Moores Rowland

PETROLEUM SPECIALITIES PTE. LTD.

(Registration number: 200403112K)

Incorporated in Singapore

AUDITED FINANCIAL STATEMENTS

FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

AUDIT | ADVISORY | TAX

PETROLEUM SPECIALITIES PTE. LTD.
Registration No. 200403112K

Incorporated in Singapore

DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

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PETROLEUM SPECIALITIES PTE. LTD.

DIRECTORS' STATEMENT
For the Financial Year Ended 31 March 2020

The directors present their statement together with the audited financial statements of Petroleum Specialities Pte. Ltd. (the "Company") for the financial year ended 31 March 2020.

In the opinion of the directors, the financial statements of the Company as set out on pages 7 to 31 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2020, and the financial performance, changes in equity and cash flows of the Company for the financial year then ended and at the date of this statement, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

DIRECTORS

The directors of the Company in office at the date of this statement are:

Kushal Narendra Desai
Gajjala Sai Sudhakar
Rishabh Kushal Desai (Appointed on 07 August 2019)

ARRANGEMENTS TO ENABLE DIRECTORS TO ACQUIRE BENEFITS BY MEANS OF THE ACQUISITION OF SHARES AND DEBENTURES

Neither at the end of nor at any time during the financial year was the Company a party to any arrangement whose objects are, or one of whose objects is, to enable the directors of the Company to acquire benefits by means of the acquisition of shares or debentures in the Company or any other body corporate.

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES

The directors holding office at the end of the financial year and the interests in the share capital of the Company according to the register of directors' shareholdings required to be kept by the Company under Section 164 of the Companies Act, Cap. 50, and interest in shares and share options of the Company's related corporations are as follows:

	Number of ordinary shares			
	Direct interest		Deemed interest	
	At beginning of financial year	At end of financial year	At beginning of financial year	At end of financial year
Name of director				
Apar Industries Ltd.				
Kushal Narendra Desai	9,310,503	9,048,503	47,737	47,737
Rishabh Kushal Desai	42,398	42,398	-	-
Apar Corporation Private Limited				
Kushal Narendra Desai	1,381,901	2,144,651	-	-

DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (CONTINUED)

	Number of ordinary shares			
	Direct interest		Deemed interest	
Name of director	At beginning of financial year	At end of financial year	At beginning of financial year	At end of financial year
Apar Technologies Pte. Ltd.				
Gajjala Sai Sudhakar	500,000	500,000	-	-
Scope Private Limited				
Kushal Narendra Desai	3,375	-	-	-
Catalis World Private Limited				
Kushal Narendra Desai	5,000	5,000	-	-
Apar Transmission & Distribution Projects Pvt. Ltd.				
Kushal Narendra Desai	1	1	-	-
Apar Distribution & Logistics Private Limited				
Kushal Narendra Desai	1	1	-	-

SHARE OPTIONS

During the financial year, no options to take up unissued shares of the Company were granted and no shares were issued by virtue of the exercise of options to take up unissued shares of the Company. There were no unissued shares of the Company under option at the end of the financial year.

INDEPENDENT AUDITORS

The independent auditors, MRI Moores Rowland LLP, has expressed its willingness to accept appointment as auditors of the Company.

Signed by Board of Directors,

Kushal Narendra Desai
Director

Gajjala Sai Sudhakar
Director

Singapore,

Date : 17 JUN 2020

Moores Rowland

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBER OF PETROLEUM SPECIALITIES PTE. LTD.

For the Financial Year Ended 31 March 2020

Report on the Audit of the Financial Statements

Opinion

We have audited the financial statements of Petroleum Specialities Pte. Ltd (the "Company"), which comprise the statement of financial position of the Company as at 31 March 2020, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows of the Company for the year then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements are properly drawn up in accordance with the provisions of the Companies Act, Chapter 50 (the Act) and Financial Reporting Standards in Singapore (FRSs) so as to give a true and fair view of the financial position of the Company as at 31 March 2020 and of the financial performance, changes in equity and cash flows of the Company for the financial year ended 31 March 2020.

Basis for Opinion

We conducted our audit in accordance with Singapore Standards on Auditing (SSAs). 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 Accounting and Corporate Regulatory Authority (ACRA) Code of Professional Conduct and Ethics for Public Accountants and Accounting Entities (ACRA Code) together with the ethical requirements that are relevant to our audit of the financial statements in Singapore, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ACRA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other information

Management is responsible for the other information. The other information comprises the Director's Statement as set out on pages 1 to 3, 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.

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 in the 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.

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Responsibilities of Management and Directors for the Financial Statements

Management is responsible for the preparation of financial statements that give a true and fair view in accordance with the provisions of the Act and FRSs, and for devising and maintaining a system of internal accounting controls sufficient to provide a reasonable assurance that assets are safeguarded against loss from unauthorised use or disposition; and transactions are properly authorised and that they are recorded as necessary to permit the preparation of true and fair financial statements and to maintain accountability of assets.

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.

The directors' responsibilities include overseeing the Company's financial reporting process.

Auditor's 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 auditor's report that includes our opinion. Reasonable assurance is a high level assurance, but is not a guarantee that an audit conducted in accordance with SSAs 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 SSAs, we exercise professional judgement and maintain professional scepticism 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 control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

Moores Rowland

INDEPENDENT AUDITOR'S REPORT
TO THE MEMBER OF PETROLEUM SPECIALITIES PTE. LTD.

For the Financial Year Ended 31 March 2020

Auditor's Responsibilities for the Audit of the Financial Statements. (Continued)

- 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 auditor's 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 auditor's 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.

We communicate with the directors 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.

Report on Other Legal and Regulatory Requirements

In our opinion, the accounting and other records required by the Act to be kept by the Company have been properly kept in accordance with the provisions of the Act.

Moores Rowland

MRI Moores Rowland LLP
Public Accountants and
Chartered Accountants

Singapore

Date: 17 JUN 2020

PETROLEUM SPECIALITIES PTE. LTD.

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
For the Financial Year Ended 31 March 2020

	Note	2020 US$	2019 US$
Other income	4	46,557	203,067
Other items of expense			
Salary expense		(131,286)	(284,402)
Recharge of salary to related party		87,583	222,671
Foreign exchange loss		(16,165)	(26,695)
Professional fees		(2,671)	(24,100)
Rental		(17,498)	(17,671)
Bank charge		(669)	(5,821)
Depreciation		(4,195)	(4,200)
Other operating expenses		(1,358)	(2,984)
(Loss) / profit before income tax	5	(39,702)	59,865
Income (expense)/ tax credit	6	(10,144)	3,134
(Loss) / profit after tax for the financial year		(49,846)	62,999
Other comprehensive income		-	-
Total comprehensive (loss) / income for the financial year		(49,846)	62,999

The accompanying notes form an integral part of these financial statements.

STATEMENT OF FINANCIAL POSITION
As at 31 March 2020

	Note	2020 US$	2019 US$
ASSETS			
Non-current assets			
Plant and equipment	7	468	4,663
Investment in subsidiary	8	12,329,700	12,329,700
		12,330,168	12,334,363
Current assets			
Other receivables	9	12,668	151,980
Loan to a third party	10	1,105,982	1,146,904
Cash and cash equivalents	11	1,917,988	1,777,294
Total current assets		3,036,638	3,076,178
Total assets		15,366,806	15,410,541
EQUITY AND LIABILITIES			
Equity			
Share capital	12	59,101	59,101
Accumulated profits		15,262,524	15,312,370
		15,321,625	15,371,471
Current liabilities			
Other payables	13	37,346	28,792
Income tax payable		7,835	10,278
Total current liabilities		45,181	39,070
Total equity and liabilities		15,366,806	15,410,541

The accompanying notes form an integral part of these financial statements.

PETROLEUM SPECIALITIES PTE. LTD.

STATEMENT OF CHANGES IN EQUITY
For the Financial Year Ended 31 March 2020

	Share capital	Accumulated profits	Total equity
	US$	US$	US$
2020			
At 1 April 2019	59,101	15,312,370	15,371,471
Total comprehensive loss for the year	-	(49,846)	(49,846)
At 31 March 2020	59,101	15,262,524	15,321,625
2019			
At 1 April 2018	59,101	15,249,371	15,308,472
Total comprehensive income for the year		62,999	62,999
At 31 March 2019	59,101	15,312,370	15,371,471

The accompanying notes form an integral part of these financial statements.

PETROLEUM SPECIALITIES PTE. LTD.

STATEMENT OF CASH FLOW
For the Financial Year Ended 31 March 2020

	2020	2019
	US$	US$
Operating activities		
(Loss) / profit before income tax	(39,702)	59,865
Adjustments:		
Interest income	(46,557)	(105,432)
Depreciation	4,195	4,200
Operating cash flows before changes in working capital	(82,064)	(41,367)
Changes in working capital		
Decrease in trade and other receivables	15,841	1,540,633
Increase / (decrease) in trade and other payables	7,150	(321,726)
Cash generated from operations	(59,073)	1,177,540
Interest income received	15,363	28,561
Income tax refund	667	-
Income tax paid	(13,254)	(36,246)
Net cash flows (used in) / generated from operating activities	(56,297)	1,169,855
Investing activity		
Investment in subsidiary	-	(2,792,916)
Amount owing by/to a related party	124,875	(123,471)
Loan to a third party	72,116	29,967
Net cash flows generated from / (used in) investing activity	196,991	(2,886,420)
Net increase / (decrease) in cash and cash equivalents	140,694	(1,716,565)
Cash and cash equivalents at beginning of the financial year	1,777,294	3,493,859
Cash and cash equivalents at end of the financial year	1,917,988	1,777,294

The accompanying notes form an integral part of these financial statements.

These notes form an integral part of and should be read in conjunction with the accompanying financial statements.

1. GENERAL INFORMATION

Petroleum Specialities Pte. Ltd. is a Company incorporated and domiciled in Singapore with its registered office at 4 Shenton Way, #08-03 SGX Centre 2, Singapore 068807.

The principal of activities of the Company consist of trading in petroleum - based products and all kind of commodities and securities and general wholesale trade (including general importers and exporters). The principal activity of the subsidiary is disclosed in note 8 to the financial statements. The Company transferred its trading activities to subsidiary in prior year and is now acting as a holding company.

The holding company is Apar Industries Limited, incorporated and domiciled in India and is listed at the National Stock Exchange of India Limited (NSE) and BSE Limited (BSE).

The financial statements of the Company for the financial year ended 31 March 2020 were authorised for issue by the Board of Directors on the date of the directors' statement.

2. SIGNIFICANT ACCOUNTING POLICIES

2.1 Basis of preparation

The financial statements of the Company have been drawn up in accordance with Singapore Financial Reporting Standards ("FRS"). The financial statements have been prepared on the historical cost basis except as disclosed in the accounting policies below. The financial statements are presented in United States dollars ("US$" or "USD"), which is the functional currency.

The Company meets the criteria of *FRS 110 Consolidated Financial Statements*, to elect for exemption from presenting consolidated financial statements. The ultimate holding company, Apar Industries Limited, a company incorporated in India, prepares and presents consolidated financial statements and is available to public at its registered office at Apar House, Corporate Park, Sion Trombay Road, Chembur, Mumbai India.

2.2 Adoption of new and revised standards

The accounting policies adopted are consistent with those of the previous financial year except in the current financial year, the Company has adopted all the new and revised standards which are relevant to the Company and are effective for annual financial periods beginning on or after 1 April 2019.

The adoption of these standards did not have any material effect on the financial performance or position of the Company

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.3 Standards issued but not yet effective

The Company has not adopted the following standards applicable to the Company that have been issued but not yet effective:

Description	Effective for annual periods commencing on or after
Amendments to References to the Conceptual Framework in FRS Standards	1 January 2020
Amendments to FRS 1 and FRS 8 *Definition Material*	1 January 2020
Amendments to FRS 110 and FRS 28 *Sale or Contribution of Assets between an Investor and its Associate or Joint Venture*	Date to be determined

The directors expect that the adoption of the standards which are relevant to the Company will have no material impact on the financial statements in the year of initial application.

2.4 Foreign currency transactions and balances

Transactions in foreign currencies are measured in the functional currency of the Company and are recorded on initial recognition in the functional currency at exchange rates approximating those ruling at the transaction dates. Monetary assets and liabilities denominated in foreign currencies are translated at the rate of exchange ruling at the reporting date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates as at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value was measured.

Exchange differences arising on the settlement of monetary items or on translating monetary items at the reporting period are recognised in profit or loss.

2.5 Property, plant and equipment

All items of property, plant and equipment are initially recorded at cost. Subsequent to recognition, property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

Depreciation is calculated using the straight-line method to allocate depreciable amounts over their estimated useful lives. The estimated useful lives are as follows: -

	Useful lives
Computer equipment	5 years
Plant and machinery	10 years

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.5 Property, plant and equipment (continued)

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate that the carrying value may not be recoverable.

The useful lives, residual values and depreciation method are reviewed at the end of each reporting period, and adjusted prospectively, if appropriate.

An item of property, plant and equipment is derecognised upon disposal or when no future economic benefits are expected from its use or disposal. Any gain or loss on derecognition of the asset is included in profit or loss in the year the asset is derecognised.

2.6 Financial instruments

(a) Financial assets

Initial recognition and measurement

Financial assets are recognised when, and only when the entity becomes party to the contractual provisions of the instruments.

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

Trade receivables are measured at the amount of consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third party, if the trade receivables do not contain a significant financing component at initial recognition.

Subsequent measurement

Investments in debt instruments

Subsequent measurement of debt instruments depends on the Company's business model for managing the asset and the contractual cash flow characteristics of the asset. The three measurement categories for classification of debt instruments are amortised cost, FVOCI and FVPL. The Company only has debt instruments at amortised cost.

Financial assets that are held for the collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortised cost. Financial assets are measured at amortised cost using the effective interest method, less impairment. Gains and losses are recognised in profit or loss when the assets are derecognised or impaired, and through the amortisation process.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.6 Financial instruments (Continued)

(a) Financial assets (Continued)

Derecognition

A financial asset is derecognised where the contractual right to receive cash flows from the asset has expired. On derecognition of a financial asset in its entirety, the difference between the carrying amount and the sum of the consideration received and any cumulative gain or loss that had been recognised in other comprehensive income for debt instruments is recognised in profit or loss.

(b) Financial liabilities

Initial recognition and measurement

Financial liabilities are recognised when, and only when, the Company becomes a party to the contractual provisions of the financial instrument. The Company determines the classification of its financial liabilities at initial recognition. All financial liabilities are recognised initially at fair value plus in the case of financial liabilities not at FVPL, directly attributable transaction costs.

Subsequent measurement

After initial recognition, financial liabilities that are not carried at FVPL are subsequently measured at amortised cost using the effective interest method. Gains and losses are recognised in profit or loss when the liabilities are derecognised, and through the amortisation process.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. On derecognition, the difference between the carrying amounts and the consideration paid is recognised in profit or loss.

2.7 Impairment of financial assets

The Company recognises an allowance for expected credit losses (ECLs) for all debt instruments not held at FVPL. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Company expects to receive, discounted at an approximation of the original effective interest rate. The expected cash flows will include cash flows from the sale of collateral held or other credit enhancements that are integral to the contractual terms.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.7 Impairment of financial assets (continued)

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is recognised for credit losses expected over the remaining life of the exposure, irrespective of timing of the default (a lifetime ECL).

For trade receivables, the Company applies a simplified approach in calculating ECLs. Therefore, the Company does not track changes in credit risk, but instead recognises a loss allowance based on lifetime ECLs at each reporting date. The Company has established a provision matrix that is based on its historical credit loss experience, adjusted for forward-looking factors specific to the debtors and the economic environment which could affect debtors' ability to pay.

The Company considers a financial asset in default when contractual payments are 60 days past due. However, in certain cases, the Company may also consider a financial asset to be in default when internal or external information indicates that the Company is unlikely to receive the outstanding contractual amounts in full before taking into account any credit enhancements held by the Company. A financial asset is written off when there is no reasonable expectation of recovering the contractual cash flows.

2.8 Cash and cash equivalents

Cash and cash equivalents comprise cash at banks and on hand and are subject to an insignificant risk of changes in value.

2.9 Provisions

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and the amount of the obligation can be estimated reliably.

Provisions are reviewed at the end of each reporting period and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of economic resources will be required to settle the obligation, the provision is reversed. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, where appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.10 Employees' benefits

(i) Defined contribution plans

The Company makes contribution to the Central Provident Fund (CPF) Scheme in Singapore, a defined contribution pension schemes. Obligations for contributions to defined contribution retirement plans are recognised as an expense in the period in which the related service is performed.

(ii) Short-term employee benefits

Short-term employee benefit obligations are measured on an undiscounted basis and are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee, and the obligation can be estimated reliably.

2.11 Revenue recognition

Revenue is measured based on the consideration to which the Company expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Revenue is recognised when the Company satisfies a performance obligation by transferring a promised good or service to the customer, which is when the customer obtains control of the good or service. A performance obligation may be satisfied at a point in time or over time. The amount of revenue recognised is the amount allocated to the satisfied performance obligation.

2.12 Income tax

(i) Current income tax

Current income tax assets and liabilities for the current and prior periods are measured at the amount expected to be recovered from or paid to the taxation authority. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the reporting date.

Current income taxes are recognised in profit or loss except to the extent that the tax relates to items recognised outside profit or loss, either in other comprehensive income or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

(ii) Deferred tax

Deferred tax is provided using the liability method on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.12 Income tax (continued)

(ii) Deferred tax (continued)

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply in the year when the asset is realised or the liability is settled, based on tax rates (and tax laws) that have been enacted or substantively enacted at the end of each reporting period.

Deferred tax assets and deferred tax liabilities are offset, if a legally enforceable right exists to set off current income tax assets against current income tax liabilities and the deferred taxes relate to the same taxable entity and the same taxation authority.

(iii) Sales tax

Revenues, expenses and assets are recognised net of the amount of sales tax except:

- Where the sales tax incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case the sales tax is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables that are stated with the amount of sales tax included.

The net amount of sales tax recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the statement of financial position.

2.13 Investment in subsidiary

A subsidiary is an investee that is controlled by the Company. The Company controls an investee when it is exposed, or has rights, to variable returns from its involvement with the investee and has the ability to affect those returns through its power over the investee.

In the Company's separate financial statements, investment in subsidiary is accounted for at cost less impairment losses.

2.14 Share capital

Proceeds from issuance of ordinary shares are classified as share capital in equity. Incremental costs directly attributable to the issuance of new ordinary shares are deducted against share capital, net of any tax effects.

2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

2.15 Related parties

A related party is defined as follows:

(a) An entity is related to the Company if any of the following conditions applies:

(i) The entity and the Company are members of the same group (which means that each parent, subsidiary and fellow subsidiary is related to the others).

(ii) One entity is an associate or joint venture of the other entity (or an associate or joint venture of a member of a group of which the other entity is a member).

(iii) Both entities are joint ventures of the same third party.

(iv) One entity is a joint venture of a third entity and the other entity is an associate of the third entity.

(v) The entity is a post-employment benefit plan for the benefit of employees of either the Company or an entity related to the Company.

(vi) The entity is controlled or jointly controlled by a person identified in (a);

(vii) A person identified in (a)(i) has significant influence over the entity or is a member of the key management personnel of the entity (or of a parent of the entity).

(viii) The entity, or any member of a group of which it is a part, provides key management personnel services to the company or to the parent of the company.

(b) A person or a close member of that person's family is related to the Company if that person:

(i) Has control or joint control over the Company;

(ii) Has significant influence over the Company; or

(iii) Is a member of the key management personnel of the Company or a parent of the Company.

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES

The preparation of the Company's financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the disclosure of contingent liabilities at the end of each reporting period. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of the asset or liability affected in the future periods.

3.1 Key sources of estimation uncertainty

The key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period are discussed below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(i) Provision for expected credit losses of loan to third party and other receivables

The provision for expected credit losses of other receivables, amount owing by related party and loan to a third related party are based on the management's continuous evaluation of the recoverability of the outstanding receivables. In assessing the ultimate realisation of these receivables, management considers, among other factors, the creditworthiness and the past collection history of each counterparties. If the financial conditions of these counterparties were to deteriorate, resulting in an impairment of their ability to make payments, additional allowances may be required.

At the reporting date, no expected credit losses is provided as the management determined the aggregate amount is insignificant and there are no presence of possible default events giving rise to ECL.

(ii) Income tax payable

Significant judgement is involved in determining the Company's provision for income taxes. There are certain transactions and computations for which the ultimate tax determination is uncertain during the ordinary course of business. The Company recognises liabilities for expected tax issues based on estimates of whether additional taxes will be due. Where the final tax outcome of these matters is different from the amounts that were initially recognised, such differences will impact the income tax and deferred tax provisions in the period in which such determination is made.

The income tax payable as at 31 March 2020 is US$7,835 (2019: US$10,278).

3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (CONTINUED)

3.1 Key sources of estimation uncertainty (Continued)

(ii) Impairment of non-financial assets

The Company assesses whether there are any indicators of impairment for all non-financial assets at the end of each reporting period. Non-financial assets are tested for impairment when there are indicators that the carrying amounts may not be recoverable.

When value in use calculations are undertaken, management must estimate the expected future cash flows from the asset or cash-generating unit and choose a suitable discount rate in order to calculate the present value of those cash flows. Management has evaluated the recoverability of the investment based on such estimates. As at 31 March 2020, the Company's non-financial assets are disclosed in Notes 7 and 8.

4. OTHER INCOME

	2020	**2019**
	US$	US$
Interest income	46,557	105,432
Profit share from licensee	-	97,635
	46,557	203,067

5. (LOSS) / PROFIT BEFORE INCOME TAX

(Loss) / profit before tax is arrived at after (charging)/crediting:

	2020	**2019**
	US$	US$
Foreign exchange (loss)	(16,165)	(26,695)
Operating lease expense	(17,498)	(17,671)
Salary expense - Director	(131,286)	(284,402)
Recharge of salary to related party	87,583	222,671

Key management personnel are those persons having the authority and responsibility for planning, directing and controlling the activities of the entity. Key management personnel comprises the directors of the Company. The remuneration disclosed above includes only the director for financial years 2020 and 2019.

6. INCOME TAX

	2020	**2019**
	US$	US$
Current income tax:		
Current year	7,835	3,706
Under/(over) provision in respect of prior years	2,309	(6,840)
	10,144	(3,134)

The reconciliation of the tax expense and the product of accounting profit multiplied by the applicable rate are as follows:-

	2020	**2019**
	US$	US$
(Loss) / profit before income tax	39,702	59,865
Tax calculated at tax rate of 17%	(6,749)	10,177
Tax effects of:		
Non - taxable income	-	(9,345)
Non-deductible expenses	3,461	5,252
Tax exemption and rebate	(8,453)	(3,355)
Under/(over)provision of tax in prior years	2,309	(6,840)
Taxable prior year unremitted interest income remitted in the current year	19,576	-
Others	-	977
Income tax (credit)/expense	10,144	(3,134)

The Singapore Government has announced that for Years of Assessment ("YA") 2020, all companies will receive a 25% Corporate Income Tax ("CIT") Rebate that is subjected to a cap of S$15,000.

7. PROPERTY, PLANT AND EQUIPMENT

	Computers	Plant and equipment	Total
	US$	US$	US$
Cost			
At 31 March 2019 and 31 March 2020	11,240	98,608	109,848
Accumulated depreciation			
As at 1 April 2018	11,008	89,977	100,985
Depreciation charge	52	4,148	4,200
As at 31 March 2019	11,060	94,125	105,185
Depreciation charge	52	4,143	4,195
At 31 March 2020	11,112	98,268	109,380
Carrying amount			
As at 31 March 2020	128	340	468
As at 31 March 2019	180	4,483	4,663

8. INVESTMENT IN SUBSIDIARY

	2020	2019
	US$	US$
Equity investments at cost		
At the beginning of the financial year	12,329,700	9,536,784
Additions	-	2,792,916
At the end of the financial year	12,329,700	12,329,700

Details of subsidiary is as follows:

Name of company	Principal activity	Country of incorporation and place of business	Percentage of equity held 2020 %	Percentage of equity held 2019 %
Petroleum Specialities FZE	Manufacturing and marketing of petroleum-based speciality products, all kinds of oil, lubricant and chemicals	United Arab Emirates	100	100

8. INVESTMENT IN SUBSIDIARY (CONTINUED)

Impairment assessment

The management perform an impairment assessment on investment in subsidiary. The recoverable values of cash generating unit are determined based on value-in-use calculations. The value-in-use calculations is determined using a five-year discounted cash flow based on financial budgets and forecasts approved by management.

<u>Key assumptions used in the value in use calculations</u>

Pre-tax discount rates – Discount rate of 5.35%.

Revenue – The projection pertains to the growth rate not exceeding the maximum capacity of the operations at 5%.

Budgeted gross margin – The expected average gross margin of 18% is based on past performance and its expectations of the market development.

Based on the impairment assessment performed by the Management, no impairment is provided as the recoverable amount of the investment is higher than the carrying amount of investment in subsidiary company.

<u>Sensitivity to changes in assumptions</u>

The calculation of value in use for the investment is sensitive to factors such as gross margins, revenue and the pre-tax discount rate. The sensitivity of the free cash flow of the possible changes of pre-tax discount rate of 3% increase with all variables are constant will result in a decrease of value in use to approximately US$53Mn.

9. OTHER RECEIVABLES

	2020	**2019**
	US$	US$
Other receivables – non-related parties	292	1,063
Advances to a subsidiary	-	15,070
Amount owing by a related party	-	123,471
Deposits	12,376	12,376
	12,668	151,980

Other receivables due from non-related parties are unsecured, interest free and repayable on demand.

Amount owing by a related party is unsecured, interest free and repayable on demand.

There is no allowance for impairment is provided as the ECL is insignificant and management has determined that there are no possible default events giving rise to ECL

10. LOAN TO A THIRD PARTY

Loan to a third party bears interest calculated at 6 month LIBOR + 100 points basis per annum with quarterly rests (accompanying 2.9% per annum). The loan is repayable on demand or on specified date mutually agreed by the Company and the third party.

11. CASH AND CASH EQUIVALENTS

	2020 US$	2019 US$
Cash at banks	903,855	777,294
Fixed deposit	1,014,133	1,000,000
	1,917,988	1,777,294

The Company's cash and cash equivalents denominated in foreign currency is as follows:

	2020 US$	2019 US$
Singapore dollars	321,614	136,240

Fixed deposit is made for varying periods of between day one and three months, depending on the cash requirement of the Company and earn interest at the respective short term deposit rates. The weighted average effective interest rate as at 31 March 2020 is 2.25% per annum (2019: 2.25% per annum).

12. SHARE CAPITAL

	2020	2019	2020	2019
	Number of shares		US$	US$
Ordinary shares issued and fully paid				
At the beginning and end of the financial year	100,000	100,000	59,101	59,101

The holders of ordinary shares are entitled to receive dividends as and when declared by the Company. All ordinary shares carry one vote per share without restrictions. The ordinary shares have no par value.

13. OTHER PAYABLES

	2020	2019
	US$	US$
Other payables – non-related parties	395	2,240
Amount owing to a related party	1,404	-
Accrued expenses	35,547	26,552
	37,346	28,792

Other payables are unsecured, interest free and repayable on demand.

Amount owing to a related party is unsecured, interest free and repayable on demand.

14. RELATED PARTY TRANSACTIONS

Some of the arrangements with related parties (as defined in Note 2 above) and the effects of these bases determined between the parties are reflected elsewhere in this report. Details of transactions between the Company and related company is disclosed below.

	2020	2019
	US$	US$
Rental expense charged by related parties	17,498	17,671
Recharge of salary to related party	(87,583)	(222,671)
Interest income	-	(36,661)

15. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES

The Company's activities expose it to a variety of financial risks from its operation. The key financial risks include credit risk, liquidity risk and market risk (including foreign currency risk and interest rate risk).

The Board of Directors reviews and agrees policies and procedures for the management of these risks, which are executed by the management team. It is and has been throughout the current and previous financial year, the Company's policy that no trading in derivatives for speculative purposes shall be undertaken.

The following sections provide details regarding the Company's exposure to the above-mentioned financial risks and the objectives, policies and processes for the management of these risks.

There has been no change to the Company's exposure to these financial risks or the manner in which it manages and measures the risks.

(i) Credit risk

Credit risk refers to the risk that the counterparty will default on its contractual obligations resulting in a loss to the Company. The Company's exposure to credit risk arises primarily from trade and other receivables and loan to a third party. For other financial assets (including cash), the Company minimises credit risk by dealing exclusively with high credit rating counterparties.

The Company has adopted a policy of only dealing with creditworthy counterparties. The Company performs ongoing credit evaluation of its counterparties' financial condition and generally do not require a collateral.

The Company considers the probability of default upon initial recognition of asset and whether there has been a significant increase in credit risk on an ongoing basis throughout each reporting period.

The Company has determined the default event on a financial asset to be when internal and/or external information indicates that the financial asset is unlikely to be received, which could include default of contractual payments due for more than 60 days, default of interest due for more than 30 days or there is significant difficulty of the counterparty.

To minimise credit risk, the Company has developed and maintained the Company's credit risk gradings to categorise exposures according to their degree of risk of default. The credit rating information is supplied by publicly available financial information and the Company's own trading records to rate its major customers and other debtors. The Company considers available reasonable and supportive forward-looking information which includes the following indicators:

- Internal credit rating
- External credit rating

15. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (CONTINUED)

(i) Credit risk (Continued)

- Actual or expected significant adverse changes in business, financial or economic conditions that are expected to cause a significant change to the debtor's ability to meet its obligations
- Actual or expected significant changes in the operating results of the debtor
- Significant increases in credit risk on other financial instruments of the same debtor
- Significant changes in the expected performance and behaviour of the debtor, including changes in the payment status of debtors in the group and changes in the operating results of the debtor.

Regardless of the analysis above, a significant increase in credit risk is presumed if a debtor is more than 30 days past due in making contractual payment.

The Company determined that its financial assets are credit-impaired when:

- There is significant difficulty of the debtor
- A breach of contract, such as a default or past due event
- It is becoming probable that the debtor will enter bankruptcy or other financial reorganisation
- There is a disappearance of an active market for that financial asset because of financial difficulty

Financial assets are written off when there is evidence indicating that the debtor is in severe. The Company's current credit risk grading framework comprises the following categories:

Category	**Definition of category**	**Basis for recognising expected credit loss (ECL)**
I	Counterparty has a low risk of default and does not have any past-due amounts.	12-month ECL
II	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
III	Amount is >60 days past due or there is evidence indicating the asset is credit-impaired (in default).	Lifetime ECL – not credit-impaired
IV	There is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.	Amount is written off

The Company categorises a receivable for potential write-off when a debtor fails to make contractual payments more than 120 days past due. Financial assets are written off when there is evidence indicating that the debtor is in severe financial difficulty and the debtor has no realistic prospect of recovery.

15. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (CONTINUED)

(i) Credit risk (Continued)

Excessive risk concentration

Concentrations arise when a number of counterparties are engaged in similar business activities, or activities in the same geographical region, or have economic features that would cause their ability to meet contractual obligations to be similarly affected by changes in economic, political or other conditions. Concentrations indicate the relative sensitivity of the Company's performance to developments affecting a particular industry.

Exposure to credit risk

As the Company do not hold any collateral, the maximum exposure to credit risk for each class of financial instruments is the carrying amount of that class of financial instruments presented on the statement of financial position.

Other receivables, amount owing by a related party and loan to a third party

The Company assessed the latest performance and financial position of the counterparties, adjusted for the future outlook of the industry in which the counterparties operate in, and concluded that there has been no significant increase in the credit risk since the initial recognition of the financial assets. Accordingly, the Company measured the impairment loss allowance using 12 month ECL for other receivables and lifetime ECL for amount owing by a related party and loan to a third party, and determined that the ECL are insignificant.

(ii) Liquidity risk

Liquidity risk refers to the risk that the Company will encounter difficulties in meeting its short-term obligations due to shortage of funds. The Company's exposure to liquidity risk arises primarily from mismatches of the maturities of financial assets and liabilities. It is managed by matching the payment and receipt cycles. The Company's operations are financed mainly through equity and financing from holding company. The directors are satisfied that funds are available to finance the operations of the Company.

At the end of the reporting period, all financial liabilities have maturity period within one year. The contractual undiscounted cash flows of non-derivative financial liabilities equal the carrying amounts as the impact of discounting is not applicable.

	2020	2019
	US$	US$
Letters of credit facility	10,000,000	10,000,000

The letters of credit are issued in the ordinary course of business from which it is anticipated that no material liability will arise.

15. FINANCIAL RISK MANAGEMENT POLICIES AND OBJECTIVES (CONTINUED)

(iii) Foreign currency risk

The Company's foreign exchange risk results mainly from cash flows from transactions denominated in foreign currencies. At present, the Company does not have any formal policy for hedging against currency risk. The Company ensures that the net exposure is kept to an acceptable level by buying or selling foreign currencies at spot rates, where necessary, to address short term imbalances.

At the end of the reporting period, the carrying amounts of monetary assets and monetary liabilities denominated in currencies other than the United States dollars are as follows:

	2020	**2019**
	US$	US$
Singapore dollars		
Cash and cash equivalents	321,614	136,240

If the United States dollar strengthens by 1% against the above currencies, the results are as follows:

	(Decrease)/ Increase in profit before tax	
	2020	**2019**
	US$	US$
Singapore dollars	3,216	1,362

The opposite applies if United States dollar weaken by 1% against these currencies on the basis that all other variables remain constant. In the management's opinion, the sensitivity analysis is unrepresentative of the inherent foreign exchange risk as the year end exposure does not reflect the exposure during the year.

16. COMMITMENTS

(a) As at 31 March 2020, the Company provided financial guarantees to various banks as below in connection with the bank facilities granted to its subsidiary company.

- The Company executed Corporate Guarantee in favour of Arab Banking Corporation (B.S.C), Manama, Kingdom of Bahrain (bank) as a security for the term loan facilities sanctioned by bank to subsidiary, Petroleum Specialities FZE. The said guarantee is given for the term loan of the subsidiary amounting to US$9,000,000.
- The Company also executed Corporate Guarantee of US$11,000,000 in favour of Union Bank of India, DIFC Bank, Dubai (bank), as a security for the working capital facilities sanctioned by bank to subsidiary, Petroleum Specialities FZE.

(b) The Company obtained letter of credit facilities from Arab Banking Corporation (B.S.C), Manama, Kingdom of Bahrain (bank) jointly with its subsidiary company, Petroleum Specialities FZE, amounting to US$10,000,000. As at reporting date, all the utilisation is done on account of the subsidiary company.

17. FINANCIAL INSTRUMENTS BY CATEGORY

At the reporting date, the aggregate carrying amounts of financial assets at amortised cost and financial liabilities at amortised cost were as follows:

	2020	2019
	US$	US$
Financial assets measured at amortised cost		
Other receivables	12,668	151,980
Loan to a third party	1,105,982	1,146,904
Cash and cash equivalents	1,917,988	1,777,294
Total financial assets measured at amortised cost	3,036,638	3,076,178
Financial liabilities measured at amortised cost		
Other payables	37,346	28,792
Total financial liabilities measured at amortised cost	37,346	28,792

18. CAPITAL MANAGEMENT

The primary objective of the Company's capital management is to ensure that it maintains a strong credit rating and net current asset position in order to support its business and maximise shareholder value. The capital structure of the Company comprises issued share capital and retained earnings.

The Company manages its capital structure and makes adjustments to it, in light of changes in economic conditions. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders or issue new shares. No changes were made in the objectives, policies or processes during the financial year ended 31 March 2020 and 31 March 2019.

19. FAIR VALUE OF FINANCIAL INSTRUMENTS

(a) Fair value hierarchy

There are no financial assets or liabilities that are required to be disclosed under the fair value hierarchy levels 1,2 and 3 in the financial statements.

(b) Assets and liabilities not measured at fair value

Cash and cash equivalents, other receivables, and other payables

The carrying amounts of these balances approximate their fair values due to the short-term nature of these balances.

Loan to a third party

The carrying amount of loan to a third party approximate its fair values as it is subject to interest rates close to market rate of interests for similar arrangements with financial institutions.

20. COMPARATIVE FIGURES

Certain comparative figures in the statement of financial position have been reclassified to conform with the current year's presentation.

PETROLEUM SPECIALITIES PTE. LTD
DETAILED INCOME STATEMENT FOR THE FINANCIAL YEAR ENDED 31 MARCH 2020

	2020 US$	2019 US$
Other income	46,557	203,067
Other items of expense		
Salary expense	(131,286)	(284,402)
Recharge of salary to related party	87,583	222,671
Foreign exchange loss	(16,165)	(26,695)
Professional fees	(2,671)	(24,100)
Rental	(17,498)	(17,671)
Bank charge	(669)	(5,821)
Depreciation	(4,195)	(4,200)
	(38,343)	62,849
Other operating expenses		
Conveyance expense	-	(56)
Courier charges	(622)	(117)
Miscellaneous expenses	(209)	(150)
Skills development levy	(190)	-
Telephone expenses	(2)	(351)
Travelling expenses	(335)	(2,310)
	(1,358)	(2,984)
(Loss) / profit before income tax	(39,702)	59,865

This page does not form part of the statutory financial statements

PETROLEUM SPECIALITIES FZE
HAMRIYAH, SHARJAH – UNITED ARAB EMIRATES
FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2020

PETROLEUM SPECIALITIES FZE
HAMRIYAH, SHARJAH – UNITED ARAB EMIRATES

FINANCIAL STATEMENTS AND
INDEPENDENT AUDITORS' REPORT
FOR THE YEAR ENDED 31 MARCH 2020

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OFFICE :
P. O. BOX : 42180,
HAMRIYAH FREE ZONE,
SHARJAH,
UNITED ARAB EMIRATES.

Directors' Report

The Directors submit their report together with the audited financial statements of PETROLEUM SPECIALITIES FZE ("the Establishment") for the year ended 31 March 2020.

Principal activities
The principal activities of the Establishment are unchanged since the previous year and consist of manufacturing and marketing of petroleum based speciality products, all kinds of oils, lubricants and chemicals.

Financial results
Revenue of the Establishment for the year ended 31 March 2020 is USD 57,664,552 (31 March 2019 : USD 55,377,944). Net worth of the Establishment at 31 March 2020 is USD 7,436,751 (31 March 2019 : USD 8,483,223).

Directors
The Board of Directors comprised of:

Mr. Rishabh Kushal Desai
Mr. Kushal Narendra Desai
Mr. Sanjay Moreshwar Abhyankar
Mr. Sai Sudhakar Gajjala

Auditors
The financial statements for the year ended 31 March 2020 have been audited by M/s. Al Maqtari Auditing, Dubai, United Arab Emirates, who is willing to continue in office and a resolution to re-appoint them will be proposed in the Annual General Meeting.

These financial statements were approved by the Board and signed on 4 June 2020.

Mr. Rishabh Kushal Desai

Mr. Kushal Narendra Desai

P.O.Box: 42180
Hamriyah Free Zone
Sharjah - U.A.E.
PETROLEUM SPECIALITIES FZE

INDEPENDENT AUDITORS' REPORT

To

The Directors,
M/S. PETROLEUM SPECIALITIES FZE,
Hamriyah Free Zone, Sharjah – United Arab Emirates

Report on the Audit of Financial Statements

Opinion
We have audited the financial statements of **M/S. PETROLEUM SPECIALITIES FZE, Hamriyah Free Zone, Sharjah, United Arab Emirates** (the "Establishment"), which comprise the statement of financial position as at 31 March 2020 and statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Establishment as at 31 March 2020, and its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRS).

Basis of Opinion
We conducted our audit in accordance with International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the *Auditors' Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Establishment in accordance with the International Ethics Standards Board for Accountants Code of Ethics for Professional Accountants (IESBA Code) together with the ethical requirements that are relevant to our audit of the financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Going Concern
The uncertainty as to the future impact on the Establishment of the COVID-19 outbreak has been considered as part of the Establishment's adoption of the going concern basis. The extent of the impact of COVID-19 on operational and financial performance cannot be reasonably estimated at this time. However, we would like to invite the attention to the fact that, from the judgment and based on a reasonable assessment of the management, the going concern basis is appropriate as they feel that thus far they have not observed any material impact.

Management's Responsibilities for the Financial Statements
Management is responsible for the preparation and fair presentation of the financial statements in accordance with International Financial Reporting Standards (IFRS), and their preparation in compliance with the applicable provisions issued by Hamriyah Free Zone Authority, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

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In preparing the financial statements, management is responsible for assessing the Establishment'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 Establishment or to cease operations, or have no realistic alternative but to do so.

The management is responsible for overseeing the Establishment'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 ISAs 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 ISAs, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risk 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 override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Establishment's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of the 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 Establishment's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in auditors' report to the related disclosures in the financial statements or, if such disclosure is 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 Establishment 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.

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دبي ٢٧٦٣٨٨٨ ٤ ٩٧١+، ٣٦٨٦٣٩٤ ٤ ٩٧١+، ٢٣٦٤٦٦٠ ٤ ٩٧١+
مكاتب في أبو ظبي والشارقة ومنطقة السيف والمنطقة الحرة بالحمرية وجميع المناطق الحرة في
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الموقع على الإنترنت: www.almaqtariauditing.com

We communicate with the management 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 the management 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.

Reports on Other Legal and Regulatory Requirements

Further, as required by Hamriyah Free Zone Authority, we report that:

i) we have obtained all the information and explanations we considered necessary for the purposes of our audit;

ii) the financial statements have been prepared and complied, in all material respects, with the applicable provisions of the Establishment's Memorandum and Articles of Association and provisions issued by Hamriyah Free Zone Authority;

iii) the Establishment has maintained proper books of account;

iv) the financial information included in the Directors' report, in so far as it relates to these financial statements, is consistent with the books of account of the Establishment;

v) the Establishment has not purchased any shares during the financial year ended 31 March 2020;

vi) note 14 to the financial statements discloses material related party transactions and the terms under which they were conducted; and

vii) based on the information that has been made available to us, nothing has come to our attention which causes us to believe that the Establishment has contravened during the financial year ended 31 March 2020 any of the applicable provisions issued by Hamriyah Free Zone Authority or of its Memorandum and Articles of Association which would materially affect its activities or its financial position as at 31 March 2020.

Mohandas Balakrishnan
Auditors' Registration No: 507

5 June 2020

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ص.ب: ١٨٢٦٢٣، مكتب ١٩٠٢ برج كلوفر الخليج، الخليج التجاري، دبي، الإمارات العربية المتحدة
دبي: ٢٧٦٣٨٨٨ ٤ ٩٧١+، ٣٦٨٦٣٩٤ ٤ ٩٧١+، ٢٣٦٤٦٦٠ ٤ ٩٧١+
مكاتب في أبو ظبي والشارقة ومنطقة السيف والمنطقة الحرة بالحمرية وجميع المناطق الحرة في
مسجلة في جافزا، مركز دبي للسلع المتعددة، واحة دبي للسيلكون الإمارات العربية المتحدة.
الموقع على الإنترنت: www.almaqtariauditing.com

PETROLEUM SPECIALITIES FZE
HAMRIYAH FREE ZONE, SHARJAH - UNITED ARAB EMIRATES

Statement of Financial Position
At 31 March 2020

(In United States Dollars)

	Notes	31 March 2020 USD	2019 USD
Assets			
Non-current assets			
Property, plant and equipment	3	**14,342,174**	15,213,747
Right-of-use asset	4	**4,495,154**	-
Advance for capital assets	5	**21,345**	13,680
Total non-current assets		**18,858,673**	15,227,427
Current assets			
Other receivables and prepayments	6	**3,482,440**	756,149
Inventories	7	**8,614,631**	8,633,125
Accounts receivables	8	**11,734,636**	10,477,003
Bank balances and cash	9	**992,302**	2,531,715
Total current assets		**24,824,009**	22,397,992
Total Assets		**43,682,682**	37,625,419
Equity and Liabilities			
Equity			
Share capital	10	**12,329,700**	12,329,700
Hedging reserve		**(194,273)**	(61,477)
Accumulated losses		**(4,698,676)**	(3,785,000)
Total Equity		**7,436,751**	8,483,223
Non-current liabilities			
Due to banks	11	**4,152,600**	6,626,700
Other liabilities	12	**4,498,429**	73,397
Total non-current liabilities		**8,651,029**	6,700,097
Current liabilities			
Other payables and accruals	13	**5,587,887**	5,617,848
Due to banks	11	**2,474,100**	1,973,700
Due to related parties	14	**4,590,497**	560,834
Accounts payables	15	**14,942,418**	14,289,717
Total current liabilities		**27,594,902**	22,442,099
Total Liabilities		**36,245,931**	29,142,196
Total Equity and Liabilities		**43,682,682**	37,625,419

The accompanying notes form an integral part of these financial statements.
The Report of the Auditors is set out on pages 2 to 4.

The financial statements on pages 5 to 29 were approved by the Board and signed on 4 June 2020.

Mr. Rishabh Kushal Desai

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Hamriyah Free Zone
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PETROLEUM SPECIALITIES FZE
HAMRIYAH FREE ZONE, SHARJAH - UNITED ARAB EMIRATES

Statement of Comprehensive Income
For the year ended 31 March 2020

(In United States Dollars)

	Notes	For the year ended 31 March 2020 USD	2019 USD
Sales	16	**57,664,552**	55,377,944
Cost of sales	17	**49,358,396**	48,499,700
Gross profit		**8,306,156**	6,878,244
General and administrative expenses	18	**2,517,287**	2,580,809
Selling and distribution expenses	19	**5,355,689**	5,220,514
Finance costs		**1,234,544**	1,317,048
Provision for doubtful accounts	8	**113,891**	-
Total operating expenses		**(9,221,411)**	(9,118,371)
(Loss) from operating activities		**(915,255)**	(2,240,127)
Other income		**1,579**	-
(Loss) for the year		**(913,676)**	(2,240,127)
Other comprehensive (loss) to be reclassified to income statement in subsequent periods:			
(Decrease) in hedging reserve		**(132,796)**	(61,477)
Total comprehensive (loss) for the year		**(1,046,472)**	(2,301,604)

The accompanying notes form an integral part of these financial statements.
The Report of the Auditors is set out on pages 2 to 4.

The financial statements on pages 5 to 29 were approved by the Board and signed on 4 June 2020.

Mr. Rishabh Kushal Desai **Mr. Kushal Narendra Desai**

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PETROLEUM SPECIALITIES FZE
HAMRIYAH FREE ZONE, SHARJAH - UNITED ARAB EMIRATES

Statement of Cash Flows
For the year ended 31 March 2020

(In United States Dollars)

	For the year ended 31 March	
	2020	2019
	USD	USD
Cash flows from/(used in) operating activities:		
(Loss) for the year	**(913,676)**	(2,240,127)
Adjustments:		
Provision for end-of-service benefits	**29,565**	33,244
Provision for doubtful accounts	**113,891**	-
Interest on lease liability	**249,378**	-
Depreciation of property, plant and equipment	**883,199**	930,343
Depreciation of right-of-use asset	**228,567**	-
Operating profit/(loss) before changes in	**590,924**	(1,276,540)
Operating assets and liabilities		
(Increase) in other receivables and prepayments	**(2,726,291)**	(59,287)
Decrease in inventories	**18,494**	2,246,830
(Increase) in accounts receivables	**(1,371,524)**	(5,213,626)
Increase in due to related parties	**4,029,663**	588,869
Increase in accounts and other payables	**227,900**	1,466,783
End-of-service benefits paid during the year	**(2,091)**	(981)
Net cash flows from/(used in) operating activities	**767,075**	(2,247,952)
Cash flows from/(used in) investing activities:		
Purchase of property, plant and equipment	**(11,626)**	(143,293)
Advance for capital assets	**(7,665)**	46,313
Net cash flows (used in) investing activities	**(19,291)**	(96,980)
Cash flows from/(used in) financing activities:		
Increase in share capital	-	2,792,916
Repayment of term loan	**(1,973,700)**	(399,600)
Payment of lease liability	**(313,497)**	-
Net cash flows from/(used in) financing activities	**(2,287,197)**	2,393,316
Net (Decrease)/Increase in cash and cash equivalents	**(1,539,413)**	48,384
Cash and cash equivalents, beginning of the year	**2,531,715**	2,483,331
Cash and cash equivalents, end of the year	**992,302**	2,531,715
Represented by:		
Cash on hand (Note 9)	**6,391**	3,857
Bank balances (Note 9)	**985,911**	2,527,858
	992,302	2,531,715

The accompanying notes form an integral part of these financial statements.
The Report of the Auditors is set out on pages 2 to 4.

The financial statements on pages 5 to 29 were approved by the Board and signed on 4 June 2020.

Mr. Rishabh Kushal Desai **Mr. Kushal Narendra Desai**

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1 Legal status and activities

PETROLEUM SPECIALITIES FZE, ("the Establishment") is registered with the Hamriyah Free Zone Authority, Sharjah, United Arab Emirates as a free zone establishment and operates under industrial license no. 13326 issued on 18 November 2014. The Establishment's registered office is at Plot no. 1C-02D1, Hamriyah Free Zone, Sharjah, United Arab Emirates.

The Establishment is engaged in the business of manufacturing and marketing of petroleum based speciality products, all kinds of oils, lubricants and chemicals. The management and control of the Establishment are vested with Mr. Rishabh Kushal Desai.

2 Significant accounting policies

Basis of preparation
The financial statements have been prepared on a historical cost basis except for derivative financial instruments and financial assets at fair value through other comprehensive income that have been measured at fair value. Historical cost is generally based on the fair value of the consideration given in exchange for assets.

The financial statements are presented in United States Dollars (USD), being the functional and presentation currency of the Establishment.

Certain comparative amounts have been reclassified to conform to the presentation used in these financial statements.

Basis of compliance
The financial statements of the Establishment are prepared in accordance with International Financial Reporting Standards (IFRS) as issued by the International Accounting Standards Board (IASB) and applicable requirements of the United Arab Emirates laws.

New standards, interpretations and amendments adopted by the Establishment
The accounting policies adopted in the preparation of the financial statements are consistent with those followed in the preparation of the Establishment's annual financial statements for the year ended 31 March 2019, except for the adoption of the new standards, interpretations and amendments effective for annual accounting periods beginning or after 1 January 2019. Although these new standards and amendments apply for the first time, they do not have a material impact on the financial statements of the Establishment.

IFRS 16 Leases
Issued on January 2018. The new standard does not significantly change the accounting for leases for lessors. However, it does require lessees to recognise most leases on their balance sheets as lease liabilities, with the corresponding right-of-use assets. Lessees must apply a single model for all recognised leases, but will have the option not to recognise 'short-term' leases and leases of 'low-value' assets. Generally, the profit or loss recognition pattern for recognised leases will be similar to today's finance lease accounting, with interest and depreciation expense recognised separately in the statement of profit or loss. It becomes effective for annual accounting periods beginning on or after 1 January 2019. Early application is permitted provided the new revenue standard, IFRS 15, is applied on the same date. Lessees must adopt IFRS 16 using either a full retrospective, modified retrospective or cumulative catch-up approach.

2 Significant accounting policies (continued)

General impact of application of IFRS 16 Leases
IFRS 16 eliminates the current dual accounting model for lessees, which distinguishes between on-balance sheet finance leases and off-balance sheet operating leases. Under the new standard, a lessee recognized a right-of-use asset, representing its right to use the underlying asset, and a lease obligation, representing its obligation to make lease payments. Lease expense will be replaced by depreciation on the right-of-use asset and interest expense on the lease obligation.

Right-of-use assets will be accounted for under IAS 16, Property, Plant and Equipment, and will be initially recorded at cost, which includes the initial measurement of the lease obligation and other costs, less lease incentives. Lease obligations will initially be measured at the present value of future lease payments and will be subsequently be measured at amortized cost using the effective interest rate method.

The Establishment adopts the standard in the annual accounting periods beginning 1 January 2019 for its lease on a land located at Ajman Industrial Area, Ajman, United Arab Emirates. The Establishment applies IFRS 16 using the cumulative catch-up approach where the additional right-of-use assets and lease liabilities will be recorded from that date forward and will not require restatement of prior years' comparative information.

Set out below, are the carrying amounts of the Establishment's right-of-use assets and lease liabilities and the movements during the year:

	Right-of-use asset USD	*Lease liability* USD
As at 1 April 2019	-	-
Additions	4,723,721	4,723,721
Depreciation expense	(228,567)	-
Interest expense	-	249,378
Payments	-	(313,497)
As at 31 March 2020	**4,495,154**	**4,659,602**

Amendments to IFRS 9 Prepayment Features with Negative Compensation
The amendments in Prepayment Features with Negative Compensation (Amendments to IFRS 9) are Changes regarding symmetric prepayment options and Clarification regarding the modification of financial liabilities. The amendments are to be applied retrospectively for fiscal years beginning on or after 1 January 2019, i. e. one year after the first application of IFRS 9 in its current version. Early application is permitted so entities can apply the amendments together with IFRS 9 if they wish so. Additional transitional requirements and corresponding disclosure requirements must be observed when applying the amendments for the first time. These amendments do not have any impact on the Establishment's financial statements.

Amendments to IAS 28 Long-term Interests in Associates and Joint Ventures
The amendments clarify that an entity applies IFRS 9 'Financial Instruments' to long-term interests in an associate or joint venture that form part of the net investment in the associate or joint venture but to which the equity method is not applied. The amendments are effective for periods beginning on or after 1 January 2019. Earlier application is permitted. These amendments do not have any impact on the Establishment's financial statements.

2 Significant accounting policies (continued)

Annual Improvements to IFRS Standards 2015–2017 Cycle
These improvements include: Amendments to IFRS 3 Business Combinations, IFRS 11 Joint Arrangements, IAS 12 Income Taxes and IAS 23 Borrowing Costs. The amendments are effective for annual reporting periods beginning on or after January 1, 2019, with earlier application permitted. This standard does not have any impact on the Establishment's financial statements.

Amendments to IAS 19 Employee Benefits
An entity applies the amendments to plan amendments, curtailments or settlements occurring on or after the beginning of the first annual reporting period that begins on or after 1 January 2019. Early application is permitted but must be disclosed. These amendments do not have any impact on the Establishment's financial statements.

IFRIC 23 Uncertainty over Income Tax Treatments
The interpretation is to be applied to the determination of taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under IAS 12. An entity applies IFRIC 23 for annual reporting periods beginning on or after 1 January 2019. Earlier application is permitted. This standard does not have any impact on the Establishment's financial statements.

Standards, amendments and interpretations issued but not yet adopted
Certain new standards, amendments to standards and interpretations are not yet effective for the year ended 31 March 2020, with the Establishment not opting for early adoption. These have, therefore, not been applied in preparing these financial statements.

IFRS 17 Insurance Contracts
IFRS 17 will replace IFRS 4 Insurance Contracts (effective for reporting periods beginning or after 1 January 2021, with comparative figures required. Early application is permitted, provided the entity also applies IFRS 9 and IFRS 15 on or before the date it first applies IFRS 17).

IFRS 3 Business Combinations
Amendments to clarify the definition of a business issued on October 2018 applicable to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after 1 January 2020.

IFRS 9 Financial Instruments/IFRS 7 Financial Instruments: Disclosures
Amendments regarding pre-replacement issues in the context of the IBOR reform issued on September 2019 effective for annual periods beginning on or after 1 January 2020.

IAS 1 Presentation of Financial Statements/IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors
Amendments regarding the definition of material issued on October 2018 effective for annual periods beginning on or after 1 January 2020.

IAS 1 Presentation of Financial Statements
Amendments regarding the classification of liabilities issued on January 2020 effective for annual periods beginning on or after 1 January 2022.

2 Significant accounting policies (continued)

Revenue recognition

The application of IFRS 15 requires the management to apply the following new accounting policies:

Revenue from contracts with customers

The Establishment recognizes revenue from contracts with customers based on a five step model as set out in IFRS 15:

Step 1. Identify the contract(s) with a customer: A contract is defined as an agreement between two or more parties that creates enforceable rights and obligations and sets out the criteria for every contract that must be met.

Step 2. Identify the performance obligations in the contract: A performance obligation is a promise in a contract with a customer to transfer a good or service to the customer.

Step 3. Determine the transaction price: The transaction price is the amount of consideration to which the Establishment expects to be entitled in exchange for transferring promised goods or services to a customer, excluding amounts collected on behalf of third parties.

Step 4. Allocate the transaction price to the performance obligations in the contract: For a contract that has more than one performance obligation, the Establishment will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Establishment expects to be entitled in exchange for satisfying each performance obligation.

Step 5. Recognize revenue when (or as) the entity satisfies a performance obligation.

The Establishment satisfies a performance obligation and recognizes revenue over time, if one of the following criteria is met:

1. The customer simultaneously receives and consumes the benefits provided by the Establishment's performance as the Establishment performs; or
2. The Establishment's performance creates or enhances an asset that the customer controls as the asset is created or enhanced; or
3. The Establishment's performance does not create an asset with an alternative use to the Establishment and the entity has an enforceable right to payment for performance completed to date.

For performance obligations where one of the above conditions are not met, revenue is recognised at the point in time at which the performance obligation is satisfied.

When the Establishment satisfies a performance obligation by delivering the promised goods or services it creates a contract asset based on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognised this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes and duty. The Establishment assesses its revenue arrangements against specific criteria to determine if it is acting as principal or agent. The Establishment has concluded that it is acting as a principal in all of its revenue arrangements.

2 Significant accounting policies (continued)

Revenue is recognised in the income statement to the extent that it is probable that the economic benefits will flow to the Establishment and the revenue and costs, if applicable, can be measured reliably.

The Establishment recognizes revenue at a point in time when control over the product or service is transferred to the customer.

Current versus non-current classification
The Establishment presents assets and liabilities in statement of financial position based on current/non-current classification. An asset is current when it is:

- Expected to be realised or intended to sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realised within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

The Establishment classifies all other assets as non-current.

A liability is current when:

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

The Establishment cclassifies all other liabilities as non-current.

Property, plant and equipment
Property, plant and equipment are stated at cost less accumulated depreciation and any impairment in value. Depreciation is calculated on a straight-line basis over the estimated useful lives of the assets as follows:

Buildings	30-60 Years
Plant and Machinery	10-20 Years
Motor Vehicles	8 Years
Furniture, Fixtures and Office Equipment	5-10 Years

The useful lives and depreciation method are reviewed periodically to ensure that the method and period of depreciation are consistent with the expected pattern of economic benefits from these assets.

Expenditure incurred to replace a component of an item of property, plant and equipment that is accounted for separately is capitalised and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalised only when it increases future economic benefits of the related item of property, plant and equipment. All other expenditure is recognized in the statement of comprehensive income as the expense is incurred.

2 Significant accounting policies (continued)

Property, plant and equipment are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of property, plant and equipment may not be recoverable. Whenever the carrying amount of property, plant and equipment exceeds their recoverable amount, an impairment loss is recognized in the statement of comprehensive income. The recoverable amount is the higher of fair value less costs to sell of property, plant and equipment and the value in use. The fair value less costs to sell is the amount obtainable from the sale of property, plant and equipment in an arm's length transaction while value in use is the present value of estimated future cash flows expected to arise from the continuing use of property, plant and equipment and from its disposal at the end of its useful life.

Reversal of impairment losses recognized in the prior years is recorded when there is an indication that the impairment losses recognized for the property, plant and equipment no longer exist or have reduced.

Derivative financial instruments
The Establishment enters into derivative financial instruments to manage its exposure to interest rate risk and foreign exchange rate risk, including foreign exchange forward contracts. Derivatives are initially recognised at fair value at the date the derivative contract is entered into and are subsequently remeasured to their fair value at the end of each reporting date. The resulting gain or loss is recognised in the income statement immediately, unless the derivative is designated and effective as a hedging instrument, in which event the timing of the recognition in the income statement depends on the nature of the hedge relationship. The Establishment designates derivatives as hedges of interest rate risk and foreign currency risk of firm commitments (cash flow hedges).

A derivative with a positive fair value is recognised as a financial asset; a derivative with a negative fair value is recognised as a financial liability.

Hedge accounting
The Establishment designates certain hedging instruments as either fair value hedges or cash flow hedges. Hedges of interest rate risk and foreign exchange risk on firm commitments are accounted for as cash flow hedges. At the inception of the hedge relationship, the Establishment documents the relationship between the hedging instrument and the hedged item, along with its risk management objectives and its strategy for undertaking various hedge transactions. Furthermore, at the inception of the hedge and on an ongoing basis, the Establishment documents whether the hedging instrument is highly effective in offsetting changes in fair values or cash flows of the hedged item.

The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Establishment will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined).

A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument;
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship;
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Establishment actually hedges and the quantity of the hedging instrument that the Establishment actually uses to hedge that quantity of hedged item.

Hedges that meet all the qualifying criteria for hedge accounting are accounted for and further described in the below sections.

2 Significant accounting policies (continued)

Fair value hedges
The change in the fair value of a hedging instrument is recognised in the income statement as other expense. The change in the fair value of the hedged item attributable to the risk hedged is recorded as part of the carrying value of the hedged item and is also recognised in the income statement as other expense.

For fair value hedges relating to items carried at amortised cost, any adjustment to carrying value is amortised through profit or loss over the remaining term of the hedge using the EIR method. The EIR amortisation may begin as soon as an adjustment exists and no later than when the hedged item ceases to be adjusted for changes in its fair value attributable to the risk being hedged.

If the hedged item is derecognised, the unamortised fair value is recognised immediately in income statement.

When an unrecognised firm commitment is designated as a hedged item, the subsequent cumulative change in the fair value of the firm commitment attributable to the hedged risk is recognised as an asset or liability with a corresponding gain or loss recognised in income statement.

Cash flow hedges
The effective portion of the gain or loss on the hedging instrument is recognised in statement of comprehensive income in the cash flow hedge reserve, while any ineffective portion is recognised immediately in the income statement. The cash flow hedge reserve is adjusted to the lower of the cumulative gain or loss on the hedging instrument and the cumulative change in fair value of the hedged item.

The ineffective portion relating to foreign currency contracts is recognised as other expense and the ineffective portion relating to commodity contracts is recognised in other operating income or expenses.

The Establishment designates only the spot element of forward contracts as a hedging instrument. The forward element is recognised in statement of comprehensive income and accumulated in a separate component of equity under cost of hedging reserve.

The amounts accumulated in statement of comprehensive income are accounted for, depending on the nature of the underlying hedged transaction. If the hedged transaction subsequently results in the recognition of a non-financial item, the amount accumulated in equity is removed from the separate component of equity and included in the initial cost or other carrying amount of the hedged asset or liability. This is not a reclassification adjustment and will not be recognised in other comprehensive income for the period. This also applies where the hedged forecast transaction of a non-financial asset or non-financial liability subsequently becomes a firm commitment for which fair value hedge accounting is applied.

For any other cash flow hedges, the amount accumulated in statement of comprehensive income is reclassified to income statement as a reclassification adjustment in the same period or periods during which the hedged cash flows affect profit or loss.

If cash flow hedge accounting is discontinued, the amount that has been accumulated in statement of comprehensive income must remain in accumulated OCI if the hedged future cash flows are still expected to occur. Otherwise, the amount will be immediately reclassified to income statement as a reclassification adjustment. After discontinuation, once the hedged cash flow occurs, any amount remaining in accumulated OCI must be accounted for depending on the nature of the underlying transaction as described above.

2 Significant accounting policies (continued)

Inventories
Inventories are stated at the lower of cost and net realisable value with due allowance for any obsolete or slow moving items.

Costs are those expenses incurred in bringing the inventories to their present location and condition. Net realisable value is based on estimated selling price less any further costs expected to be incurred on disposal.

Financial assets
All financial assets are recognized and derecognized on trade date when the purchase or sale of a financial asset is made under a contract whose terms require delivery of the financial asset within the timeframe established by the market concerned. Financial assets are initially measured at cost, plus transaction costs, except for those financial assets classified at fair value through other comprehensive income or profit or loss, which are initially measured at fair value. All recognized financial assets are subsequently measured in their entirety at either amortised cost or fair value.

The fair value of financial instruments that are actively traded in organised financial markets is determined by reference to quoted market bid prices for assets and offer prices for liabilities, at the close of business on the reporting date. If quoted market prices are not available, reference can also be made to broker or dealer price quotations.

Classification of financial assets
For the purposes of classifying financial assets, an instrument is an "equity instrument" if it is a non-derivative and meets the definition of "equity" for the issuer (under IAS 32: *Financial Instruments: Presentation*) except for certain non-derivative puttable instruments presented as equity by the issuer. All other non-derivative financial assets are "debt instruments".

Equity investments
All financial assets that are equity investments are measured at fair value either through other comprehensive income or through profit or loss. This is an irrevocable choice that the Establishment has made an early adoption of IFRS 9 or will make on subsequent acquisition of equity investments unless the equity investments are held for trading, in which case, they must be measured at fair value through profit or loss. Gain or loss on disposal of equity investments is not recycled. Dividend income for all equity instruments is recorded through the statement of comprehensive income.

Debt instruments
Debt instruments are also measured at fair value through profit or loss unless they are classified at amortised cost. They are classified at amortised cost only if:

- the asset is held within a business model whose objective is to hold the asset to collect the contractual cash flows; and
- the contractual terms of the debt instrument give rise, on specified dates, to cash flows that are solely payments of principal and interest on the principal outstanding.

Cash and cash equivalents
For the purpose of the statement of cash flows, cash and cash equivalent consist of cash at hand, bank balances and short-term deposits with an original maturity of three months or less, net of outstanding bank overdrafts.

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2 Significant accounting policies (continued)

Accounts receivables
Accounts receivables are stated at original invoice amount less expected credit losses. When an accounts receivable is uncollectible, it is written off against provision for doubtful debts. Subsequent recoveries of amounts previously written off are credited to the income statement.

Derecognition of financial assets
A financial asset (or, where applicable a part of a financial asset or part of a group of similar financial assets) is derecognized when:

- The rights to receive cash flows from the asset have expired;
- The Establishment retains the right to receive cash flows from the asset but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement;
- The Establishment has transferred its rights to receive cash flows from the asset either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

When the Establishment has transferred its rights to receive cash flows from an asset or has entered in a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset nor transferred control of the asset, the asset is recognized to the extent of the Establishment's continuing involvement in the asset. Continuing involvement that takes the form of a guarantee over the transferred asset, is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Establishment could be required to repay.

Impairment of financial assets
The Establishment recognises allowance for expected credit losses (ECL) for all debt instruments not held at fair value through profit or loss. ECLs are based on the difference between the contractual cash flows due in accordance with the contract and all the cash flows that the Establishment expects to receive. The shortfall is then discounted at an approximation to the asset's original effective interest rate.

ECLs are recognised in two stages. For credit exposures for which there has not been a significant increase in credit risk since initial recognition, ECLs are provided for credit losses that result from default events that are possible within the next 12-months (a 12-month ECL). For those credit exposures for which there has been a significant increase in credit risk since initial recognition, a loss allowance is required for credit losses expected over the remaining life of the exposure, irrespective of the timing of the default (a lifetime ECL).

Impairment of non-financial assets
The Establishment assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when annual impairment testing for an asset is required, the Establishment estimates the asset's recoverable amount. An asset's recoverable amount is the higher of an asset's or cash-generating unit's (CGU) fair value less costs to sell and its value in use and is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. Where the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs to sell, recent market transactions are taken into account, if available. If no such transactions can be identified, an appropriate valuation model is used. These calculations are corroborated by valuation multiples, quoted shares prices for publicly traded entities or other available fair value indicators.

2 Significant accounting policies (continued)

Impairment losses of continuing operations are recognized in the statement of comprehensive income in those expense categories consistent with the function of the impaired asset.

For assets excluding goodwill, an assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exits, the Establishment estimates the asset's or cash-generating unit's recoverable amount. A previously recognized impairment loss is reversed only if there has been a change in the assumptions used to determine the asset's recoverable amount since the last impairment loss was recognized. The reversal is limited so that the carrying amount of the asset does not exceed its recoverable amount, nor exceed the carrying amount that would have been determined, net of depreciation, had no impairment loss has been recognized for the asset in prior years. Such reversal is recognized in the statement of comprehensive income.

Financial liabilities and equity instruments issued by the Establishment
Debt and equity instruments are classified as either financial liabilities or as equity instruments in accordance with the substance of the contractual agreements. Financial liabilities within the scope of IFRS 9 are classified as financial liabilities at fair value through profit or loss, loans and borrowings, or as derivative instrument as appropriate. The Establishment determines the classification of its financial liabilities at initial recognition.

Accounts and other payables
Liabilities are recognized for amounts to be paid in the future for goods or services received, whether billed by the supplier or not.

Loans and borrowings
Term loans are initially recognized at the fair value of the consideration received less directly attributable transaction costs.

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortised cost using the effective interest rate method. Gains and losses are recognized in the statement of comprehensive income when the liabilities are derecognized as well as through the amortisation process.

Other financial liabilities
Other financial liabilities are initially measured at fair value, net of transaction costs and are subsequently measured at amortised cost using the effective interest method, with interest expense recognized on an effective yield basis.

The effective interest method is a method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period. The effective interest rate is the rate that exactly discounts estimated future cash payments through the expected life of the financial liability, or, where appropriate, a shorter period.

Gains or losses on liabilities held for trading are recognized in the statement of comprehensive income.

Derecognition of financial liabilities
The Establishment derecognized financial liabilities when, and only when, the Establishment's obligations are discharged, cancelled or they expired. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, then the difference in the respective carrying amounts is recognized in the statement of comprehensive income.

2 Significant accounting policies (continued)

Offsetting of financial instruments
Financial assets and liabilities are offset and the net amount reported in the statement of financial position if, and only if,

- There is currently enforceable legal right to offset the recognized amounts and
- There is an intention to settle on a net basis, or to realise the assets and settle the liabilities simultaneously.

End-of-service benefits
The Establishment provides end-of-service benefits to its employees. The entitlement of these benefits is based upon the employees' final salary and length of service, subject to the completion of a minimum service period. The expected costs of these benefits are accrued over the period of employment.

Provisions
Provisions are recognized when the Establishment has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. When the Establishment expects some or all of a provision to be reimbursed, the reimbursement is recognized as a separate asset but only when the reimbursement is virtually certain. The expense relating to any provision is presented in the statement of comprehensive income net of any reimbursement.

Provisions are measured at the present value of the expenditures expected to be required to settle the obligation at the end of the reporting period, using a rate that reflects current market assessments of the time value of money and the risks specific to the obligation.

Provisions are reviewed at each statement of financial position date and adjusted to reflect the current best estimate. If it is no longer probable that an outflow of resources embodying economic benefits will be required to settle the obligation, the provision is reversed.

Foreign currencies
Transactions in foreign currencies are recorded at the rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the statement of financial position date. All differences are taken to the statement of comprehensive income.

Contingencies
Contingent liabilities are not recognized in the financial statements. They are disclosed unless the possibility of an outflow of resources embodying economic benefits is remote. Contingent assets are not recognized in the financial statements but disclosed when an inflow of economic benefits is probable.

3 Property, plant and equipment

	Buildings	Plant and Machinery	Motor Vehicles	Furniture, Fixtures and Office Equipment	Total
	USD	USD	USD	USD	USD
Cost:					
At 1 April 2018	4,335,781	12,569,585	129,716	163,621	17,198,703
Additions	78,985	56,532	-	7,776	143,293
At 31 March 2019	4,414,766	12,626,117	129,716	171,397	17,341,996
Cost:					
At 1 April 2019	4,414,766	12,626,117	129,716	171,397	17,341,996
Additions	3,148	3,291	-	5,187	11,626
At 31 March 2020	**4,417,914**	**12,629,408**	**129,716**	**176,584**	**17,353,622**
Accumulated Depreciation:					
At 1 April 2018	150,092	914,635	60,344	72,835	1,197,906
Depreciation	127,974	745,810	21,665	34,894	930,343
At 31 March 2019	278,066	1,660,445	82,009	107,729	2,128,249
Accumulated Depreciation:					
At 1 April 2019	278,066	1,660,445	82,009	107,729	2,128,249
Depreciation	129,043	716,039	14,899	23,218	883,199
At 31 March 2020	**407,109**	**2,376,484**	**96,908**	**130,947**	**3,011,448**
Net carrying amount:					
At 31 March 2019	4,136,700	10,965,672	47,707	63,668	15,213,747
Net carrying amount:					
At 31 March 2020	**4,010,805**	**10,252,924**	**32,808**	**45,637**	**14,342,174**

Depreciation of factory building and plant and machinery are charged to direct costs as those assets are directly utilized for generating revenue.

4 Right-of-use asset

	Land	Total
	USD	USD
Cost:		
At 1 April 2019	-	-
Additions (Note 2)	4,723,721	4,723,721
At 31 March 2020	**4,723,721**	**4,723,721**
Accumulated Depreciation:		
At 1 April 2019	-	-
Depreciation (Note 2)	228,567	228,567
At 31 March 2020	**228,567**	**228,567**
Net carrying amount:		
At 31 March 2020	**4,495,154**	**4,495,154**

Note: The above represents the leased land located at Plot no. 1C-02D1, Hamriyah Free Zone, Sharjah, United Arab Emirates. Lease term is from 18 November 2014 to 17 November 2039. The cost of right-of-use asset and corresponding lease obligation are measured by calculating the present value of future lease payments from the date of transition to the date of lease expiration (i.e., from 1 April 2019 to 17 November 2039) using the incremental borrowing rate as on 1 April 2019.

5 Advance for capital assets

	31 March	
	2020	2019
	USD	USD
Advances to suppliers and contractors	**21,345**	13,680

Note: The above represents the advances given to the suppliers and contractors in connection with the setting up of facilities for manufacturing of petroleum based speciality products, all kinds of oils, lubricants and chemicals at Plot no. 1C-02D1, Hamriyah Free Zone, Sharjah, United Arab Emirates.

6 Other receivables and prepayments

	31 March	
	2020	2019
	USD	USD
Prepayments and deferrals	**443,962**	534,218
Refundable deposits	**171,774**	106,179
Advances to suppliers	**2,493,094**	-
Advances to staff	**22,835**	6,520
Net VAT receivable	**245,011**	109,232
Other receivables	**105,764**	-
	3,482,440	756,149

7 Inventories

	31 March 2020	31 March 2019
	USD	USD
Raw materials and work in progress	**7,169,065**	7,501,054
Finished goods	**1,309,413**	1,000,864
Consumables	**136,153**	131,207
	8,614,631	8,633,125

8 Accounts receivables

	31 March 2020	31 March 2019
	USD	USD
Trade debtors	**11,848,527**	10,477,003
Less: Provision for doutbful accounts	**(113,891)**	-
	11,734,636	10,477,003

Ageing of trade receivables

	31 March 2020	31 March 2019
	USD	USD
0 - 30 days	**2,518,917**	5,112,721
31 - 60 days	**4,210,234**	2,026,709
61 - 90 days	**2,846,042**	1,162,486
91 - 120 days	**1,418,860**	1,194,044
121 - 150 days	**369,757**	675,901
151 - 180 days	**309,045**	236,896
181 - 210 days	**1,966**	43,616
211 - 240 days	**30,375**	516
241 - 270 days	**14,321**	233
271 - 300 days	**1,089**	1,637
301 - 330 days	**114,600**	-
331 - 360 days	**89**	1,973
Over 360 days	**13,232**	20,271
	11,848,527	10,477,003

8 Accounts receivables (continued)

At 31 March 2020, and in application of IFRS 9 Simplified Approach for trade receivableimpairment, the lifetime expected credit losses (ECL) provision matrix for trade receivables was:

	Rate	Gross Amount
		USD
0 - 30 days	0.23%	5,728
31 - 60 days	0.59%	24,988
61 - 90 days	1.12%	31,785
91 - 120 days	1.46%	20,679
121 - 150 days	1.83%	6,775
151 - 180 days	2.57%	7,950
181 - 210 days	4.30%	85
211 - 240 days	5.08%	1,542
241 - 270 days	6.30%	902
271 - 300 days	12.59%	137
301 - 330 days	28.98%	33,214
331 - 360 days	100.00%	89
Over 360 days	100.00%	13,231
		147,105
Less: Trade receivables secured by letter of credit		(33.214)
		113,891

IFRS 9 was not applied retrospectively for the year ended 31 March 2019.

Movement in provision for doubtful accounts

Balance at the beginning of the year	-
Provision for the year	113,891
Balance at the end of the year	**113,891**

9 Bank balances and cash

	31 March	
	2020	2019
	USD	USD
Cash on hand	**6,391**	3,857
Bank balances - Current accounts	**985,911**	2,527,858
	992,302	2,531,715

10 Share capital

	31 March	
	2020	2019
	USD	USD
Balance at 1 April	**12,329,700**	9,536,784
Additions during the year	**-**	2,792,916
Balance at 31 March	**12,329,700**	12,329,700

On 24 March 2019, authorised, issued and paid up capital of the Establishment has been changed to AED 45,250,000 (USD 12,329,700) divided into 45,250 shares of AED 1,000 each, fully paid and held by M/s. Petroleum Specialities PTE LTD, Singapore.

11 Due to banks

	31 March	
	2020	2019
	USD	USD
Term loan	**6,626,700**	8,600,400
Less: Current portion	**(2,474,100)**	(1,973,700)
Non-current portion of term loan	**4,152,600**	6,626,700

Note: The term loan USD 9,000,000 obtained in 2017 is to be repaid in unequal quarterly installments up to 29 June 2022.

Bank facilities granted to the Establishment are secured by the following:

a. Joint and several guarantees of M/s. Petroleum Specialities PTE LTD, Singapore and M/s. Apar Industries Limited, India, related parties.

b. Mortgage over fixed assets (plant and machinery) situated at Plot no. 1C-02D1, Hamriyah Free Zone, Sharjah, United Arab Emirates.

12 Other liabilities

	31 March	
	2020	2019
	USD	USD
Provision for end-of-service benefits, 1 April	**73,397**	41,134
Provided during the year	**29,565**	33,244
Paid during the year	**(2,091)**	(981)
Provision for end-of-service benefits, 31 March	**100,871**	73,397
Lease liability - non-current portion (Note 2)	**4,397,558**	-
	4,498,429	73,397

13 Other payables and accruals

	31 March	
	2020	2019
	USD	USD
Accruals and provisions	**3,881,172**	3,810,535
Advances from customers	**259,487**	769,543
Interest rate derivative	**194,273**	61,477
Lease liability - current portion (Note 2)	**262,044**	-
Other payables	**990,911**	976,293
	5,587,887	5,617,848

14 Related party transactions

Related parties represent the directors and key management personnel, and entities controlled, jointly controlled or significantly influenced by such parties. Pricing policies and terms of these transactions are approved by the Establishment's management.

Balances with related party included in the statement of financial position are as follows:

(a) Due to related parties

	31 March	
	2020	2019
	USD	USD
M/s. Petroleum Specialities PTE LTD, Singapore	-	15,070
M/s. Apar Industries Limited, India	**578,030**	545,764
M/s. Apar Investments Inc., British Virgin Islands	**4,012,467**	-
	4,590,497	560,834

(b) Compensation of key management personnel

The remuneration of member of key management during the year were as follows:

	For the year ended 31 March	
	2020	2019
	USD	USD
Short-term benefits	**53,914**	53,914
End-of-service benefits	**3,110**	3,102
	57,024	57,016

15 Accounts payables

	31 March 2020	31 March 2019
	USD	USD
Trade creditors	**7,395,921**	8,324,445
Acceptances	**7,546,497**	5,965,272
	14,942,418	14,289,717

16 Sales

	For the year ended 31 March 2020	For the year ended 31 March 2019
	USD	USD
Export sales	**56,261,117**	53,784,537
Other direct income	**1,403,435**	1,593,407
	57,664,552	55,377,944

17 Cost of sales

	For the year ended 31 March 2020	For the year ended 31 March 2019
	USD	USD
Depreciation of property, plant and equipment	**827,679**	856,405
Depreciation of right-of-use asset	**228,567**	-
Land lease	-	340,934
Interest on lease liability	**249,378**	-
Other direct costs	**48,052,772**	47,302,361
	49,358,396	48,499,700

18 General and administrative expenses

	For the year ended 31 March 2020	For the year ended 31 March 2019
	USD	USD
Salaries and other related benefits	**1,198,765**	1,146,242
Depreciation of property, plant and equipment	**55,520**	73,938
Staff and labour accommodation	**135,758**	146,143
Legal and professional, municipal and visa charges	**181,708**	284,017
Insurance	**171,087**	145,991
Communication	**70,482**	68,028
Travelling and conveyance	**139,730**	147,845
Other general and administrative expenses	**564,237**	568,605
	2,517,287	2,580,809

19 Selling and distribution expenses

	For the year ended 31 March	
	2020	2019
	USD	USD
Freight	**2,296,918**	2,224,359
Packaging	**2,377,892**	2,366,777
Storage	**482,242**	409,838
Commission	**194,475**	193,305
Other selling and distribution expenses	**4,162**	26,235
	5,355,689	5,220,514

20 Guarantees and contingencies

	31 March	
	2020	2019
	USD	USD
Letters of guarantee	**1,471,399**	1,608,665

The above guarantees are issued in the ordinary course of business from which it is anticipated that no material liability will arise. In addition to the above, the Establishment has provided labour guarantees.

21 Risk management

Risk is inherent in the Establishment's activities but it is managed through a process of ongoing identification, measurement and monitoring, subject to risk limits and other controls. This process of risk management is critical to the Establishment's continuing profitability and each individual within the Establishment is accountable for the risk exposures relating to his or her responsibilities.

The Establishment's Director oversees the management of these risks. The Directors review and agree policies for managing each of these risks which are summarised below.

The Establishment's principal financial liabilities consist of accounts payables, due to related parties, due to banks and other payables. The Establishment's financial assets are bank balances and cash, accounts receivables, due from a related party, deposits and other receivables.

The Establishment's financial risk management process and policies relating to these risks are discussed in detail below.

Interest rate risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Establishment is currently exposed to interest rate risk for its derivative financial instruments.

21 Risk management (continued)

Credit risk

Credit risk is the risk that the counterparty will not meet its obligations under a financial instrument or a customer contract, leading to a financial loss. The Establishment is exposed to credit risk from its operating activities (primarily for accounts receivables), including deposits with banks and financial institutions, and other financial instruments.

The Establishment is exposed to credit risk on its bank balances and receivables as follows:

	31 March	
	2020	2019
	USD	USD
Bank balances	**985,911**	2,527,858
Accounts receivables	**11,848,527**	10,477,003
Advance for capital assets	**21,345**	13,680
Refundable deposits	**171,774**	106,179
Advances to suppliers	**2,493,094**	-
Advances to staff	**22,835**	6,520
Net VAT receivable	**245,011**	109,232
Other receivables	**105,764**	-
	15,894,261	13,240,472

Accounts and other receivables

Credit risks related to receivables are managed subject to the Establishment's policy, procedures and control relating to customer credit risk management. Outstanding customer receivables are regularly monitored. The requirement for impairment is analysed at each reporting date on an individual basis for all customers. Carrying amount of accounts and other receivables best represent the maximum exposure to credit risk at the end of each reporting period presented.

The Establishment has taken credit insurance with respect to its accounts receivables.

Other financial assets

With respect to credit risk arising from the other financial assets of the Establishment, which comprise bank balances, refundable deposits and other receivables, the Establishment's exposure to credit risk arises from default of the counter party, with a maximum exposure equal to the carrying amount of these instruments.

The Establishment seeks to limit its credit risk with respect to banks by only dealing with reputable banks.

Balances due from related parties and other receivables are held with reputed counter parties which management do not expect any loss from their non-performance. Where non-performanceis identified a provision is made.

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21 Risk management (continued)

Liquidity risk

Liquidity risk is the risk that the Establishment will encounter difficulty in meeting obligations from its financial liabilities.

The Establishment's objective is to maintain a balance between continuity of funding and flexibility through efficient cash management. The Establishment limits its liquidity risk by ensuring adequate funds from the owner or other related parties are available.

Currency risk

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign currency rates. The Establishment is not exposed to any significant currency risk as most of the transactions are in United States Dollars (USD).

Capital management

The primary objective of the Establishment's capital management is to ensure that it maintains healthy capital ratios in order to support its business and maximize value to the owner.

The Establishment manages its capital structure and makes adjustments to it, in light of changes in business conditions. To maintain or adjust the capital structure, the Establishment may adjust the profit payment to the owner, return capital to the owner or issue new shares. No changes were made in the objectives, policies, or processes during the year ended 31 March 2020 and 31 March 2019. Capital comprises share capital, hedging reserve and accumulated losses and is measured at USD 7,436,751 (31 March 2019 : USD 8,483,223).

22 Fair values of financial instruments

Financial instruments comprise financial assets and financial liabilities.

Financial assets consist of bank balances and cash, accounts receivables, due from a related party, deposits and other receivables. Financial liabilities consist of accounts payables, due to related parties, due to banks and other payables.

The fair values of the financial assets and liabilities are not materially different from their carrying value unless stated otherwise.

APAR TRANSMISSION AND DISTRIBUTION PROJECTS PRIVATE LIMITED

2019-20

INDEPENDENT AUDITOR'S REPORT

To the Members of Apar Transmission & Distribution Projects Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Apar Transmission & Distribution Projects Limited ("the Company"), which comprise the balance sheet as at 31 March 2020, the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information ("the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 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 31 March 2020, the profit and total comprehensive income, 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. 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 together with the independence 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial statements and auditor's report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the board's report including annexures thereto, but does not include the financial statements and our auditor's 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.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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 on the other information obtained prior to the date of this auditor's report, 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.

Management's responsibility 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 standalone financial statements that give a true and fair view of the financial position, financial performance, total 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 of 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 standalone financial statement 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.

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

Auditor's 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 auditor's 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 standalone 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 controls 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 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 auditor's 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 auditor's 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, make 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.

Report on other legal and regulatory requirements

1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the central government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A the 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, based on our audit, 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), statement of changes in equity and the statement of cash flows dealt with by this report are in agreement with the books of account;

(d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;

(e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 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 over financial reporting 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 over financial reporting;

(g) With respect to the other matters to be included in the auditor's report in accordance with the requirements of section 197(16) of the Act, as amended, we report that in our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the year; and

(h) With respect to the other matters to be included in the auditor's report in accordance with 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 has disclosed the impact of pending litigations on its financial position in its financial statements – refer note 22 to the financial statements;

   ii The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses – refer note 23 to the financial statements; and

   iii There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company – refer note 24 to the financial statements.

For Sharp & Tannan LLP
Chartered Accountants
Firm's registration No.127145W/W100218

FIRDOSH
DARA BUCHIA

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Firdosh D. Buchia
Partner
Membership no. 038332
UDIN: 20038332AAAAOA2049

Mumbai, 24 June 2020

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)

(i) The Company does not hold any fixed assets. Accordingly, paragraph 3(i)(a), (b) and (c) of the Order are not applicable to the Company.

(ii) According to the information and explanations given to us, the Company is engaged in services related to stringing/ re-stringing etc. for conductor and cable industries and its activities do not require it to hold any inventories and hence reporting under paragraph 3(ii) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraphs 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, investments, guarantees, and security under the provisions of sections 185 and 186 of the Act. Accordingly, paragraphs 3(iv) of the Order are not applicable to the Company.

(v) In our opinion and according to information and explanation given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India under the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) According to the information and explanations given to us, the central government has not prescribed the maintenance of cost records under section 148(1) of the Act for any of the services rendered by the Company. Accordingly, reporting under paragraph 3(vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including income tax, goods and service tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us the Company did not have any dues on account of provident fund, employees's state insurance, duty of customs and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, goods and service tax, cess and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no dues in respect of income tax, value added tax, sales tax, service tax, goods and service tax, duty of excise and duty of custom which have not been deposited with the appropriate authorities on account of any dispute as at 31 March 2020.

(viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable to the Company.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us, the Company has not paid / provided managerial remuneration. Accordingly, paragraph 3(xi) of the Order is not applicable to the Company.

(xii) In our opinion and according to the information and explanation given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the records of the Company examined by us and the information and explanations given to us, all transactions with related parties are in compliance with sections 177 and 188 of the Act and the details have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into non- cash transactions with directors or persons connected with him and hence provisions of section 192 of the Act are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Sharp & Tannan LLP
Chartered Accountants
Firm's registration No.127145W/W100218

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Firdosh D. Buchia
Partner
Membership no. 038332
UDIN: 20038332AAAAOA2049

Mumbai, 24 June 2020

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 2(f) of our report of even date)

Report on the internal financial controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Apar Transmission & Distribution Projects Limited ("the Company") as of 31 March 2020 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 ("ICAI"). 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 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 Companies Act, 2013.

Auditors' responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the guidance note on audit of internal financial controls over financial reporting and the standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by the ICAI. 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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.

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 over financial reporting.

Meaning of internal financial controls over financial reporting

A company's internal financial control over financial reporting 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 over financial reporting 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 over financial reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, 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 ICAI.

For Sharp & Tannan LLP
Chartered Accountants
Firm's registration No.127145W/W100218

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Date: 2020.06.24 19:17:19 +05'30'

Firdosh D. Buchia
Partner
Membership no. 038332
UDIN: 20038332AAAAOA2049

Mumbai, 24 June 2020

Apar Transmission & Distribution Projects Private Limited

Balance sheet as at March 31, 2020 (Numbers in INR Lakhs)

	Note	As at March 31, 2020 ₹	As at March 31, 2019 ₹
ASSETS			
Non-current assets			
Financial Assets			
Other non-current assets	2	0.20	0.20
Right to Use Assets		16.16	-
Other Tax Assets	3	22.45	7.19
Deferred Tax assets (net)		0.14	56.32
Total non current assets		**38.95**	**63.71**
Current Assets			
Financial Assets			
Trade receivables	4	765.64	304.29
Cash and cash equivalents	5	8.60	5.44
Short-term loans and advances	6	2.22	1.34
Contract Assets	7	657.36	59.26
Other current assets	8	377.54	98.23
Total current assets		**1,811.35**	**468.54**
TOTAL ASSETS		**1,850.30**	**532.25**
EQUITY AND LIABILITIES			
Equity			
(a) Equity share capital	9	1.00	1.00
(b) Other equity			
Reserves & Surplus	10	350.44	(45.31)
Total equity		**351.44**	**(44.31)**
Lease Liabilities		9.41	-
Total non current liabilities		**9.41**	-
Current liabilities			
Lease Liabilities		7.31	-
Financial liabilities			
Trade and other payables	11	1,471.99	539.98
Other current liabilities	12	10.15	36.58
Liabilities for current tax	13	-	-
Total current liabilities		**1,489.45**	**576.56**
Total liabilities		**1,498.85**	**576.56**
Total Equity and Liabilities		**1,850.30**	**532.25**

As per our report of even date attached
SHARP & TANNAN LLP
Chartered Accountants
Firm's Registration
No. 127145W/W100218
by the hand of

Firdosh D Buchia
Partner
Membership No. 038332
Mumbai
24th June, 2020

For and on behalf of the Board of Directors

Ashwin H. Shah
Chairman
DIN : 07561552
Vadodara,
24th June, 2020

Ahmedhussain G Vohra
Director
DIN : 08166808

APAR TRANSMISSION & DISTRIBUTION PROJECTS PRIVATE LIMITED
Vadodara
390 007

Apar Transmission & Distribution Projects Private Limited

Statement of profit and loss for the year ended March 31, 2020 (Numbers in INR Lakhs)

	Note	For the year ended March 31, 2020 ₹	For the year ended March 31, 2019 ₹
Revenue			
I. Revenue from Operations	14	4,762.90	1,006.78
II. Total Revenue		**4,762.90**	**1,006.78**
III. Expenses			
Processing charges, fabrication and labour charges		3,136.39	706.97
Finance costs		1.35	-
Depreciation and amortization expense		6.23	-
Other expenses	15	1,084.21	516.41
Total Expenses		**4,228.18**	**1,223.38**
Net total expenses		**4,228.18**	**1,223.38**
IV. Profit Before Exceptional Items and Tax		534.72	(216.60)
V. Exceptional Items		-	-
VI. Profit Before Tax		**534.72**	**(216.60)**
VII. Tax expense:			
1. Current Tax		80.21	-
2. Deferred Tax		56.17	(56.32)
3. Taxes of earlier years		2.59	-
		138.97	**(56.32)**
VIII. Net Profit for the year (IX+X)		**395.75**	**(160.28)**
IX.Other Comprehensive Income		-	-
X. Total Comprehensive Income for the period (VIII+IX) (Comprising Profit (Loss) and Other Comprehensive Income for the period)		**395.75**	**(160.28)**
XII. Earnings per equity share	16		
Basic		3,957.50	(1,602.83)
Diluted		3,957.50	(1,602.83)
Significant Accounting Policies	1		

As per our report of even date attached
SHARP & TANNAN LLP
Chartered Accountants
Firm's Registration
No. 127145W/W100218
by the hand of

Firdosh D Buchia
Partner
Membership No. 038332
Mumbai
24th June, 2020

For and on behalf of the Board of Directors

Ashwin H. Shah
Chairman
DIN : 07561552
Vadodara,
24th June, 2020

Ahmedhussain G Vohra
Director
DIN : 08166808

Apar Transmission & Distribution Projects Private Limited

(Numbers in INR Lakhs)

Statement of cash flows for the year ended March 31, 2020

	For the year ended March 31, 2020 ₹	For the year ended March 31, 2019 ₹
Cash flow from operating activities		
Profit before tax	534.72	(216.60)
Adjustments for		-
Depreciation on non current assets	6.23	-
Amortisation of intangible assets		
(Gain)/loss on sale of property, plant and equipment		
Foreign currency translation reserve		
Finance costs	1.35	
Finance income		
Dividend on investments and from subsidiaries		
Unrealised exchange loss/(gain)		
Items that will not be reclassified to Profit or Loss		
Profit on sale of investments	-	-
Movement in working capital		
(Increase)/ Decrease in trade and other receivables	(1,338.64)	484.69
(Increase)/ Decrease in inventories		-
Increase/ (Decrease) in trade and other payables	908.62	(169.87)
(Decrease)/ Increase in other liabilities	(9.71)	(56.79)
Tax paid	(98.06)	(37.14)
Net cash generated by / (used in) operating activities	**4.52**	**4.29**
Cash flow from financing activities		
Interest received/(paid) - net	(1.35)	-
Net cash (used in) / generated by financing activities	(1.35)	-
Net increase / (decrease) in cash and cash equivalents	3.16	4.29
Effect of exchanges rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the year	5.44	1.14
Cash and cash equivalents at the end of the year	**8.60**	**5.44**

Notes :

1) Statement of cash flows has been prepared under the indirect method as set out in the Ind AS 7 Statement of Cash Flows.

As per our report of even date attached
SHARP & TANNAN LLP
Chartered Accountants
Firm's Registration
No. 127145W/W100218
by the hand of

Firdosh D Buchia
Partner
Membership No. 038332
Mumbai
24th June, 2020

For and on behalf of the Board of Directors

Ashwin H. Shah
Chairman
DIN : 07561552
Vadodara,
24th June, 2020

Ahmedhussain G Vohra
Director
DIN : 08166808

Apar Transmission & Distribution Projects Private Limited

Statement of changes in equity

(Numbers in INR Lakhs)

(a) Equity share capital

	As at March 31, 2020		As at March 31, 2019	
	No. of Shares	₹	No. of Shares	₹
Balance at the beginning of the reporting period Balance	10,000	1.00	10,000	1.00
Changes in equity share capital during the year	-	-	-	-
Balance at the end of the reporting period	10,000	1.00	10,000	1.00

₹

(b) Other equity

	Reserves & Surplus				
For the year ended	Retained earnings - Surplus	General reserve	Securities premium	OCI	Total
Balance at April 1, 2018	114.98	-	-	-	**114.98**
Profit/ (loss) for the year	(160.28)	-	-	-	(160.28)
Balance at March 31, 2019	**(45.31)**	-	-	-	**(45.31)**
Profit/(Loss) for the year	395.75	-	-	-	395.75
Total comprehensive income for the year	**395.75**	-	-	-	**395.75**
Balance at March 31, 2020	**350.44**	-	-	-	**350.44**

As per our report of even date attached
SHARP & TANNAN LLP
Chartered Accountants
Firm's Registration
No. 127145W/W100218
by the hand of

Firdosh D Buchia
Partner
Membership No. 038332
Mumbai
24th June, 2020

For and on behalf of the Board of Directors

Ashwin H. Shah
Chairman
DIN : 07561552
Vadodara,
24th June, 2020

Ahmedhussain G Vohra
Director
DIN : 08166808

APAR TRANSMISSION & DISTRIBUTION PROJECTS PRIVATE LIMITED
Vadodara
390 007

Apar Transmission & Distribution Projects Private Limited
Notes To The Financial Statement as at and for the Year Ended March 31, 2020

Note 1 Accounting Policy

1. General information

The Company was incorporated as Wholly owned Subsidiary of Apar Industries Limited on 26th August, 2016 to carry out the business of stringing / re-stringing etc. of Conductors and cables. Apar Industries Limited holds 100% of the Equity Share Capital of the Company i.e. 10,000 Equity Shares of Rs. 10/- each. The Company is incorporated in India. The registered office of the company is situated at at 301, Panorama Complex, R. C. Dutt Road, Vadodara, Gujarat – 390 007.

These financial statements are approved for issue by the Board of Directors on June 24, 2020.

2. Statement of Compliance

These financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) to comply with Section 133 of the Companies Act, 2013 ("the 2013 Act"), and the relevant provisions of the 2013 Act (to the extent notified) read with the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.
Accounting policies have been consistently applied except where a newly issued Ind AS is initially adopted or a revision to an existing Ind AS requires a change in accounting policy hitherto in use.

3. Functional and presentation currency

These financial statements are presented in Indian rupees (INR), which is the Company's functional currency. All amounts have been rounded off to the nearest rupee, unless otherwise indicated.

4. Key estimates and assumptions

The preparation of financial statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the (i) balance sheet and (ii) statement of profit and loss. The actual amounts realised may differ from these estimates.
Estimates and assumptions are required in particular for:

- **Recognition of deferred tax assets**

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

- **Recognition and measurement of other provisions**

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the amount included in other provisions.

- **Fair value of financial instruments**

Derivatives and investments in mutual funds are carried at fair value. Derivatives includes Foreign Currency Forward Contracts, Commodity futures contracts and Interest Rate Swaps. Fair value of Foreign Currency Forward Contracts and commodity future contracts are determined using the fair value reports provided by merchant bankers and LME brokers respectively. Fair value of Interest Rate Swaps are determined with respect to current market rate of interest.

APAR TRANSMISSION & DISTRIBUTION PROJECTS PRIVATE LIMITED
Vadodara
390 007

5 Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values for financial instruments.

The Company has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities.

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

Level 3 : inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

6 Significant accounting policies followed by the company

A. Revenue Recognition

i. Revenue from contract with customers for sale of goods and provision of services

Ind AS 115 Revenue from Contract with Customers: On March 28, 2018, the Ministry of Corporate Affairs had notified Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible method of transition:

• Retrospective Approach – Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors.

• Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch up approach)

The Company has adopted the standard on April 1, 2018 by using cumulative catch up transition method. The effect on adoption of Ind AS 115 was insignificant on the financial statements.

The Company recognizes revenue from contracts with the customers based on five step model defined in Ind AS 115. The Company satisfies a performance obligation and recognizes revenue over time, if any of the conditions given in Ind AS 115 satisfies; else revenue is recognized at point in time at which the performance obligation is satisfied.

APAR TRANSMISSION & DISTRIBUTION PROJECTS PRIVATE LIMITED * Vadodara 390 007

When the Company satisfies a performance obligation by delivering the promised goods or services it creates a contract based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognized this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenues are recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue & costs, if applicable, can be measured reliably.

a. Performance Obligation

The Company derives its revenue from providing stringing and re-stringing services in Power Transmission Conductors Industry and Cables Industry.

The Company is required to assess each of its contracts with customers to determine whether performance obligation are satisfied over time or at a point in time in order to determine the appropriate method for recognizing of revenue. The Company has assessed that based on the contracts entered into with the customers and the provisions of relevant laws and regulations, the Company recognizes the revenue over time only if it satisfies the criteria given in Ind AS 115. Where the criteria as per Ind AS 115 are not met, revenue is recognized at a point in time.

The Company satisfies its performance obligation when the control over the goods is transferred to the customer or benefits of the services being provided is received and consumed by the customer.

In cases where the Company determines that performance obligation is satisfied at a point in time, revenue is recognized when the control over the goods is transferred to the customer or benefits of the services being provided is received and consumed by the customer. The Company considers that the customer has obtained the control of promised goods or services; when the goods have been dispatched/delivered to the destination as per terms of the contract or services has been provided and consumed by the customer as per agreed terms and the Company has unconditional right to consideration.

In cases where the Company determines that performance obligation is satisfied over time, then revenue is recognised when the outcome of a transaction can be estimated reliably by reference to the stage of completion of the transaction (Input Method). The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

1. The amount of revenue can be measured reliably;
2. It is probable that the economic benefits associated with the transaction will flow to the company;
3. The stage of completion of the transaction at the end of the reporting period can be measured reliably; and
4. The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Stage of completion is determined by the proportion of actual costs incurred to-date, to the estimated total costs of the transaction.

The Company considers that the use of the input method, which requires revenue recognition on the basis of the company's efforts to the satisfaction of performance obligation, provides the best reference of revenue actually earned. In applying the input method, the Company estimates the efforts or inputs to the satisfaction of a performance obligation. In addition to the cost of meeting contractual obligation to the customers, these estimates mainly include for service contracts, the time elapsed.

b. Transaction Price

The Company is required to determine the transaction price in respect of each of its contracts with customers.

Contract with customers for sale of goods or services are either on a fixed price or on variable price basis.

For allocating the transaction price, the Company measured the revenue in respect of each performance obligation of contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In making judgment about the standalone selling price, the Company also assesses the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component and any non-cash consideration in the contract.

In determining the impact of variable consideration if any, the Company uses the "most likely amount" method as per Ind AS 115 whereby the transaction price is determined by reference to the single most likely amount in a range of possible consideration amounts.

APAR TRANSMISSION & DISTRIBUTION PROJECTS PRIVATE LIMITED
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c. Contract Modification

Any changes in the scope or price of the contracts are accounted only when the same is approved. The accounting of modification calls for assessment of changes in the scope or prices. If the goods or services added are not of distinct nature then modification are accounted on a cumulative catch up basis, while those that are distinct are accounted prospectively, either as a separate contract, if additional goods or services are priced at the standalone selling prices or as a termination of the existing contract and creation of new contract if not priced at the standalone selling price.

ii. Interest income is accrued on a time basis, by reference to the principal outstanding and effective interest rate applicable.

iii. Dividend income is recognised when the right to receive the payment is established.

B. Finance income and finance costs

The Company's finance income and finance costs include:

- interest income;
- interest expense;
- the net gain or loss on financial assets at FVTPL
- exchange differences arising from monetary assets and liabilities

Interest income or expense is recognised using the effective interest rate method.

Share issue expenses are written off against share premium account, if any, or amortized over a period of 5 years.

C. Income Tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if the Company:

a) has a legally enforceable right to set off the recognised amounts; and
b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

- temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

- temporary differences related to investments in subsidiaries and associates to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

- taxable temporary differences arising on the initial recognition of goodwill.

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Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Deferred tax asset / liabilities in respect of temporary differences which originate and reverse during the tax holiday period are not recognised. Deferred tax assets / liabilities in respect of temporary differences that originate during the tax holiday period but reverse after the tax holiday period are recognised.

D. Financial assets

Classification

The Company shall classify financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at fair value through profit and loss (FVTPL)

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

In addition, the Company may elect to classify a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

The rights to receive cash flows from the asset have expired, or

The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables - The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits, security like letters of credit, security deposit collected etc. and expectations about future cash flows.

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ii. Financial liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable and incremental transaction cost.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Provisions and contingent liabilities

Provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but will probably not, require an outflow of resources. When there is a possible obligation of a present obligation in respect of which the likelihood of outflow of resources is remote, no provision disclosure is made.

A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is probable.

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J. Leases

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019 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, effective from annual reporting period beginning April 1, 2019 and applied the standard to its existing leases, with the modified retrospective method. This has resulted into recognition of Right of use assets at an amount equals to Lease liability on date of initial application (April 1, 2019). Accordingly, the Company has not restated comparative information.
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.

Company as a lessee:

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re-measurement of the lease liability. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the Company's incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. 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 and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to;

1. Short-term leases of all assets that have a lease term of 12 months or less, and
2. Leases for which the underlying asset is of low value.

The lease payments associated with above 2 types of leases are recognized as an expense on a straight-line basis over the lease term.

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Company as a lessor:

At the inception of the lease, the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

K. Impairment of non-financial assets

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount.

The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

L. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company cash management.

M. Earnings per share

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

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Notes To The Financial Statement as at and for the Year Ended March 31, 2020

(Numbers in INR Lakhs)

Note 2 Other Non current Finacial Assets	31 March 2020 ₹	31 March 2019 ₹
Unsecured, considered good		
Security deposits	0.20	0.20
	0.20	0.20

Note 3 Other Tax Assets	31 March 2020 ₹	31 March 2019 ₹
Advance Income tax (net of Provision)	22.45	7.19
	22.45	7.19

Note 4 Trade Receivable	31 March 2020 ₹	31 March 2019 ₹
Un-Secured		
Considered good (Refer note below)	765.64	304.29
	765.64	304.29

Note:

Due from Holding Company	31 March 2020 ₹	31 March 2019 ₹
Apar Industries Limited	-	304.29

Note 5 Cash and cash equivalents	31 March 2020 ₹	31 March 2019 ₹
On current accounts	8.60	5.44
	8.60	5.44

Note 6 Short term loans & advances	31 March 2020 ₹	31 March 2019 ₹
Security deposits to customer	2.22	1.34
	2.22	1.34

Note 7 Contract Assets	31 March 2020 ₹	31 March 2019 ₹
Unbilled revenue (Refer note below)	657.36	59.26
	-	-
	657.36	59.26

Note:

Unbilled revenue from Holding Company	31 March 2020 ₹	31 March 2019 ₹
Apar Industries Limited	657.36	59.26

Remarks: Unbilled revenue from holding company is 6.57 Cr. Howerver, balance shown as receivables in Related Party Transactions is Rs 1.91 as balance is knocked off against payable. Reason being the difference squared up against payables of Rs 4.66 Cr.

Note 8 Other current assets	31 March 2020 ₹	31 March 2019 ₹
Balances with statutory/government authorities	322.84	68.79
Prepayments and others	54.71	29.44
Others	-	-
	377.54	98.23

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Notes To The Financial Statement as at and for the Year Ended March 31, 2020

	Note 9 Equity share capital	31 March 2020	31 March 2019
a	Authorised :		
	20,000 (Previous year 20000) Equity shares of ₹ 10 each	2.00	2.00
	TOTAL	2.00	2.00
b	Issued :		
	10,000 (Previous year 10,000) Equity shares of ₹ 10 each	1.00	1.00
	TOTAL	1.00	1.00
c	Subscribed and Paid up :		
	10,000 (Previous year 10,000) Equity shares of ₹ 10 each	1.00	1.00
		1.00	1.00

d	Reconciliation of number of shares outstanding at the beginning and end of the year :	31 March 2020	31 March 2019
	Outstanding at the beginning of the year	10,000	10,000
	Issued during the year	-	-
	Outstanding at the end of the year	10,000	10,000

e Terms/rights attached to equity shares

The Company has one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.

f Shareholders holding more than 5% shares in the company is set out below:	31 March 2020		31 March 2019	
	No of shares	%	No of shares	%
Apar Industries Limited	9,999	99.99%	9,999	99.99%

g Shares Reserved for issue under options

There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.

Note 10 Other Equity	31 March 2020 ₹	31 March 2019 ₹
Retained earnings - Surplus / (Deficit)	350.44	(45.31)
	350.44	(45.31)
Retained earnings - Surplus / (Deficit)		
As per Last Balance Sheet	(45.31)	114.98
Increase/(Decrease) during the year	395.75	(160.28)
Closing Balance	**350.44**	**(45.31)**

Note 11 Trade and other payables	31 March 2020 ₹	31 March 2019 ₹
Due to Micro, Small and Medium Enterprises	-	-
Due to other than micro and small and medium enterprises	1,471.99	539.98
Total	1,471.99	539.98

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at the balance sheet date. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

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Notes To The Financial Statement as at and for the Year Ended March 31, 2020

Note 12 Other current liabilities	31 March 2020 ₹	31 March 2019 ₹
Statutory dues towards Government	(0.83)	30.89
Other payables	10.98	5.69
	10.15	36.58

Note 13 Provision for Tax	31 March 2020 ₹	31 March 2019 ₹
Provision for Tax for Current Year	80.21	-
Total	80.21	-

Note 14 Revenue from operations	2019-20 ₹	2018-19+G483 ₹
Sale of services	4,762.90	1,006.70
Miscellaneous Income	-	0.08
Total	4,762.90	1,006.78
Revenue from operations (gross)	4,762.90	1,006.78

Note 15 Other expenses	2019-20 ₹	2018-19 ₹
Labour Charges - Stringing Work	3,136.39	706.97
Freight charges	32.77	-
Rates and taxes	0.06	0.01
Repairs and maintenance -others	1.40	0.21
Travelling and conveyance	101.49	27.82
Legal and professional fees	73.00	0.67
Statutory audit fees (Refer note below)	1.80	0.60
Lease rental	14.54	4.35
Labour Charges - Others	52.07	-
Bank charges and commission	0.00	-
Sundry balances written-off	0.00	-
Security charges	112.56	23.72
Guest house rent	-	8.77
Miscellaneous expenses	8.74	1.33
Reimbursement of expenses to holding company	685.78	448.94
	1,084.21	516.41

Note : Auditors' remuneration

Auditors remuneration as	2019-20 ₹	2018-19 ₹
Statutory Audit Fees	0.95	0.60
Other Fees	0.85	-

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Apar Transmission & Distribution Projects Private Limited

Notes To The Financial Statement as at and for the Year Ended March 31, 2020

(Numbers in INR Lakhs)

Note 16 Earnings per share

A. Basic earnings per share

The calculation of basic earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

i. Profit attributable to ordinary shareholders (basic)

	March 31, 2020 ₹	March 31, 2019 ₹
Profit (loss) for the year, attributable to the owners of the Company	395.75	(160.28)
Profit (loss) for the year, attributable to the owners of the Company	395.75	(160.28)

ii. Weighted average number of ordinary shares (basic)

	March 31, 2020	March 31, 2019
Issued ordinary share capital	0.10	0.10
Weighted average number of shares at March 31	**0.10**	**0.10**

iii. Earning Per Share

	March 31, 2020	March 31, 2019
Earning per share	3,957.50	(1,602.83)

B. Diluted earnings per share

There are no dilutive instruments as at 31/03/2020 and as at 31/03/2019, hence diluted earnings per share is the same as basic earnings per share.

Note 17: Related party relationships, transactions and balances

A. List of Related Parties

Holding Company: Apar Industries Limited

B. Related Party Transactions ₹

Transactions	March 31, 2020	March 31, 2019
1. Sales of services	3,701	1,027
2. Reimbursement of expenses & rent	688	453
3. Balance outstanding for sales of services	191	364

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Notes forming part of the condensed financial statements

Note 18: Disclosure pursuant to Ind AS 12 "Income Taxes"

(a) Major components of tax expense/(income): (Numbers in INR Lakhs)

Sr. No.	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
	Statement of Profit and Loss:		
(a)	Profit and Loss section:		
	(i) Current tax :		
	Current tax expense for the year	80.21	-
	Tax expense in respect of earlier years	2.59	-
		82.79	-
	(ii) Deferred Tax:		
	Tax expense on origination and reversal of temporary differences	56.17	(56.32)
	Effect on deferred tax balances due to the change in income tax rate	-	-
		56.17	(56.32)
	Income tax expense reported in the statement of profit or loss[(i)+(ii)]	138.96	(56.32)
(b)	Other Comprehensive Income (OCI) Section:		
	(i) Items that will not be reclassified to profit or loss in subsequent years:		
	(A) Current tax expense/(income):		
	On re-measurement of the defined benefit plans	-	-
		-	-
	(B) Deferred tax expense/(income):		
	On re-measurement of the defined benefit plans	-	-
		-	-
	Income tax expenses reported in the other comprehensive income [i]	-	-
(c)	**Other directly reported in balance sheet:**		
	Current tax expense	-	-
	Deferred tax assets/(liabilities)	-	-
	Income tax expense reported directly in balance sheet	-	-

(b) Reconciliation of Income tax expense and accounting profit multiplied by domestic tax rate:

Sr. No.	Particulars	For the year ended March 31, 2020	For the year ended March 31, 2019
(a)	Profit before tax	534.72	(216.60)
(b)	Corporate tax rate as per Income tax Act, 1961	25.17%	26.00%
(c)	Tax on accounting profit (c)=(a)*(b)	135	(56)
(d)	(i) Tax expense in respect of earlier years	2.59	-
	(ii) Others	1.80	-
	Total effect of tax adjustments [(i) to (vi)]	4.39	(0.01)
(e)	**Tax expense recognised during the year**	138.97	(56.33)

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Notes forming part of the condensed financial statements

(c) Major components of deferred tax liabilities and deferred tax assets:

Particulars	Deferred tax liabilities/ (assets) as at 01-04-2019	Charge/(credit) to Statement of Profit and Loss	Utilisation of MAT	Deferred tax liabilities/ (assets) as at 31-03-2020
Deferred tax liabilities:				
- Fair value of investments (routed through FVTPL)	(56.32)	56.17	-	(0.14)
Net deferred tax liabilities	**(56.32)**	**56.17**	**-**	**(0.14)**
Deferred tax (assets):				
- Provision for doubtful debts, advances and non-performing assets debited to Statement of Profit and Loss	-	-	-	-
Net Deferred tax (assets)	-	-	-	-
Net deferred tax (liability)/assets	**(56.32)**	**56.17**	**-**	**(0.14)**

Particulars	Deferred tax liabilities/ (assets) as at 01-04-2018	Charge/(credit) to Statement of Profit and Loss	Utilisation of MAT	Deferred tax liabilities/ (assets) as at 31-03-2019
Deferred tax liabilities:				
- Fair value of investments (routed through FVTPL)	-	(56.32)	-	(56.32)
Net deferred tax liabilities	**-**	**(56.32)**	**-**	**(56.32)**
Deferred tax (assets):				
- Provision for doubtful debts, advances and non-performing assets debited to Statement of Profit and Loss	-	-	-	-
Net Deferred tax (assets)	-	-	-	-
Net deferred tax (liability)/assets	**-**	**(56.32)**	**-**	**(56.32)**

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Note 19 Financial instruments – Fair values and risk management Disclosure

A. Accounting classification and fair values

The following table shows the carrying amounts and fair values of financial assets and financial liabilities, including their levels in the fair value hierarchy. It does not include the fair value information for financial assets and financial liabilities not measured at fair value if the carrying amount is a reasonable approximation of fair value.

(Numbers in INR Lakhs)

		Carrying amount (₹)				
March 31, 2020	**Note No.**	**Fair value-hedging instruments**	**FVTPL**	**FVTOCI**	**Amortized Cost**	**Total**
Financial Assets						
Non current - Other	2.00				0.20	0.20
Trade receivables	4.00				765.64	765.64
Cash and cash equivalents	5.00				8.60	8.60
Short-term loans and advances	6.00				2.22	2.22
Total Financial Assets		-	-	-	**775.65**	**775.65**
Financial liabilities						
Trade and other payables	11.00				1,471.99	1,471.99
Total Financial Liabilities		-	-	-	**1,471.99**	**1,471.99**

		Carrying amount (₹)				
March 31, 2019	**Note No.**	**Fair value-hedging instruments**	**FVTPL**	**FVTOCI**	**Amortized Cost**	**Total**
Financial Assets						
Non current - Other	2.00				0.20	0.20
Trade receivables	4.00				304.29	304.29
Cash and cash equivalents	5.00				5.44	5.44
Short-term loans and advances	6.00				1.34	1.34
Total Financial Assets		-	-	-	**311.26**	**311.26**
Financial liabilities						
Trade and other payables	11.00				539.98	539.98
Total Financial Liabilities		-	-	-	**539.98**	**539.98**

Assets that are not financial assets (such as receivables from statutory authorities, prepaid expenses, advances paid and certain other receivables) amounting to ₹ 3,77,54,331/- and ₹ 98,22,879/- as of March 31, 2020 and March 31, 2019, respectively, are not included.

Other liabilities that are not financial liabilities (such as statutory dues payable, deferred revenue, advances from customers and certain other accruals) amounting to ₹ 90,53,357/- and ₹ 36,57,805/- as of March 31, 2020 and March 31, 2019 respectively, are not included.

Note: The fair value for financial instruments such as trade receivables, cash and cash equivalents, trade payables etc have not been disclosed because the carrrying values approximate the fair value.

B. Financial risk management

The Group has exposure to the following risks arising from financial instruments:

- Credit risk ;
- Liquidity risk ; and
- Market risk

Risk management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has established the Risk Management Committee, which is responsible for developing and monitoring the Company's risk management policies. The committee reports regularly to the board of directors on its activities.

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

Financial instruments – Fair values and risk management Credit Risk

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations, and arises principally from the Company's receivables from customers and loans and advances.

The carrying amount of following financial assets represents the maximum credit exposure:

At March 31, the maximum exposure to credit risk for trade and other receivables age wise was as follows.

	₹	
	March 31, 2020	March 31, 2019
Neither past due nor impaired	765.64	304.29
past due 1-90 days	-	-
past due 91 -180 days	-	-
past due 180 days	-	-
Total	765.64	304.29
Less: Provisions	-	-
Net Total	**765.64**	**304.29**

Vadodara 390 007
APAR TRANSMISSION & DISTRIBUTION PROJECTS PRIVATE LIMITED

At March 31, the maximum exposure to credit risk for short term loans and advances age wise was as follows.

	March 31, 2020	March 31, 2019
	₹	
Neither past due nor impaired	2	1
past due 1-90 days	-	-
past due 91 -180 days	-	-
past due 180 days	-	-
Total	2	1
Less: Provisions	-	-
Net Total	2	1

Cash and cash equivalents

The Company holds cash and cash equivalents of ₹ 8.59 lakhs as on 31 March 2020 (₹ 5.43 lakhs as on 31 March 2019). The cash and cash equivalents are held with the bank and financial institutions, with good credit ratings.

Financial instruments – Fair values and risk management Liquidity Risk

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

Maturity profile of financial liabilities

The following are the remaining contractual maturities of financial liabilities at the reporting date. The amounts are gross and undiscounted, and include estimated interest payments and exclude the impact of netting agreements.

			Contractual cash flows ₹			
March 31, 2020	Carrying amount	Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Trade and other payables	1,471.99	1,471.99	1,471.99	-	-	-

			Contractual cash flows ₹			
March 31, 2019	Carrying amount	Total	1 year or less	1-2 years	2-5 years	More than 5 years
Non-derivative financial liabilities						
Trade and other payables	539.98	539.98	539.98	-	-	-

Financial instruments – Fair values and risk management Market Risk

Market risk

Market risk is the risk that changes in market prices – such as foreign exchange rates, interest rates and equity prices – will affect the Company's income or the value of its holdings of financial instruments. Market risk is attributable to all market risk sensitive financial instruments including foreign currency receivables and payables and long term debt.

We are exposed to market risk primarily related to interest rate risk and the market value of our investments. Thus, our exposure to market risk is a function of investing and borrowing activities and revenue generating and operating activities.

APAR TRANSMISSION & DISTRIBUTION PROJECTS PRIVATE LIMITED * Vadodara 390 007

Apar Transmission & Distribution Projects Private Limited

Notes To The Financial Statement as at and for the Year Ended March 31, 2020

Note 20 IND AS 115 - Revenue from Contracts with Customers

i. Contract balances

	2019-20
Contract assets	Numbers in INR Lakhs
Unbilled revenue	
As at April 1, 2019	59.26
Add: Addition during the year	657.36
	716.61
Less: Trasferred to receivable	59.26
As at Mar 31, 2020	**657.36**

Refer note no 4 - for Trade receivables balances

ii. Remaining performance obligations

The aggregate amount of the transaction price allocated to the performance obligations that are unsatisfied (or partially unsatisfied) as of the end of the reporting period are having performance obligations, which are a part of the contracts that has an original expected duration of one year or less. Hence, the company has applied practical expedient as per para 121 of the Ind As 115 in regards to remaining performance obligations.

Note 21 Segment Reporting

The company has only one reportable primary segment - Provision of stringing / re-stringing etc. services for Conductors and cables industries.

The chief operational decision maker monitors the operating results of its primary Segment for the purpose of making decisions about resource allocation and performance assessment.

Note 22 Contingent liabilities and Commitments

There was no contingent liabilties or capital commitments outstanding as on the reporting date.

Note 23: Foreseeable Losses

The Company does not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

Note 24: Amount to Investor Education and Protection Fund

There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.

APAR TRANSMISSION & DISTRIBUTION PROJECTS PRIVATE LIMITED * Vadodara 390 007

Note 25: Global pandemic COVID 19 impact on financial statements

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity, has had impact on the business of the Company. Due to the lock down the business has impacted for later part of the March 20 and the profitability to that extent for the year 2019-20.

In the initial period of Lock-down, the essential services based facilities were under operation observing safety measures with limited manpower. Gradually, the other facilities were operated based on the state based permissions to operate with restricted manpower.

The lock down of COVID-19 is continuing in FY 2020-21 and the Company is continuing its operations in all the business units with current lower demand. Management is expecting that demand for products will improve on stabilization of COVID-19, post removal of lock down. Management has assessed the potential impact of COVID 19 based on the current circumstances and expects no significant impact on the continuity of operations of the business on long term basis / on financial position etc. though there may be lower revenues in the near term.

Note 26 : Figures for previous periods/year have been regrouped, wherever necessary

As per our report of even date attached
SHARP & TANNAN LLP
Chartered Accountants
Firm's Registration
No. 127145W/W100218
by the hand of

APAR TRANSMISSION & DISTRIBUTION PROJECTS PRIVATE LIMITED
Vadodara
390 007

Firdosh D Buchia
Partner
Membership No. 038332
Mumbai
24th June, 2020

For and on behalf of the Board of Directors

Ashwin H. Shah
Chairman
DIN : 07561552
Vadodara,
24th June, 2020

Ahmedhussain G Vohra
Director
DIN : 08166808

APAR DISTRIBUTION & LOGISTICS PRIVATE LIMITED

2019-20

INDEPENDENT AUDITOR'S REPORT

To the Members of Apar Distribution & Logistics Private Limited

Report on the audit of the financial statements

Opinion

We have audited the financial statements of Apar Distribution & Logistics Private Limited ("the Company"), which comprise the balance sheet as at 31 March 2020, the statement of profit and loss (including other comprehensive income), statement of changes in equity and statement of cash flows for the year ended on that date, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information ("the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone 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 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 31 March 2020, the loss and total comprehensive loss, 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. 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 together with the independence 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 we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial statements and auditor's report thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the board's report including annexures thereto, but does not include the financial statements and our auditor's 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.

In connection with our audit of the financial statements, our responsibility is to read the other information identified above 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 on the other information obtained prior to the date of this auditor's report, 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.

Management's responsibility 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 standalone financial statements that give a true and fair view of the financial position, financial performance, total 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 of 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 standalone financial statement 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.

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

Auditor's 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 auditor's 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 standalone 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 controls 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 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 auditor's 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 auditor's 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, make 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.

Report on other legal and regulatory requirements

1 As required by the Companies (Auditor's Report) Order, 2016 ("the Order"), issued by the central government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the Annexure A the 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, based on our audit, 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), statement of changes in equity and the statement of cash flows dealt with by this report are in agreement with the books of account;

(d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the Act, read with rule 7 of the Companies (Accounts) Rules, 2014;

(e) On the basis of the written representations received from the directors as on 31 March 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2020 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 over financial reporting 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 over financial reporting;

(g) With respect to the other matters to be included in the auditor's report in accordance with the requirements of section 197(16) of the Act, as amended, we report that in our opinion and to the best of our information and according to the explanations given to us, the Company has not paid any remuneration to its directors during the year; and

(h) With respect to the other matters to be included in the auditor's report in accordance with 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 has disclosed the impact of pending litigations on its financial position in its financial statements;

   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.

For Sharp & Tannan LLP
Chartered Accountants
Firm's registration No.127145W/W100218

Firdosh D. Buchia
Partner
Membership no. 038332
UDIN: 20038332AAAAOG8386

Mumbai, 25 June 2020

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)

(i) The Company does not hold any fixed assets. Accordingly, paragraph 3(i)(a), (b) and (c) of the Order are not applicable to the Company.

(ii) the Company does not have any inventories. Accordingly, paragraph 3(ii) of the Order is not applicable to the Company.

(iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act. Accordingly, paragraphs 3(iii) (a), (b) and (c) of the Order are not applicable to the Company.

(iv) In our opinion and according to the information and explanations given to us, the Company has not granted any loans, investments, guarantees, and security under the provisions of sections 185 and 186 of the Act. Accordingly, paragraphs 3(iv) of the Order are not applicable to the Company.

(v) In our opinion and according to information and explanation given to us, the Company has not accepted deposits as per the directives issued by the Reserve Bank of India under the provisions of sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, paragraph 3(v) of the Order is not applicable to the Company.

(vi) According to the information and explanations given to us, the central government has not prescribed the maintenance of cost records under section 148(1) of the Act for any of the services rendered by the Company. Accordingly, reporting under paragraph 3(vi) of the Order is not applicable to the Company.

(vii) (a) According to the information and explanations given to us and on the basis of our examination of records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including income tax, cess and other material statutory dues have been regularly deposited during the year by the Company with the appropriate authorities. As explained to us the Company did not have any dues on account of provident fund, employees's state insurance, goods and service tax, duty of customs and duty of excise.

According to the information and explanations given to us, no undisputed amounts payable in respect of income tax, cess and other material statutory dues were in arrears as at 31 March 2020 for a period of more than six months from the date they became payable.

(b) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no dues in respect of income tax, value added tax, sales tax, service tax, goods and service tax, duty of excise and duty of custom which have not been deposited with the appropriate authorities on account of any dispute as at 31 March 2020.

(viii) The Company does not have any loans or borrowings from any financial institution, banks, government or debenture holders during the year. Accordingly, paragraph 3(viii) of the Order is not applicable to the Company.

(ix) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable to the Company.

(x) According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the year.

(xi) According to the information and explanations given to us, the Company has not paid / provided managerial remuneration. Accordingly, paragraph 3(xi) of the Order is not applicable to the Company.

(xii) In our opinion and according to the information and explanation given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable to the Company.

(xiii) According to the records of the Company examined by us and the information and explanations given to us, all transactions with related parties are in compliance with sections 177 and 188 of the Act and the details have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.

(xiv) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or partly convertible debentures during the year. Accordingly, paragraph 3(xiv) of the Order is not applicable to the Company.

(xv) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has not entered into non- cash transactions with directors or persons connected with him and hence provisions of section 192 of the Act are not applicable to the Company.

(xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Sharp & Tannan LLP
Chartered Accountants
Firm's registration No.127145W/W100218

Firdosh D. Buchia
Partner
Membership no. 038332
UDIN: 20038332AAAAOG8386

Mumbai, 25 June 2020

ANNEXURE 'B' TO THE INDEPENDENT AUDITOR'S REPORT
(Referred to in paragraph 2(f) of our report of even date)

Report on the internal financial controls under clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls over financial reporting of Apar Distribution & Logistics Private Limited ("the Company") as of 31 March 2020 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 ("ICAI"). 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 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 Companies Act, 2013.

Auditors' responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the guidance note on audit of internal financial controls over financial reporting and the standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both applicable to an audit of internal financial controls and, both issued by the ICAI. 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 over financial reporting 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 over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, 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.

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 over financial reporting.

Meaning of internal financial controls over financial reporting

A company's internal financial control over financial reporting 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 over financial reporting 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 over financial reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31 March 2020, 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 ICAI.

For Sharp & Tannan LLP
Chartered Accountants
Firm's registration No.127145W/W100218

Firdosh D. Buchia
Partner
Membership no. 038332
UDIN: 20038332AAAAOG8386

Mumbai, 25 June 2020

Apar Distribution & Logistics Private Limited

Balance sheet as at March 31, 2020

	Note	As at March 31, 2020 ₹
ASSETS		
Non-current assets		
Property, Plant and Equipment		-
Other Intangible assets		-
Financial Assets		
Trade receivables		-
Other non-current assets		-
Other non-current assets		-
Other Tax Assets		-
Deferred Tax assets (net)		-
Total non current assets		-
Current Assets		
Inventories		-
Financial Assets		
Investments		-
Trade receivables		-
Cash and cash equivalents	2	100,000
Bank balances other than above		-
Short-term loans and advances		-
Derivatives		-
Other current assets		-
Total current assets		**100,000**
TOTAL ASSETS		**100,000**

	Note	As at March 31, 2020 ₹
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	3	100,000
(b) Other equity	4	
Reserves & Surplus		(15,000)
Other reserves		-
Total equity		**85,000**
Non current liabilities		
Financial liabilities		-
Long term borrowings		-
Other financial liabilities		-
Provisions		-
Deferred tax liabilities (net)		-
Other non-current liabilities		-
Total non current liabilities		-
Current liabilities		
Financial liabilities		
Borrowings		-
Trade and other payables	5	15,000
Other financial liabilities		-
Derivatives		-
Other current liabilities		-
Short term provisions		-
Liabilities for current tax		-
Total current liabilities		**15,000**
Total liabilities		**15,000**
Total Equity and Liabilities		**100,000**

As per our report of even date attached
SHARP & TANNAN LLP
Chartered Accountants
Firm's Registration
No. 127145W/W100218
by the hand of

Firdous D Buchia
Partner
Membership No. 038332
Mumbai
June 25, 2020

For and on behalf of the Board of Directors

Kushal N. Desai
Chairman
DIN : 00008084
Mumbai,
June 25, 2020

Chaitanya N. Desai
Director
DIN : 00008091

Apar Distribution & Logistics Private Limited
Statement of profit and loss for the year ended March 31, 2020

	Note	For the year ended March 31, 2020 ₹
Revenue		
I. Revenue from Operations		-
II. Other income		-
III. Total Revenue		-
IV. Expenses		
Cost of materials consumed		-
Purchases of Stock-in-Trade		-
Changes in inventories of finished goods, Stock-in -Trade and work-in-progress		-
Processing charges, fabrication and labour charges		-
Employee benefits expense		-
Finance costs		-
Depreciation and amortization expense		-
Other expenses	6	15,000
Total Expenses		**15,000**
V. Profit Before Exceptional Items and Tax		(15,000)
VI. Exceptional Items		-
VII. Profit Before Tax		**(15,000)**
VIII. Tax expense:		
1. Current Tax		-
2. Deferred Tax		-
		-
IX. Net loss for the year (IX+X)		**(15,000)**
X.Other Comprehensive Income		
Items that will not be reclassified to profit or loss		
Items that will not be reclassified to profit or loss		-
Income tax relating to items that will not be reclassified to profit or loss		-
Items that will be reclassified to profit or loss		
Items that will not be reclassified to profit or loss		-
Income tax relating to items that will not be reclassified to profit or loss		-
XI. Total Comprehensive Loss for the period (IX+X) **(Comprising Profit (Loss) and Other Comprehensive Income for the period)**		**(15,000)**
XII. Earnings per equity share	7	
Basic		(18.30)
Diluted		(18.30)
Significant Accounting Policies	1	

As per our report of even date attached
SHARP & TANNAN LLP
Chartered Accountants
Firm's Registration
No. 127145W/W100218
by the hand of

Firdosh D Buchia
Partner
Membership No. 038332
Mumbai
June 25, 2020

For and on behalf of the Board of Directors

Kushal N. Desai
Chairman
DIN : 00008084
Mumbai,
June 25, 2020

Chaitanya N. Desai
Director
DIN : 00008091

Apar Distribution & Logistics Private Limited
Statement of cash flows for the year ended March 31, 2020

	For the year ended March 31, 2020 ₹
Cash flow from operating activities	
Profit before tax	(15,000)
Adjustments for	
Depreciation on non current assets	-
Movement in working capital	
(Increase)/ Decrease in trade and other receivables	-
(Increase)/ Decrease in inventories	
Increase/ (Decrease) in trade and other payables	15,000
(Decrease)/ Increase in other liabilities	-
Tax paid	-
Net cash generated by / (used in) operating activities	**-**
Cash flow from financing activities	
Proceeds/(repayments) from short-term borrowings	-
Proceeds/(repayments) from shares	100,000
Net cash (used in) / generated by financing activities	100,000
Net increase / (decrease) in cash and cash equivalents	100,000
Effect of exchanges rate changes on cash and cash equivalents	-
Cash and cash equivalents at the beginning of the year	-
Cash and cash equivalents at the end of the year	**100,000**

-

Notes :

1) Statement of cash flows has been prepared under the indirect method as set out in the Ind AS 7 Statement of Cash Flows.

As per our report of even date attached
SHARP & TANNAN LLP
Chartered Accountants
Firm's Registration
No. 127145W/W100218
by the hand of

Firdosh D Buchia
Partner
Membership No. 038332
Mumbai
June 25, 2020

For and on behalf of the Board of Directors

Kushal N. Desai
Chairman
DIN : 00008084
Mumbai,
June 25, 2020

Chaitanya N. Desai
Director
DIN : 00008091

Apar Distribution & Logistics Private Limited

Statement of changes in equity

(a) Equity share capital

	As at March 31, 2020	
	No. of Shares	₹
Balance at the beginning of the reporting period Balance	-	-
Changes in equity share capital during the year	10,000	100,000
Balance at the end of the reporting period	10,000	100,000

₹

(b) Other equity

	Reserves & Surplus				
For the year ended	Retained earnings - Surplus	General reserve	Securities premium	OCI	Total
Opening Balance	-	-	-	-	-
Loss for the year	(15,000)	-	-	-	(15,000)
Other comprehensive income for the year					-
Total comprehensive loss for the year	**(15,000)**	-	-	-	**(15,000)**
Transactions with the owners of the Company					
Contributions and distributions					
Dividends	-	-	-	-	-
Transfer / Receipt	-	-	-	-	-
Balance at March 31, 2020	**(15,000)**	-	-	-	**(15,000)**

Note

i. General reserve

General reserve forms part of the retained earnings and is permitted to be distributed to shareholders as part of dividend.

As per our report of even date attached
SHARP & TANNAN LLP
Chartered Accountants
Firm's Registration
No. 127145W/W100218
by the hand of

Firdosh D Buchia
Partner
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Mumbai,
June 25, 2020

Chaitanya N. Desai
Director
DIN : 00008091

Apar Distribution & Logistics Private Limited

Notes To The Financial Statement as at and for the Year Ended March 31, 2020

Note: 1 – Significant Accounting Policies

1. General information

The Company was incorporated as Wholly owned Subsidiary of Apar Industries Limited on 2nd March, 2020 to carry out the business of distribution and logistics services. Apar Industries Limited holds 100% of the Equity Share Capital of the Company i.e. 10,000 Equity Shares of Rs. 10/- each. The registered office of the company is situated at at Apar House, Building no 5, Corporate Park, Sion-Trombay Road, Chembur, Mumbai - 400071, Maharashtra.

2. Basis of accounting

These financial statements of the Company have been prepared in accordance with the Indian Accounting Standards (Ind AS) to comply with Section 133 of the Companies Act, 2013 ("the 2013 Act"), and the relevant provisions of the 2013 Act (to the extent notified) read with the Companies (Indian Accounting Standards) Rules, 2015 and relevant amendment rules issued thereafter.

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

3. Functional and presentation currency

These financial statements are presented in Indian rupees (INR), which is the Company's functional currency. All amounts have been rounded off to the nearest rupee, unless otherwise indicated.

4. Key estimates and assumptions

The preparation of financial statements in accordance with Ind AS requires use of estimates and assumptions for some items, which might have an effect on their recognition and measurement in the (i) balance sheet and (ii) statement of profit and loss. The actual amounts realised may differ from these estimates.

Estimates and assumptions are required in particular for:

- **Determination of the estimated useful lives of tangible assets**

Useful lives of tangible assets are based on the life prescribed in Schedule II of the Companies Act, 2013. In cases, where the useful lives are different from that prescribed in Schedule II, they are based on technical advice, taking into account the nature of the asset, the estimated usage of the asset, the operating conditions of the asset, past history of replacement, anticipated technological changes, manufacturers' warranties and maintenance support.

- **Recognition and measurement of defined benefit obligations**

The obligation arising from defined benefit plan is determined on the basis of actuarial assumptions. Key actuarial assumptions include discount rate, trends in salary escalation, actuarial rates and life expectancy. The discount rate is determined by reference to market yields at the end of the reporting period on government bonds. The period to maturity of the underlying bonds correspond to the probable maturity of the post-employment benefit obligations.

- **Recognition of deferred tax assets**

Deferred tax assets and liabilities are recognized for the future tax consequences of temporary differences between the carrying values of assets and liabilities and their respective tax bases, and unutilized business loss and depreciation carry-forwards and tax credits. Deferred tax assets are recognized to the extent that it is probable that future taxable income will be available against which the deductible temporary differences, unused tax losses, depreciation carry-forwards and unused tax credits could be utilized.

- **Recognition and measurement of other provisions**

The recognition and measurement of other provisions are based on the assessment of the probability of an outflow of resources, and on past experience and circumstances known at the balance sheet date. The actual outflow of resources at a future date may therefore vary from the amount included in other provisions.

- **Fair value of financial instruments**

Derivatives and investments in mutual funds are carried at fair value. Derivatives includes Foreign Currency Forward Contracts, Commodity futures contracts and Interest Rate Swaps. Fair value of Foreign Currency Forward Contracts and commodity future contracts are determined using the fair value reports provided by merchant bankers and LME brokers respectively. Fair value of Interest Rate Swaps are determined with respect to current market rate of interest.

5 Measurement of fair values

The Company's accounting policies and disclosures require the measurement of fair values for financial instruments.

The Company has an established control framework with respect to the measurement of fair values. The management regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the management assesses the evidence obtained from the third parties to support the conclusion that such valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which such valuations should be classified.

When measuring the fair value of a financial asset or a financial liability, the Company uses observable market data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

Level 1 : quoted prices (unadjusted) in active markets for identical assets or liabilities.

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

Level 3 : inputs for the asset or liability that are not based on observable market data (unobservable inputs).

If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company recognises transfers between levels of the fair value hierarchy at the end of the reporting period during which the change has occurred.

6 Significant accounting policies followed by the company

A. Foreign currency

i. Foreign currency transactions

Transactions in foreign currencies are translated into the respective functional currencies of companies at the exchange rates at the dates of the transactions.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Foreign currency differences are generally recognised in profit or loss. Non-monetary items that are measured based on historical cost in a foreign currency are not translated.

Any income or expense on account of exchange difference either on settlement or on translation is recognised in the Statement of profit and loss.

B. Revenue Recognition

i. Revenue from contract with customers for sale of goods and provision of services

Ind AS 115 Revenue from Contract with Customers: On March 28, 2018, the Ministry of Corporate Affairs had notified Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognise revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The standard permits two possible method of transition:
• Retrospective Approach – Under this approach the standard will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8, Accounting Policies, Changes in Accounting Estimates and Errors.
• Retrospectively with cumulative effect of initially applying the standard recognized at the date of initial application (Cumulative catch up approach)

The Company has adopted the standard on April 1, 2018 by using cumulative catch up transition method. The effect on adoption of Ind AS 115 was insignificant on the financial statements.

The Company recognizes revenue from contracts with the customers based on five step model defined in Ind AS 115. The Company satisfies a performance obligation and recognizes revenue over time, if any of the conditions given in Ind AS 115 satisfies; else revenue is recognized at point in time at which the performance obligation is satisfied.

When the Company satisfies a performance obligation by delivering the promised goods or services it creates a contract based asset on the amount of consideration earned by the performance. Where the amount of consideration received from a customer exceeds the amount of revenue recognized this gives rise to a contract liability.

Revenue is measured at the fair value of the consideration received or receivable, net of returns and allowances, trade discounts and volume rebates. Revenues are recognized to the extent it is probable that the economic benefits will flow to the Company and the revenue & costs, if applicable, can be measured reliably.

a. Performance Obligation

The Company derives its revenue from selling products and services in Power Transmission Conductors, Transformer & Speciality Oils and Cables.

The Company is required to assess each of its contracts with customers to determine whether performance obligation are satisfied over time or at a point in time in order to determine the appropriate method for recognizing of revenue. The Company has assessed that based on the contracts entered into with the customers and the provisions of relevant laws and regulations, the Company recognizes the revenue over time only if it satisfies the criteria given in Ind AS 115. Where the criteria as per Ind AS 115 are not met, revenue is recognized at a point in time.

The Company satisfies its performance obligation when the control over the goods is transferred to the customer or benefits of the services being provided is received and consumed by the customer.

In cases where the Company determines that performance obligation is satisfied at a point in time, revenue is recognized when the control over the goods is transferred to the customer or benefits of the services being provided is received and consumed by the customer. The Company considers that the customer has obtained the control of promised goods or services; when the goods have been dispatched/delivered to the destination as per terms of the contract or services has been provided and consumed by the customer as per agreed terms and the Company has unconditional right to consideration.

In cases where the Company determines that performance obligation is satisfied over time, then revenue is recognised when the outcome of a transaction can be estimated reliably by reference to the stage of completion of the transaction (Input Method). The outcome of a transaction can be estimated reliably when all the following conditions are satisfied:

1. The amount of revenue can be measured reliably;
2. It is probable that the economic benefits associated with the transaction will flow to the company;
3. The stage of completion of the transaction at the end of the reporting period can be measured reliably; and
4. The costs incurred or to be incurred in respect of the transaction can be measured reliably.

Stage of completion is determined by the proportion of actual costs incurred to-date, to the estimated total costs of the transaction.

The Company considers that the use of the input method, which requires revenue recognition on the basis of the company's efforts to the satisfaction of performance obligation, provides the best reference of revenue actually earned. In applying the input method, the Company estimates the efforts or inputs to the satisfaction of a performance obligation. In addition to the cost of meeting contractual obligation to the customers, these estimates mainly include;
a. For service contracts, the time elapsed

b. Transaction Price

The Company is required to determine the transaction price in respect of each of its contracts with customers.
Contract with customers for sale of goods or services are either on a fixed price or on variable price basis.
For allocating the transaction price, the Company measured the revenue in respect of each performance obligation of contract at its relative standalone selling price. The price that is regularly charged for an item when sold separately is the best evidence of its standalone selling price. In making judgment about the standalone selling price, the Company also assesses the impact of any variable consideration in the contract, due to discounts or penalties, the existence of any significant financing component and any non-cash consideration in the contract.
In determining the impact of variable consideration if any, the Company uses the "most likely amount" method as per Ind AS 115 whereby the transaction price is determined by reference to the single most likely amount in a range of possible consideration amounts.

c. Contract Modification

Any changes in the scope or price of the contracts are accounted only when the same is approved. The accounting of modification calls for assessment of changes in the scope or prices. If the goods or services added are not of distinct nature then modification are accounted on a cumulative catch up basis, while those that are distinct are accounted prospectively, either as a separate contract, if additional goods or services are priced at the standalone selling prices or as a termination of the existing contract and creation of new contract if not priced at the standalone selling price.

ii. Interest income is accrued on a time basis, by reference to the principal outstanding and effective interest rate applicable.

iii. Dividend income is recognised when the right to receive the payment is established.

C. Employee benefits

i. Short term employee benefits

Short-term employee benefits are expensed as the related service is provided. A liability is recognised for the amount expected to be paid if the Company has a present legal or constructive obligation to pay this amount as a result of past service provided by the employee and the obligation can be estimated reliably.

ii. Defined contribution plans

- **Provident Fund Scheme**

The Company makes specified monthly contributions towards employee provident fund directly to the Government under the Employees Provident Fund Act, 1952 and is not obliged to bear the shortfall, if any, between the return on investments made by the Government from the contributions and the notified interest rate.

- **Superannuation Scheme**

The Company makes specified contributions to the superannuation fund administered by the Company and the return on investments is adequate to cover the commitments under the scheme. The Company's contribution paid/payable under these schemes is recognised as expense in the Statement of profit and loss during the period in which the employee renders the related service.

iii. Defined benefit plans

The following post – employment benefit plans are covered under the defined benefit plans:

- Gratuity Fund

The Company's net obligation in respect of defined benefit plans is calculated separately for each plan by estimating the amount of future benefit that employees have earned in the current and prior periods, discounting that amount and deducting the fair value of any plan assets.

The calculation of defined benefit obligations is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a potential asset for the Company, the recognised asset is limited to the present value of economic benefits available in the form of any future refunds from the plan or reductions in future contributions to the plan. To calculate the present value of economic benefits, consideration is given to any applicable minimum funding requirements.

Re-measurement of the net defined benefit/liability, which comprise actuarial gains and losses, the return on plan assets (excluding interest) and the effect of the asset ceiling (if any, excluding interest), are recognised immediately in OCI. Net interest expense/(income) on the net defined liability/(assets) is computed by applying the discount rate, used to measure the net defined liability/(asset), to the net defined liability/(asset) at the start of the financial year after taking into account any changes as a result of contribution and benefit payments during the year. Net interest expense and other expenses related to defined benefit plans are recognised in profit or loss.

When the benefits of a plan are changed or when a plan is curtailed, the resulting change in benefit that relates to past service or the gain or loss on curtailment is recognised immediately in profit or loss. The Company's recognises gains and losses on the settlement of a defined benefit plan when the settlement occurs.

iv. Other long-term employee benefits

Long-term Compensated Absences and Long Wages Schemes are provided for on the basis of an actuarial valuation, using the Projected Unit Credit Method, as at the date of the Balance Sheet. Actuarial gains / losses comprising of experience adjustments and the effects of changes in actuarial assumptions are immediately recognised in the Statement of Profit and Loss .

D. Finance income and finance costs

The Company's finance income and finance costs include:

- interest income;
- interest expense;
- the net gain or loss on financial assets at FVTPL
- exchange differences arising from monetary assets and liabilities

Interest income or expense is recognised using the effective interest rate method.

Share issue expenses are written off against share premium account, if any, or amortized over a period of 5 years.

E. Income Tax

Income tax expense comprises current and deferred tax. It is recognised in profit or loss except to the extent that it relates to a business combination, or items recognised directly in equity or in OCI.

i. Current tax

Current tax comprises the expected tax payable or receivable on the taxable income or loss for the year and any adjustment to the tax payable or receivable in respect of previous years. It is measured using tax rates enacted or substantively enacted at the reporting date. Current tax also includes any tax arising from dividends.

Current tax assets and liabilities are offset only if the Company:

a) has a legally enforceable right to set off the recognised amounts; and
b) intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

ii. Deferred tax

Deferred tax is recognised in respect of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is not recognised for:

· temporary differences on the initial recognition of assets or liabilities in a transaction that is not a business combination and that affects neither accounting nor taxable profit or loss;

· temporary differences related to investments in subsidiaries and associates to the extent that the Company is able to control the timing of the reversal of the temporary differences and it is probable that they will not reverse in the foreseeable future; and

· taxable temporary differences arising on the initial recognition of goodwill.

Deferred tax assets are recognised for unused tax losses, unused tax credits and deductible temporary differences to the extent that it is probable that future taxable profits will be available against which they can be used. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realised; such reductions are reversed when the probability of future taxable profits improves.

Unrecognized deferred tax assets are reassessed at each reporting date and recognised to the extent that it has become probable that future taxable profits will be available against which they can be used.

Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, using tax rates enacted or substantively enacted at the reporting date.

The measurement of deferred tax reflects the tax consequences that would follow from the manner in which the Company expects, at the reporting date, to recover or settle the carrying amount of its assets and liabilities.

Deferred tax assets and liabilities are offset only if:

a) the entity has a legally enforceable right to set off current tax assets against current tax liabilities; and

b) the deferred tax assets and the deferred tax liabilities relate to income taxes levied by the same taxation authority on the same taxable entity.

Deferred tax asset / liabilities in respect of temporary differences which originate and reverse during the tax holiday period are not recognised. Deferred tax assets / liabilities in respect of temporary differences that originate during the tax holiday period but reverse after the tax holiday period are recognised.

F. Inventories

Inventories are measured at the lower of standard cost and net realizable value. Inventory of scrap is valued at estimated realizable value. The cost of inventories is determined using the weighted average method. The value of finished goods include taxes as applicable

G. Property, plant and equipment

i. Recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation and any accumulated impairment losses.

The cost of an item of property, plant and equipment comprises:

a) its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates.

b) any costs directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

c) the initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located, the obligation for which an entity incurs either when the item is acquired or as a consequence of having used the item during a particular period for purposes other than to produce inventories during that period.

Income and expenses related to the incidental operations, not necessary to bring the item to the location and condition necessary for it to be capable of operating in the manner intended by management, are recognised in profit or loss.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted and depreciated for as separate items (major components) of property, plant and equipment.

Any gain or loss on disposal of an item of property, plant and equipment is recognised in profit or loss.

ii. Subsequent expenditure

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Company.

iii. Depreciation

Depreciation is provided, pro rata to the period of use, based on useful lives specified in Schedule II to the Companies Act, 2013 except in the case where the estimated useful life based on management experience and technical evaluation differs.

Depreciation is charged on the Straight Line or the Written Down Value based on the method consistently followed by the respective entities in the Company.

Depreciation methods, useful lives and residual values are reviewed at each reporting date and adjusted if appropriate.

Capital expenditure in respect of which ownership does not vest with the Company is amortized over a period of five years. Leasehold land is amortised over the period of lease.

Description of Assets	Useful Life in Schedule II	Useful Life as per technical estimates
Plant and Machinery	15 Years	20 Years

H. Intangible Assets

Intangible assets which are acquired by the Company and have finite useful lives are measured at cost less accumulated amortisation and any accumulated impairment losses.

All other expenditure, including expenditure on internally generated goodwill and brands, is recognised in profit or loss as incurred.

Amortisation

Amortisation is calculated to write off the cost of intangible assets less their estimated residual values using the straight-line method over their estimated useful lives, and is generally recognised in profit or loss.

I. Borrowing costs

Borrowing costs that are directly attributable to the acquisition or construction of an asset that necessarily takes a substantial period of time to get ready for its intended use are capitalised as part of the cost of that asset till the date it is ready for its intended use or sale. Other borrowing costs are recognised as an expense in the period in which they are incurred.

J. Financial Instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity. Financial instruments also include derivative contracts such as foreign currency foreign exchange forward contracts, Commodity future Contracts, interest rate swaps and currency options; and embedded derivatives in the host contract.

Financial instruments also covers contracts to buy or sell a non-financial item that can be settled net in cash or another financial instrument, or by exchanging financial instruments, as if the contracts were financial instruments, with the exception of contracts that were entered into and continue to be held for the purpose of the receipt or delivery of a non-financial item in accordance with the entity's expected purchase, sale or usage requirements.

K. Financial assets

Classification

The Company shall classify financial assets as subsequently measured at amortised cost, fair value through other comprehensive income or fair value through profit or loss on the basis of its business model for managing the financial assets and the contractual cash flow characteristics of the financial asset.

Initial recognition and measurement

All financial assets are recognised initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition of the financial asset. Purchases or sales of financial assets that require delivery of assets within a time frame established by regulation or convention in the market place (regular way trades) are recognised on the trade date, i.e., the date that the Company commits to purchase or sell the asset.

Debt instruments at amortised cost

A 'debt instrument' is measured at the amortised cost if both the following conditions are met:

a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and

b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest (SPPI) on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate (EIR) method. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included in finance income in the profit or loss. The losses arising from impairment are recognised in the profit or loss. This category generally applies to trade and other receivables.

Debt instrument at fair value through profit and loss (FVTPL)

Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVOCI, is classified as at FVTPL.

In addition, the Company may elect to classify a debt instrument, which otherwise meets amortized cost or FVOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch').

Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognised (i.e. removed from the Company's balance sheet) when:

The rights to receive cash flows from the asset have expired, or

The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset

When the Company has transferred its rights to receive cash flows from an asset or has entered into a pass-through arrangement, it evaluates if and to what extent it has retained the risks and rewards of ownership. When it has neither transferred nor retained substantially all of the risks and rewards of the asset, nor transferred control of the asset, the Company continues to recognise the transferred asset to the extent of the Company continuing involvement. In that case, the Company also recognises an associated liability. The transferred asset and the associated liability are measured on a basis that reflects the rights and obligations that the Company has retained.

Continuing involvement that takes the form of a guarantee over the transferred asset is measured at the lower of the original carrying amount of the asset and the maximum amount of consideration that the Company could be required to repay.

Impairment of financial assets

In accordance with Ind-AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortised cost e.g., loans, debt securities, deposits, and bank balance.

b) Trade receivables - The application of simplified approach does not require the Company to track changes in credit risk. Rather, it recognises impairment loss allowance based on lifetime ECLs at each reporting date, right from its initial recognition. Trade receivables are tested for impairment on a specific basis after considering the sanctioned credit limits, security like letters of credit, security deposit collected etc. and expectations about future cash flows.

ii. Financial liabilities

Classification

The Company classifies all financial liabilities as subsequently measured at amortised cost, except for financial liabilities at fair value through profit or loss. Such liabilities, including derivatives that are liabilities, shall be subsequently measured at fair value.

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable and incremental transaction cost.

Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortisation is included as finance costs in the statement of profit and loss.

The Company's financial liabilities include trade and other payables, loans and borrowings including bank overdrafts, financial guarantee contracts and derivative financial instruments.

Financial guarantee contracts

Financial guarantee contracts issued by the Company are those contracts that require a payment to be made to reimburse the holder for a loss it incurs because the specified debtor fails to make a payment when due in accordance with the terms of a debt instrument. Financial guarantee contracts are recognised initially as a liability at fair value, adjusted for transaction costs that are directly attributable to the issuance of the guarantee. Subsequently, the liability is measured at the higher of the amount of loss allowance determined as per impairment requirements of Ind-AS 109 and the amount recognised less cumulative amortisation.

Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the balance sheet if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

Provisions and contingent liabilities

Provisions are determined by discounting the expected future cash flows specific to the liability. The unwinding of the discount is recognised as finance cost. A provision for onerous contracts is measured at the present value of the lower of the expected cost of terminating the contract and the expected net cost of continuing with the contract. Before a provision is established, the Company recognises any impairment loss on the assets associated with that contract.

A disclosure for a contingent liability is made when there is a possible obligation or a present obligation that may, but will probably not, require an outflow of resources. When there is a possible obligation of a present obligation in respect of which the likelihood of outflow of resources is remote, no provision disclosure is made.

A contingent asset is not recognised but disclosed in the financial statements where an inflow of economic benefit is probable.

L. Leases

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, 2019 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.

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.

Company as a lessee

The Company accounts for each lease component within the contract as a lease separately from non-lease components of the contract and allocates the consideration in the contract to each lease component on the basis of the relative stand-alone price of the lease component and the aggregate stand-alone price of the non-lease components.

The Company recognises right-of-use asset representing its right to use the underlying asset for the lease term at the lease commencement date. The cost of the right-of-use asset measured at inception shall comprise of the amount of the initial measurement of the lease liability adjusted for any lease payments made at or before the commencement date less any lease incentives received. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any re-measurement of the lease liability. The right-of-use assets are depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset. The estimated useful lives of right-of-use assets are determined on the same basis as those of property, plant and equipment. Right-of-use assets are tested for impairment whenever there is any indication that their carrying amounts may not be recoverable. Impairment loss, if any, is recognised in the statement of profit and loss.

The Company measures the lease liability at the present value of the lease payments that are not paid at the commencement date of the lease. The lease payments are discounted using the Company's incremental borrowing rate. For leases with reasonably similar characteristics, the Company, on a lease by lease basis, may adopt either the incremental borrowing rate specific to the lease or the incremental borrowing rate for the portfolio as a whole. The lease payments shall include fixed payments, variable lease payments, residual value guarantees, exercise price of a purchase option where the Company is reasonably certain to exercise that option and payments of penalties for terminating the lease, if the lease term reflects the lessee exercising an option to terminate the lease. 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 and remeasuring the carrying amount to reflect any reassessment or lease modifications or to reflect revised in-substance fixed lease payments. The company recognises the amount of the re-measurement of lease liability due to modification as an adjustment to the right-of-use asset and statement of profit and loss depending upon the nature of modification. Where the carrying amount of the right-of-use asset is reduced to zero and there is a further reduction in the measurement of the lease liability, the Company recognises any remaining amount of the re-measurement in statement of profit and loss.

The Company has elected not to apply the requirements of Ind AS 116 Leases to;

1. Short-term leases of all assets that have a lease term of 12 months or less, and
2. Leases for which the underlying asset is of low value.

The lease payments associated with above 2 types of leases are recognized as an expense on a straight-line basis over the lease term.

Company as a lessor

At the inception of the lease, the Company classifies each of its leases as either an operating lease or a finance lease. The Company recognises lease payments received under operating leases as income on a straight-line basis over the lease term. In case of a finance lease, finance income is recognised over the lease term based on a pattern reflecting a constant periodic rate of return on the lessor's net investment in the lease. When the Company is an intermediate lessor it accounts for its interests in the head lease and the sub-lease separately. It assesses the lease classification of a sub-lease with reference to the right-of-use asset arising from the head lease, not with reference to the underlying asset. If a head lease is a short term lease to which the Company applies the exemption described above, then it classifies the sub-lease as an operating lease.

M. Impairment of non-financial assets

The carrying values of assets/cash generating units at each balance sheet date are reviewed for impairment if any indication of impairment exists. If the carrying amount of the assets exceed the estimated recoverable amount, an impairment is recognised for such excess amount.
The recoverable amount is the greater of the net selling price and their value in use. Value in use is arrived at by discounting the future cash flows to their present value based on an appropriate discount factor.

When there is indication that an impairment loss recognised for an asset (other than a revalued asset) in earlier accounting periods which no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss, to the extent the amount was previously charged to the Statement of Profit and Loss. In case of revalued assets, such reversal is not recognised.

N. Cash and cash equivalents

Cash and cash equivalent in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value.

For the purpose of the statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company cash management.

O. Earnings per share

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

7 Ind AS issued but not effective

Ministry of Corporate Affairs ("MCA") notifies new standard or amendments to the existing standards. There is no such notification which would have been applicable from April 1, 2020.

Apar Distribution & Logistics Private Limited
Notes To The Financial Statement as at and for the Year Ended March 31, 2020

Note 2 Cash and cash equivalents	**31 March 2020** ₹
On current accounts	100,000
Cash on hand	-
Cheques on hand	-
	100,000

	Note 3 Equity share capital	**31 March 2020**
a	**Authorised :**	
	10,000 Equity shares of ₹ 10 each	100,000
	TOTAL	100,000
b	**Issued :**	
	10,000 Equity shares of ₹ 10 each	100,000
	TOTAL	100,000
c	**Subscribed and Paid up :**	
	10,000 Equity shares of ₹ 10 each	100,000
		100,000

	Reconciliation of number of shares outstanding at the beginning and end of the year :	**31 March 2020**
d	Outstanding at the beginning of the year	-
	Issued during the year	10,000
	Outstanding at the end of the year	10,000

e Terms/rights attached to equity shares

The Company has one class of equity shares having a par value of ₹ 10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian rupees.

f	**Shareholders holding more than 5% shares in the company is set out below:**	**31 March 2020**	
		No of shares	**%**
	Apar Industries Limited	10,000	100.00%

g Shares Reserved for issue under options

There are no shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment.

Apar Distribution & Logistics Private Limited
Notes To The Financial Statement as at and for the Year Ended March 31, 2020

Note 4 Other Equity	**31 March 2020** ₹
Retained earnings - Surplus / (Deficit)	-
General reserve	-
Securities premium	-
	-
Retained earnings - Surplus / (Deficit)	
As per Last Balance Sheet	-
Increase/(Decrease) during the year	(15,000)
Closing Balance	**(15,000)**

Nature and purpose of reserves

i. **General reserve**

General reserve forms part of the retained earnings and is permitted to be distributed to shareholders as part of dividend.

Note 5 Trade and other payables	**31 March 2020** ₹
Due to Micro, Small and Medium Enterprises	-
Due to other than micro and small and medium enterprises	15,000
Total	**15,000**

There are no Micro, Small and Medium Enterprises, to whom the Company owes dues, which are outstanding for more than 45 days as at the balance sheet date. The above information regarding Micro, Small and Medium Enterprises has been determined to the extent such parties have been identified on the basis of information available with the Company.

Note 6 Other expenses	**2019-20** ₹
Rates and taxes	-
Repairs and maintenance	
Others	-
Travelling and conveyance	-
Legal and professional fees	-
Statutory audit fees	15,000
Lease rental	-
Miscellaneous expenses	-
	15,000

Apar Distribution & Logistics Private Limited

Notes To The Financial Statement as at and for the Year Ended March 31, 2020

Note 7 Earnings per share

A. Basic earnings per share

The calculation of basic earnings per share has been based on the following profit attributable to ordinary shareholders and weighted-average number of ordinary shares outstanding.

i. Profit attributable to ordinary shareholders (basic)

	March 31, 2020 ₹
Profit (loss) for the year, attributable to the owners of the Company	(15,000)
Profit (loss) for the year, attributable to ordinary shareholders	(15,000)

ii. Weighted average number of ordinary shares (basic)

	March 31, 2020
Issued ordinary shares 19-20	10,000
Weighted average number of shares at March 31	**820**

Basic EPS (₹)	**(18.30)**
Face value per Share (₹)	**10.00**

B. Diluted earnings per share

There are no dilutive instruments as at 31/03/2020, hence diluted earnings per share is same as basic earnings per share.

Note 8 Global pandemic COVID 19 impact on Financial Statements

The outbreak of Coronavirus (COVID-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity, has had impact on the business of the Company.

There is no significant impact of COVID 19 on company's financial statements; since company has not started its operation during period ended March 31, 2020. Management has assessed the potential impact of COVID 19 based on the current circumstances and expects no significant impact on the starting of its operations of the business on long term basis / on financial position etc. though there may be lower revenues in the near term.

Note 9 Contingent liabilities and Commitments

There was no contingent liabilties or capital commitments outstanding as on the reporting date.

Note 10 Foreseeable Losses

The Company does not have any long term contracts including derivative contracts for which there were any material foreseeable losses.

Apar Distribution & Logistics Private Limited

Notes To The Financial Statement as at and for the Year Ended March 31, 2020

Note 11 Amount to Investor Education and Protection Fund

There are no amounts which are required to be transferred to the Investor Education and Protection Fund by the Company.

Note 12

As the Company was incorporated on 2nd March, 2020, there are no reportable comparative figuers for the year ended 31 March 2020.

As per our report of even date attached
SHARP & TANNAN LLP
Chartered Accountants
Firm's Registration
No. 127145W/W100218
by the hand of

For and on behalf of the Board of Directors

Firdosh D Buchia
Partner
Membership No. 038332
Mumbai
June 25, 2020

Kushal N Desai
Chairman
DIN : 00008084
Mumbai,
June 25, 2020

Chaitanya N. Desai
Director
DIN : 00008091