1	1
Other Receivable	0	0
<b>Total Other Current Assets</b>	1	1

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## Note 11: Share Capital

	31 March 2022	31 March 2021
<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)	25	25
<b>Issued, subscribed and fully paid share capital (Nos)</b>		
2,40,000 equity shares of Rs. 10/- each.	24	24
(March 31, 2019 : 2,40,000 equity shares of Rs 10/- each)		
<b>Fully Paid Share Capital</b>	<b>24</b>	<b>24</b>

## (i) Reconciliation of the number of Equity Shares

	31 March 2022		31 March 2021	
	No of Shares	Amount	No of Shares	Amount
<b>Equity Shares</b>				
Balance as at the beginning of the year	2,40,000.00	24	2,40,000.00	24
Add: Issued during the year	-	-	-	-
<b>Closing Balance</b>	<b>2,40,000.00</b>	<b>24</b>	<b>2,40,000.00</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 ensuing 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 2022	31 March 2021
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 2022		31 March 2021	
	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%



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

**Note No 12: Reserves & Surplus**

	31 March 2022	31 March 2021
Securities premium (Refer Note (i))	5,928	5,928
General Reserve (Refer Note (ii))	3	3
Retained earnings (Refer Note (iii))	(2,282)	(2,213)
<b>Total reserves and surplus</b>	<b>3,649</b>	<b>3,718</b>

**(i) Securities Premium Reserve**

	31 March 2022	31 March 2021
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 2022	31 March 2021
Opening Balance	3	3
Movement (If any)	-	-
<b>Closing Balance</b>	<b>3</b>	<b>3</b>

**(iii) Retained earnings**

	31 March 2022	31 March 2021
Opening balance	(2,213)	(2,130)
Net profit for the period	(69)	(84)
<b>Closing Balance</b>	<b>(2,282)</b>	<b>(2,213)</b>

**Note 13: Trade Payables**

	31 March 2022	31 March 2021
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.	0	13
<b>Total trade payables</b>	<b>0</b>	<b>13</b>

**Trade Payables aging schedule**

Particulars ( 31st March 2022)	Outstanding for following periods from due date of payment				
	Not Due	Less than 1 year	1-2 year	More than 3 year	Total
(i) MSME	-	-	-	-	-
(ii) Others	-	0	-	-	0
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

**Trade Payables aging schedule**

Particulars ( 31st March 2021)	Outstanding for following periods from due date of payment				
	Not Due	Less than 1 year	1-2 year	More than 3 year	Total
(i) MSME	-	-	-	-	-
(ii) Others	-	13	-	-	13
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

**Note 15: Other current liabilities**

	31 March 2022	31 March 2021
Statutory tax payables	0	0
<b>Total other current liabilities</b>	<b>0</b>	<b>0</b>

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

**Note 16: Revenue from operations**

	31 March 2022	31 March 2021
Liabilities written back	4	2
<b>Total other income</b>	<b>4</b>	<b>2</b>

**Note 17: Other income and other gains/(losses)**

	31 March 2022	31 March 2021
Rental income	13	27
Other non-operating income (Interest accrued on FD & MSEB Deposits)	5	4
Net gain on sales of investment	0	1
<b>Total other income</b>	<b>18</b>	<b>32</b>

**Note 18: Depreciation and amortisation expense**

	31 March 2022	31 March 2021
Depreciation of property, plant and equipment	74	76
<b>Total depreciation and amortisation expense</b>	<b>74</b>	<b>76</b>

**Note 19: Other expenses**

	31 March 2022	31 March 2021
Repairs Others	0	0
Rent	13	27
Rates, taxes and Duties	-	0
Legal and Professional Fees	0	4
Electricity Expenses	0	0
Payments to auditors (refer note 18(a) below)	0	0
Impairment loss on Investment in shares	-	1
Miscellaneous expenses	4	0
<b>Total other expenses</b>	<b>17</b>	<b>34</b>

**Note 19(a): Details of payments to auditors**

	31 March 2022	31 March 2021
Payment to auditors		
As auditor:		
Audit fee	0	0
<b>Total payments to auditors</b>	<b>0</b>	<b>0</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-22	
	Jointly Controlled Entities	Key Management Personnel
<b>Rendering of services/reimbursement of expenses</b>		
Deepak Fertilisers and Petrochemicals Corporation Limited	(4) *22	-
<b>Balance Receivable/(Payable)</b>		
Deepak Fertilisers and Petrochemicals Corporation Limited	-	-
	*8	-

\* represents previous year figures

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**Yerrowda Investments Limited**  
Notes to the financial statements for the year ended 31 March 2022

**Note 22: Ratios**

Particulars	Current Year	Previous Year	Items included in numerator	Items included in denominator	explanation shall be provided for any change in the ratio by more than 25% as compared to the preceding year
(a) Current Ratio	553.57	17.42	Current investments,Inventories,Cash and bank balances,Short-term loans and advances and Other current assets	Trade payables ,Other current liabilities (excluding current maturities of LTB) and Short-term provisions	Trade payable reduced by 13 lakhs
(b) Debt-Equity Ratio	-	-	Long Term Borrowings,Long Term Borrowings - current maturities and Short Term Borrowings	Share capital and Reserves and surplus	-
(c) Debt Service Coverage Ratio	-	-	EBIDTA(Profit Before share of (loss) of Equity accounted investees and Income Tax +Depreciation and amortisation expense+Finance Costs-Other Income)	Long Term Borrowings,Long Term Borrowings - current maturities, Finance Cost	-
(d) Return on Equity Ratio	(2.86)	(3.49)	Profit after tax for the current year	Average of net worth current and previous year	-
(e) Inventory turnover ratio	-	-	COGS	Average of inventory current and previous year	-
(f) Trade Receivables turnover ratio	91.45	0.51	Revenue from operations	Average of receivables current and previous year	Average Trade receivable for current year are reduced by 9 lakhs
(g) Trade payables turnover ratio	-	-	Purchase of RMPM and stock in trade	Average of payable current and previous year	-
(h) Net capital turnover ratio	0.02	0.01	Revenue from operations	Average of net working capital current and previous year	Reveunue from operations are doubled in current year
(i) Net profit ratio	(15.82)	(36.69)	Profit after tax for the current year	Revenue from operations	Reveunue from operations are doubled in current year
(j) Return on Capital employed	(0.02)	(0.02)	Profit before tax & Interest	Net worth	-
(k) Return on investment.	(0.02)	(0.02)	Profit before tax & Interest	Average of Net worth current and previous year	-

Note : Disclosures related to Benami Property held ,Wilful Defaulter,Relationship with Struck off Companies,Registration of charges or satisfaction with Registrar of Companies (ROC), Compliance with number of layers of companies,Compliance with approved Scheme(s) of Arrangements and Details of Crypto Currency or Virtual Currency are not applicable during the year ended 31st March , 2022



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**Yerrowda Investments Ltd**  
**Notes to financial statements for the year ended March 31st, 2022**

**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.

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Yerrowda Investments Ltd  
Notes to financial statements for the year ended March 31st, 2022

**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.

**vii. Inventories**

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.

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**Yerrowda Investments Ltd**  
**Notes to financial statements for the year ended March 31st, 2022**

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, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.

The Company has adopted Ind AS 116-Leases effective 1st April 2019, using the modified retrospective method. The Company has applied the standard to its leases with the cumulative impact recognized on the date of initial application (1st April 2019). Accordingly, previous period information has not been restated.

The Company's lease asset classes primarily consist of leases for Buildings, Furniture and Equipments. The Company assesses whether a contract is or contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- the contract involves the use of an identified asset
- the Company has substantially all of the economic benefits from use of the asset through the period of the lease and
- the Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognises a right-of-use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and leases of low value assets. For these short-term and leases of low value assets, the Company recognises the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

A lease liability is remeasured upon the occurrence of certain events such as a change in the lease term or a change in an index or rate used to determine lease payments. The remeasurement normally also adjusts the leased assets.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

On application of Ind AS 116, the nature of expenses has changed from lease rent in previous periods to depreciation cost for the right-to-use asset, and finance cost for interest on lease liability.

Please refer note 4 for details of the right-of-use asset held by the company.

Lease contracts entered by the Company majorly pertains for buildings, furniture & equipments taken on lease to conduct its business in the ordinary course

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**Yerrowda Investments Ltd**  
**Notes to financial statements for the year ended March 31st, 2022**

**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.

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**Yerrowda Investments Ltd**  
**Notes to financial statements for the year ended March 31st, 2022**

**(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.

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