



# SHARP & TANNAN LLP

Chartered Accountants

Firm's Registration No. 127145W/W100218

## 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 2022, 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 2022, the profit and total comprehensive profit, 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.

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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, 2020 ('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 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls 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 32 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 33 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 34 to the financial statements.
- iv (a) Management has represented to us that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clauses (i) and (ii) of rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v The Company has not declared or paid dividend during the year.

For Sharp & Tannan  
Chartered Accountants  
Firm's registration No.109982W

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ACHARYA

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R. P. Acharya  
Partner

Mumbai, 24 May 2022

Membership no. 039920  
UDIN: 22039920AJMVDT9403



**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) (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation of right-of-use assets;  
(B) The Company does not hold any intangible assets;  
(b) The Company has a program of verification to cover all the items of right-of-use assets which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification;  
(c) The Company does not hold any immovable properties. Accordingly, paragraph 3(i)(c) of the Order is not applicable to the Company;  
(d) The Company has not revalued its right of use assets during the year. Accordingly, paragraph 3(i)(d) of the Order is not applicable to the Company; and  
(e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988).
- (ii) (a) According to the information and explanations given to us, the Company does not have inventories. Accordingly, paragraph 3(ii)(a) of the Order is not applicable to the Company.  
(b) According to the information and explanations given to us, no working capital facility has been sanctioned from banks or financial institutions during the year. Accordingly, paragraph 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not made any investment, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties. Accordingly, paragraphs 3(iii)(a), (b), (c), (d), (e) and (f) of the Order are not applicable to the Company.
- (iv) In our opinion, and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of sections 185 and 186 of the Companies Act 2013 are applicable. Accordingly, paragraph 3(iv) of the Order is 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 goods and service tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, and cess have been regularly deposited during the year by the Company with the appropriate authorities.

According to the information and explanations given to us, no undisputed amounts payable in respect of goods and service tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, and cess were in arrears as at 31 March 2022 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 disputed statutory dues referred to in sub-clause (a) above which have not been deposited as at 31 March 2022.

(viii) According to the information and explanations given to us, and on the basis of our examination of records of the Company, there are no transactions not recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961 (43 of 1961);

(ix) a) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings on in payment of interest thereon to any lender. Accordingly, paragraph 3(ix) (a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared willful defaulter by any bank or other lender.

(c) The Company has not taken any term loan during the year. Accordingly, paragraphs 3(ix) (c), (d), (e) & (f) of the Order are not applicable to the Company

(x) (a) 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(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, paragraph 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) According to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year;

(b) No report under sub-section (12) of section 143 of the Act has been filed by us in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the central government; and

(c) According to the information and explanations given to us, no complaints were received as part of the whistle blower mechanism during the year. Accordingly, paragraph 3(xi)(c) 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, where applicable, and the details have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.

(xiv) (a) In our opinion, and based on our examination, the Company does not have an internal audit system, and is not required to have an internal audit system as per provisions of the Companies Act 2013; and

(b) According to the information and explanations given to us, as per section 138 of the Act, the Company is not required to conduct internal audit. Accordingly, paragraph 3(xiv)(b) of the Order is not applicable to the Company.

## **SHARP & TANNAN LLP**

LETTER NO: \_\_\_\_\_

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- (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) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- (b) According to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Accordingly, paragraph 3(xvi)(b) of the Order is not applicable to the Company;
- (c) According to the information and explanations given to us, Company is not a Core Investment Company ('CIC') as defined in the regulations made by the Reserve Bank of India. Accordingly, paragraph 3(xvi)(c) and (d) of the Order is not applicable to the Company;
- (d) According to the information and explanations given to us, the Group does not have any CIC.
- (xvii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not incurred cash loss in the current financial year and in the immediately preceding financial year;
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, paragraph 3(xviii) of the Order is not applicable to the Company;
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due;
- (xx) There are no unspent amounts towards the corporate social responsibility as per provisions of section 135 of the Act. Accordingly, paragraphs 3(xx)(a) and (b) of the Order are not applicable to the Company;
- (xxi) According to the information and explanations given to us, the Company is not required to prepare consolidated financial statements. Accordingly, paragraph 3(xxi) of the Order is not applicable to the Company.

For Sharp & Tannan  
Chartered Accountants  
Firm's registration No.109982W

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R. P. Acharya  
Partner

Mumbai, 24 May 2022

Membership no. 039920  
UDIN: 22039920AJMVDT9403

**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 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's responsibility for internal financial controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') 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 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 2022, 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  
Chartered Accountants  
Firm's registration No.109982W

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R. P. Acharya  
Partner

Mumbai, 24 May 2022

Membership no. 039920  
UDIN: 22039920AJMVDT9403

**APAR Distribution & Logistics Private Limited**
**Balance sheet as at March 31, 2022**

	Note	As at March 31, 2022 ₹	As at March 31, 2021 ₹
<b>ASSETS</b>			
<b>Non-current assets</b>			
Right of use Assets	2	97,865,968	59,551,972
Financial Assets			
Other Financial assets	3	5,619,117	3,136,365
Other Tax Assets	4	2,507,775	379,239
Deferred Tax assets (net)		1,708,760	464,774
<b>Total non current assets</b>		<b>107,701,620</b>	<b>63,532,350</b>
<b>Current Assets</b>			
Financial Assets			
Trade receivables	5	-	1,856,046
Cash and cash equivalents	6	5,378,371	7,415,269
Other financial assets	7	11,258,912	218,954
Other current assets	8	283,674	-
<b>Total current assets</b>		<b>16,920,957</b>	<b>9,490,269</b>
<b>TOTAL ASSETS</b>		<b>124,622,577</b>	<b>73,022,619</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity share capital	9	10,000,000	10,000,000
(b) Other equity	10 & 10A	5,230,656	(1,627,811)
<b>Total equity</b>		<b>15,230,656</b>	<b>8,372,189</b>
<b>Non current liabilities</b>			
Financial liabilities			
Lease liabilities	29	81,531,911	50,244,655
Other financial liabilities		-	-
Provisions	11	1,280,849	-
<b>Total non current liabilities</b>		<b>82,812,760</b>	<b>50,244,655</b>
<b>Current liabilities</b>			
Financial liabilities			
Lease liabilities	29	21,765,341	10,788,779
Trade and other payables	12	2,181,107	2,374,690
Other financial liabilities	13	2,124,755	881,616
Other current liabilities	14	430,678	360,690
Short term provisions	15	77,280	-
<b>Total current liabilities</b>		<b>26,579,161</b>	<b>14,405,775</b>
<b>Total liabilities</b>		<b>109,391,921</b>	<b>64,650,430</b>
<b>Total Equity and Liabilities</b>		<b>124,622,577</b>	<b>73,022,619</b>

**Significant Accounting Policies**
**1**
**Notes forming part of financial statement**
**1-38**

As per our report of even date attached

**SHARP & TANNAN LLP**

Chartered Accountants

Firm's Registration

No. 127145W/W100218

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PRABHAKAR ACHARYA  
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**R.P. Acharya**

Partner

Membership No. 039920

Mumbai

May 24, 2022

For and on behalf of the Board of Directors

**KUSHAL N  
LN  
DESAI**
**Kushal N. Desai**

Director

DIN : 00008084

Mumbai,

May 24, 2022

**CHAITANYA N  
NYA N  
DESAI**
**Chaitanya N. Desai**

Director

DIN : 00008091



<b>APAR Distribution &amp; Logistics Private Limited</b> <b>Statement of profit and loss for the financial year ended March 31, 2022</b>			
	Note	For the year ended March 31, 2022 ₹	For the year ended March 31, 2021 ₹
<b>Revenue</b>			
Revenue from Operations	16	65,588,049	5,275,461
Other income	17	352,908	-
<b>I. Total Revenue</b>		<b>65,940,957</b>	<b>5,275,461</b>
<b>II. Expenses</b>			
Operating expenses	18	17,005,250	2,164,373
Employee benefits expense	19	9,773,798	-
Finance costs	20	5,822,740	923,612
Depreciation and amortization expense	2	22,295,706	3,134,314
Other expenses	21	1,798,003	1,130,747
<b>Total Expenses</b>		<b>56,695,497</b>	<b>7,353,046</b>
<b>III. Profit Before Tax</b>		<b>9,245,460</b>	<b>(2,077,585)</b>
<b>IV. Tax expense:</b>			
1. Current Tax		3,570,883	-
2. Deferred Tax		(1,228,861)	(464,774)
		<b>2,342,022</b>	<b>(464,774)</b>
<b>V. Net profit / (loss) for the year (III + IV)</b>		<b>6,903,438</b>	<b>(1,612,811)</b>
<b>VI. Other Comprehensive Income</b>			
<b>Items that will not be reclassified to profit or loss</b>			
Items that will not be reclassified to profit or loss		(60,096)	-
Income tax relating to items that will not be reclassified to profit or loss		15,125	-
<b>Items that will be reclassified to profit or loss</b>			
Items that will not be reclassified to profit or loss		-	-
Income tax relating to items that will not be reclassified to profit or loss		-	-
<b>VII. Total Comprehensive Profit / (Loss) for the period (V + VI) (Comprising Profit (Loss) and Other Comprehensive Income for the period)</b>		<b>6,858,467</b>	<b>(1,612,811)</b>
<b>VIII. Earnings per equity share</b>	22		
Basic		6.90	(14.26)
Diluted		6.90	(14.26)
<b>Significant Accounting Policies</b>	1		
<div> <div> As per our report of even date attached  <b>SHARP &amp; TANNAN LLP</b>  Chartered Accountants  Firm's Registration  No. 127145W/W100218  by the hand of  RAGHUNATH PRABHAKAR ACHARYA  Digitally signed by RAGHUNATH PRABHAKAR ACHARYA  Date: 2022.05.24 18:24:46 +05'30'  <b>R.P. Acharya</b>  Partner  Membership No. 039920  Mumbai  May 24, 2022 </div> <div> For and on behalf of the Board of Directors   <div> Digitally signed by KUSHAL N DESAI  DN: c=IN, ou=Personal, postalCode=400006, st=Maharashtra, 2.5.4.20=f1c1b1a18f8a55b17026124595, 2.5.4.35=Kushal N Desai, email=Kushal.N.Desai@apar.com, o=APAR Distribution &amp; Logistics Private Limited, ou=APAR Distribution &amp; Logistics Private Limited, cn=Kushal N Desai  <b>KUSHAL N DESAI</b>  Kushal N. Desai  Director  DIN : 00008084  Mumbai,  May 24, 2022 </div> <div> Digitally signed by CHAITANYA N DESAI  DN: c=IN, ou=Personal, postalCode=400006, st=Maharashtra, 2.5.4.20=f1c1b1a18f8a55b17026124595, 2.5.4.35=Chaitanya N Desai, email=Chaitanya.N.Desai@apar.com, o=APAR Distribution &amp; Logistics Private Limited, ou=APAR Distribution &amp; Logistics Private Limited, cn=Chaitanya N Desai  <b>CHAITANYA N DESAI</b>  Chaitanya N. Desai  Director  DIN : 00008091 </div> </div> </div>			

<b>APAR Distribution &amp; Logistics Private Limited</b> <b>Statement of cash flows for the financial year ended March 31, 2022</b>		
	<b>For the year ended March 31, 2022</b> <b>₹</b>	<b>For the year ended March 31, 2021</b> <b>₹</b>
<b>Cash flow from operating activities</b>		
<b>Profit / (loss) before tax</b>	9,245,460	(2,077,585)
Adjustments for		
Amortisation of Right of use assets	22,295,706	3,134,314
Finance costs	5,822,740	923,612
<b>Movement in working capital</b>		
(Increase)/ Decrease in trade and other receivables	(11,950,338)	(5,590,604)
Increase/ (Decrease) in trade and other payables	(193,583)	2,359,690
(Decrease)/ Increase in other liabilities	2,611,160	1,242,307
Tax (paid) / refund	(5,699,419)	-
<b>Net cash generated by / (used in) operating activities</b>	<b>22,131,726</b>	<b>(8,266)</b>
<b>Cash flow from investing activities</b>		
Net cash generated by / (used in) investing activities	-	-
<b>Cash flow from financing activities</b>		
Payment of Lease Liabilities	(24,168,624)	(2,576,465)
Proceeds from allotment of shares	-	9,900,000
<b>Net cash (used in) / generated by financing activities</b>	<b>(24,168,624)</b>	<b>7,323,535</b>
Net increase / (decrease) in cash and cash equivalents	(2,036,898)	7,315,269
Cash and cash equivalents at the beginning of the year	7,415,269	100,000
<b>Cash and cash equivalents at the end of the year</b>	<b>5,378,371</b>	<b>7,415,269</b>
<b>Notes :</b>		
1) Statement of cash flows has been prepared under the indirect method as set out in the Ind AS 7 Statement of Cash Flows.		
2) Cash and cash equivalents included in the Statement of cashflows comprise the following:		
<b>Particulars</b>	<b>As at March 31, 2022</b>	<b>As at March 31, 2021</b>
Cash and cash equivalents disclosed under current assets (refer note 6)	5,378,371	7,415,269
<b>Total cash and cash equivalents</b>	<b>5,378,371</b>	<b>7,415,269</b>
<div> <div> <p>As per our report of even date attached</p> <p><b>SHARP &amp; TANNAN LLP</b></p> <p>Chartered Accountants</p> <p>Firm's Registration</p> <p>No. 127145W/W100218</p> <p>by the hand of</p> <p>RAGHUNATH PRABHAKAR ACHARYA</p> <p>Date: 2022.05.24 18:26:19 +05'30'</p> <p><b>R.P. Acharya</b></p> <p>Partner</p> <p>Membership No. 039920</p> <p>Mumbai</p> <p>May 24, 2022</p> </div> <div> <p>For and on behalf of the Board of Directors</p> <div> <p><b>KUSHAL N DESAI</b></p> <p><b>Kushal N. Desai</b></p> <p>Director</p> <p>DIN : 00008084</p> <p>Mumbai,</p> <p>May 24, 2022</p> </div> <div> <p><b>CHAITAN YA N DESAI</b></p> <p><b>Chaitanya N. Desai</b></p> <p>Director</p> <p>DIN : 00008091</p> </div> </div> </div>		

**APAR Distribution & Logistics Private Limited**

**Statement of changes in equity**

**(a) Equity share capital**

	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	₹	No. of Shares	₹
Balance at the beginning of the reporting period Balance	1,000,000	10,000,000	10,000	100,000
Changes in Equity Share Capital due to prior period errors				
Restated balance at the beginning of the current reporting period	1,000,000	10,000,000	10,000	100,000
Changes in equity share capital during the year	-	-	990,000	9,900,000
Balance at the end of the reporting period	1,000,000	10,000,000	1,000,000	10,000,000

	As at March 31, 2022			As at March 31, 2021		
	Retained earnings - Surplus	Other items of OCI	Total	Retained earnings - Surplus	Other items of OCI	Total
Opening Balance	(1,612,811)	-	(1,612,811)	-	-	-
Profit / (Loss) for the year	6,903,438	-	6,903,438	(1,612,811)	-	(1,612,811)
Other comprehensive income for the year	-	(44,971)	(44,971)	-	-	-
Total comprehensive loss for the year	6,903,438	(44,971)	6,858,467	(1,612,811)	-	(1,612,811)
Transactions with the owners of the Company	-	-	-	-	-	-
Closing Balance	5,290,627	(44,971)	5,245,656	(1,612,811)	-	(1,612,811)

As per our report of even date attached

**SHARP & TANNAN LLP**  
Chartered Accountants

Firm's Registration  
No. 127145W/W100218

by the hand of

RAGHUNATH  
PRABHAKAR  
ACHARYA

**R.P. Acharya**

Partner  
Membership No. 039920  
Mumbai  
May 24, 2022

For and on behalf of the Board of Directors

**KUSHAL  
N DESAI**

Kushal N. Desai  
Director  
DIN : 00008084  
Mumbai,  
May 24, 2022

**CHAITAN  
YA N  
DESAI**

Chaitanya N. Desai  
Director  
DIN : 00008091

**APAR Distribution & Logistics Private Limited**

**Notes To The Financial Statement as at and for the financial year Ended March 31, 2022**

**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. 10,00,000 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.

These financial statements are approved for issue by Board of Directors on May 24, 2022

**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.

## **APAR Distribution & Logistics Private Limited**

### **Notes To The Financial Statement as at and for the financial year Ended March 31, 2022**

#### **· 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.

## **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**

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 rendering services in Distribution and Logistics.

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.



## **APAR Distribution & Logistics Private Limited**

### **Notes To The Financial Statement as at and for the financial year Ended March 31, 2022**

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 on a fixed 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.**

**B. 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.

**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 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 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.

**C. Finance income and finance costs**

The Company's finance income and finance costs include:

- interest income;

**APAR Distribution & Logistics Private Limited**

**Notes To The Financial Statement as at and for the financial year Ended March 31, 2022**

- interest expense;
- the net gain or loss on financial assets at FVTPL

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

Share issue expenses are written off in the year in which it is incurred.

**D. 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:

**APAR Distribution & Logistics Private Limited****Notes To The Financial Statement as at and for the financial year Ended March 31, 2022**

- 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.

**E. 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.

**APAR Distribution & Logistics Private Limited****Notes To The Financial Statement as at and for the financial year Ended March 31, 2022**

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 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.

**F. 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.

**G. 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.

**H. 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.

**APAR Distribution & Logistics Private Limited****Notes To The Financial Statement as at and for the financial year Ended March 31, 2022****I. 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.



**APAR Distribution & Logistics Private Limited****Notes To The Financial Statement as at and for the financial year Ended March 31, 2022****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.

**APAR Distribution & Logistics Private Limited****Notes To The Financial Statement as at and for the financial year Ended March 31, 2022****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.

**APAR Distribution & Logistics Private Limited****Notes To The Financial Statement as at and for the financial year Ended March 31, 2022**

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.

**J. Leases**

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.

**APAR Distribution & Logistics Private Limited**

**Notes To The Financial Statement as at and for the financial year Ended March 31, 2022**

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.

**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.

**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, 2022.

**APAR Distribution & Logistics Private Limited**

Notes To The Financial Statement as at and for the financial year Ended March 31, 2022

**Note 2: Right of Use Assets**

	Gross block				Depreciation				Amount in ₹	
	As at 01-04-2021	Additions	Deductions	As at 31-03-2022	Upto 31-03-2021	For the year	Adjustments	Upto 31-03-2022	As at 31-03-2022	As at 31-03-2021
Righ of use Assets	62,686,286	60,609,702		123,295,988	3,134,314	22,295,706		25,430,020	97,865,968	59,551,972
<b>Grand Total</b>	<b>62,686,286</b>	<b>60,609,702</b>	<b>-</b>	<b>123,295,988</b>	<b>3,134,314</b>	<b>22,295,706</b>	<b>-</b>	<b>25,430,020</b>	<b>97,865,968</b>	<b>59,551,972</b>

	Gross block				Depreciation				Net block	
	As at 01-04-2020	Additions	Deductions	As at 31-03-2021	Upto 31-03-2020	For the year	Adjustments	Upto 31-03-2021	As at 31-03-2021	As at 31-03-2020
Righ of use Assets	-	62,686,286		62,686,286	-	3,134,314	-	3,134,314	59,551,972	-
<b>Grand Total</b>	<b>-</b>	<b>62,686,286</b>	<b>-</b>	<b>62,686,286</b>	<b>-</b>	<b>3,134,314</b>	<b>-</b>	<b>3,134,314</b>	<b>59,551,972</b>	<b>-</b>

**APAR Distribution & Logistics Private Limited**
**Notes To The Financial Statement as at and for the financial year Ended March 31, 2022**

<b>Note 3 Other Financial Assets - Non Current</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
		₹
<b>Unsecured, considered good</b>		
Security deposits	5,619,117	3,136,365
	<b>5,619,117</b>	<b>3,136,365</b>

<b>Note 4 Other Tax Assets</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
	₹	₹
Advance Income tax (net of Provision)	2,507,775	379,239
	<b>2,507,775</b>	<b>379,239</b>

<b>Note 5 Trade Receivable</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
	₹	₹
<b>Un-Secured</b>		
Considered good (refer notes below)	-	1,856,046
	<b>-</b>	<b>1,856,046</b>

Note I - Overdue amount Rs. Nil for current year (Rs. Nil for previous year)

<b>Note II - Due from holding company</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
	₹	₹
Due from Holding Company - Apar Industries Limited	-	1,856,046

<b>As at March 31, 2022</b>	<b>Outstanding for following periods from due date of payment</b>					<b>Total</b>
	<b>Less than 6 Months</b>	<b>6 months - 1 year</b>	<b>1 - 2 years</b>	<b>2 - 3 years</b>	<b>More than 3 years</b>	
i) Undisputed trade receivables - considered good	-	-	-	-	-	-
ii) Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
iii) Undisputed trade receivables - Credit Impaired	-	-	-	-	-	-
iv) Disputed trade receivables - considered good	-	-	-	-	-	-
v) Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
vi) Disputed trade receivables - Credit Impaired	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-

<b>As at March 31, 2021</b>	<b>Outstanding for following periods from due date of payment</b>					<b>Total</b>
	<b>Less than 6 Months</b>	<b>6 months - 1 year</b>	<b>1 - 2 years</b>	<b>2 - 3 years</b>	<b>More than 3 years</b>	
i) Undisputed trade receivables - considered good	-	-	-	-	-	-
ii) Undisputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
iii) Undisputed trade receivables - Credit Impaired	-	-	-	-	-	-
iv) Disputed trade receivables - considered good	-	-	-	-	-	-
v) Disputed trade receivables - which have significant increase in credit risk	-	-	-	-	-	-
vi) Disputed trade receivables - Credit Impaired	-	-	-	-	-	-
<b>Total</b>	-	-	-	-	-	-

<b>Note 6 Cash and cash equivalents</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
	₹	₹
On current accounts	5,378,371	7,415,269
Cash on hand	-	-
Cheques on hand	-	-
	<b>5,378,371</b>	<b>7,415,269</b>



**APAR Distribution & Logistics Private Limited**
**Notes To The Financial Statement as at and for the financial year Ended March 31, 2022**

<b>Note 7 - Other financial Assets</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
	₹	₹
Contract Assets (refer note I below)	11,258,912	218,954
	<b>11,258,912</b>	<b>218,954</b>

<b>Note I - Contract Assets</b>		
<b>Unbilled revenue (Refer note A below)</b>		
Opening Balance	218,954	-
Add: Addition during the year	11,258,912	218,954
	<b>11,477,866</b>	<b>218,954</b>
Less: Trasferred to receivable	218,954	-
<b>Closing balance</b>	<b>11,258,912</b>	<b>218,954</b>

<b>Note A - Unbilled revenue due from holding company</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
	₹	₹
Due from Holding Company - Apar Industries Limited	11,258,912	218,954

<b>Note 8 - Other Current Assets</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
	₹	₹
Balances with statutory/government authorities	283,674	-
	<b>283,674</b>	<b>-</b>

<b>Note 9 Equity share capital</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
<b>a Authorised :</b>		
10,00,000 Equity shares of ₹ 10 each	10,000,000	10,000,000
(previous year 10,00,000 Equity shares of ₹ 10 each)		
<b>TOTAL</b>	<b>10,000,000</b>	<b>10,000,000</b>
<b>b Issued :</b>		
10,00,000 Equity shares of ₹ 10 each	10,000,000	10,000,000
(previous year 10,00,000 Equity shares of ₹ 10 each)		
<b>TOTAL</b>	<b>10,000,000</b>	<b>100,000</b>
<b>c Subscribed and Paid up :</b>		
10,00,000 Equity shares of ₹ 10 each	10,000,000	10,000,000
(previous year 10,00,000 Equity shares of ₹ 10 each)		
	<b>10,000,000</b>	<b>10,000,000</b>
<b>d Reconciliation of number of shares outstanding at the beginning and end of the year :</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
Outstanding at the beginning of the year	1,000,000	10,000
Issued during the year	-	990,000
Outstanding at the end of the year	<b>1,000,000</b>	<b>1,000,000</b>

**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.

<b>f Shareholders holding more than 5% shares in the company is set out below:</b>	<b>31 March 2022</b>		<b>31 March 2021</b>	
	<b>No of shares</b>	<b>%</b>	<b>No of shares</b>	<b>%</b>
Apar Industries Limited	999,999	100%	999,999	100%

**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 financial year Ended March 31, 2022**

<b>Note 10 Other Equity</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
	₹	₹
<b>Retained earnings - Surplus / (Deficit)</b>		
Opening balance	(1,627,811)	(15,000)
Increase/(Decrease) during the year	6,903,438	(1,612,811)
<b>Closing Balance</b>	<b>5,275,627</b>	<b>(1,627,811)</b>

<b>Note 10A Other Reserve</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
	₹	₹
Other items of Other comprehensive income	(44,971)	-
	<b>(44,971)</b>	<b>-</b>

	<b>31 March 2022</b>	<b>31 March 2021</b>
	₹	₹
<b>OCI</b>		
Opening balance	-	-
Increase/(Decrease) during the year	(44,971)	-
<b>Closing Balance</b>	<b>(44,971)</b>	<b>-</b>

**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.

<b>Note 11 Long term provisions</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
	₹	₹
Provision for leave benefits (Refer Note 23)	593,595	-
Provision for gratuity- In respect of employees (Refer Note 23)	687,254	-
	<b>1,280,849</b>	<b>-</b>

<b>Note 12 Trade and other payables</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
	₹	₹
Due to Micro, Small and Medium Enterprises	-	-
Due to other than micro and small and medium enterprises (refer notes below)	2,181,107	2,374,690
<b>Total</b>	<b>2,181,107</b>	<b>2,374,690</b>

Note I - Overdue amount Rs. Nil for current year (Rs. Nil for previous year)

Note II - 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.

<b>As at March 31, 2022</b>	<b>Outstanding for following periods from due date of payment</b>				
	<b>Less than 1 year</b>	<b>1 - 2 years</b>	<b>2 - 3 years</b>	<b>More than 3 years</b>	<b>Total</b>
i) MSME	-	-	-	-	-
ii) Others	-	-	-	-	-
iii) Disputed dues - MSME	-	-	-	-	-
iii) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

<b>As at March 31, 2021</b>	<b>Outstanding for following periods from due date of payment</b>				
	<b>Less than 1 year</b>	<b>1 - 2 years</b>	<b>2 - 3 years</b>	<b>More than 3 years</b>	<b>Total</b>
i) MSME	-	-	-	-	-
ii) Others	-	-	-	-	-
iii) Disputed dues - MSME	-	-	-	-	-
iii) Disputed dues - Others	-	-	-	-	-
<b>Total</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>

**APAR Distribution & Logistics Private Limited**
**Notes To The Financial Statement as at and for the financial year Ended March 31, 2022**

<b>Note 13 Other financial liabilities</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
	₹	₹
Short term advances (refer note below)	2,124,755	881,616
<b>Total</b>	<b>2,124,755</b>	<b>881,616</b>

<b>Note - Payable to Holding Company</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
	₹	₹
Short term advance from Apar Industries Limited	2,124,755	881,616

<b>Note 14 Other current liabilities</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
	₹	₹
Statutory dues	430,678	360,690
<b>Total</b>	<b>430,678</b>	<b>360,690</b>

<b>Note 15 Provisions - current</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
	₹	₹
Provision for leave benefits (Refer Note 23)	59,304	-
Provision for Gratuity (Refer Note 23)	17,976	-
<b>Total</b>	<b>77,280</b>	<b>-</b>

<b>Note 16 Revenue from Operations</b>	<b>FY2022</b>	<b>FY2021</b>
	₹	₹
Service Charges	65,588,049	5,275,461
<b>Total</b>	<b>65,588,049</b>	<b>5,275,461</b>

**Disclosure under IND AS 115**

<b>i. Revenue from contracts with customers</b>	<b>FY2022</b>	<b>FY2021</b>
	₹	₹
Revenue recognised at point in time	65,588,049	5,275,461
Revenue recognised over time	-	-
<b>Total revenue from contracts with customers</b>	<b>65,588,049</b>	<b>5,275,461</b>

<b>ii. Sales by performance obligation</b>	<b>FY2022</b>	<b>FY2021</b>
	₹	₹
Upon shipment	-	-
Upon providing of services	65,588,049	5,275,461
	<b>65,588,049</b>	<b>5,275,461</b>

<b>iii Contract balances</b>	<b>FY2022</b>	<b>FY2021</b>
	₹	₹
<b>Unbilled revenue</b>		
Opening Balance as at April 1	218,954	-
Add: Addition during the year	11,258,912	218,954
	11,477,866	218,954
Less: Trasferred to receivable	218,954	-
<b>Closing balance as at Mar 31</b>	<b>11,258,912</b>	<b>218,954</b>

**iv 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.

<b>Note 17 Other Income</b>	<b>FY2022</b>	<b>FY2021</b>
	₹	₹
Excess Provision for expenses written back	352,908	-
<b>Total</b>	<b>352,908</b>	<b>-</b>

**APAR Distribution & Logistics Private Limited****Notes To The Financial Statement as at and for the financial year Ended March 31, 2022**

<b>Note 18 Operating expenses</b>	<b>FY2022</b> ₹	<b>FY2021</b> ₹
Loading & unloading charges	13,637,244	1,845,081
Electricity and water charges	1,273,618	141,897
Other operating charges	2,094,388	177,395
<b>Total</b>	<b>17,005,250</b>	<b>2,164,373</b>

<b>Note 19 Employee benefit expenses</b>	<b>FY2022</b> ₹	<b>FY2021</b> ₹
Salaries, wages and bonus	7,879,414	-
Contribution to provident and other funds	375,798	-
Gratuity & leave expense	1,423,094	-
Workmen and staff welfare expenses	95,492	-
<b>Total</b>	<b>9,773,798</b>	<b>-</b>

**APAR Distribution & Logistics Private Limited****Notes To The Financial Statement as at and for the financial year Ended March 31, 2022**

<b>Note 20 Finance costs</b>	<b>FY2022</b> ₹	<b>FY2021</b> ₹
Interest on lease contracts	5,822,740	923,612
Total	<b>5,822,740</b>	<b>923,612</b>

<b>Note 21 Other expenses</b>	<b>FY2022</b> ₹	<b>FY2021</b> ₹
Bank charges	10,793	592
Publicity and advertisement	176,680	-
Rates and taxes	17,075	230,000
Conveyance	23,967	-
Brokerage	180,000	574,992
Printing and stationery	255,367	2,410
Books, periodicals and subscription	7,036	
Vehicle running expenses	67,765	
Security charges	898,621	210,253
Miscellaneous administrative expenses	32,699	
Legal and professional fees	(47,000)	75,000
Auditor Remuneration	175,000	37,500
	<b>1,798,003</b>	<b>1,130,747</b>

<b>Auditors' remuneration details</b>	<b>FY2022</b> ₹	<b>FY2021</b> ₹
<b>Auditor remuneration for</b>		
Audit	100,000	15,000
Limited review	75,000	22,500
Reimbursement of expenses	-	-
	<b>175,000</b>	<b>37,500</b>

**APAR Distribution & Logistics Private Limited****Notes To The Financial Statement as at and for the financial year Ended March 31, 2022****Note 22 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

<b>i. Profit attributable to ordinary shareholders (basic)</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
	₹	₹
Profit (loss) for the year, attributable to the owners of the Company	6,903,438	(1,612,811)
Income/(Expense) recognized in Securities premium/other reserves		
<b>Profit (loss) for the year, attributable to ordinary shareholders</b>	<b>6,903,438</b>	<b>(1,612,811)</b>

<b>ii. Weighted average number of ordinary shares (basic)</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Issued ordinary shares - Issued in FY 2020	1,000,000	10,000
Issued ordinary shares - Issued on Feb 22, 2021	-	990,000
<b>Weighted average number of shares at March 31</b>	<b>1,000,000</b>	<b>113,068</b>

<b>Basic EPS (₹)</b>	<b>6.90</b>	<b>(14.26)</b>
Face value per Share (₹)	<b>10.00</b>	<b>10.00</b>

**B. Diluted earnings per share**

There are no dilutive instruments as at 31/03/2022 and 31/03/2021, hence diluted earnings per share is same as basic earnings per share.

**APAR Distribution & Logistics Private Limited****Notes To The Financial Statement as at and for the financial year Ended March 31, 2022****Note 23 Employee benefits****(i) Defined Contribution Plans:**

The Company makes contributions towards provident fund and other retirement benefits to a defined contribution retirement benefit plan for qualifying employees. Under the plan, the Company is required to contribute a specified percentage of payroll cost to the retirement benefit plan to fund the benefits.

The Company recognised ₹ 164038 (previous year ₹ Nil ) for other retirement benefit contributions in the Statement of Profit and Loss.

The Company recognised ₹ 898484 (previous year ₹ Nil ) for provident fund contributions in the Statement of Profit and Loss.

The contributions payable to these plans by the Company are at rates specified in the rules of the schemes.

**(ii) Defined Benefit Plan:**

The present value of obligation is determined based on actuarial valuation using the Projected Unit Credit Method, which recognises each period of service as giving rise to additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation.

The Company provides for leave encashment liability as per the actuarial valuation carried out as at March 31, 2022. The Company has recognised ₹ 652899 (previous year ₹ Nil ) for leave encashment liability in the Statement of Profit and Loss.

The most recent actuarial valuation of plan assets and the present value of the defined benefit obligation for gratuity were carried out as at March 31, 2022. The present value of the defined benefit obligations and the related current service cost and past service cost, were measured using the Projected Unit Credit Method.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

**Movement in net defined benefit (asset) liability**

Particulars	₹	
	March 31, 2022	March 31, 2021
	Gratuity Unfunded	Gratuity Unfunded
<b>Table showing change in benefit obligation</b>		
Defined benefit obligation at beginning of the year	-	-
a) Included in statement of profit and loss		
Current service cost	78,277	-
Interest cost	38,811	-
Liability Transferred In/ Acquisitions	528,046	-
	<b>645,134</b>	<b>-</b>

**Notes To The Financial Statement as at and for the financial year Ended March 31, 2022**

**Note 23 Employee benefits**

b) Included in OCI

Re-measurement or Actuarial (gain) / loss arising from:

Demographic assumptions	-
Financial assumptions	-
Experience adjustment	60,096
	<b>60,096</b>

c) Other

Benefits paid	-
	-

<b>Defined Benefit obligation at end of the year</b>	<b>705,230</b>
--	----------------

₹

**Table showing change in Fair Value of Plan Assets**

	March 31, 2022	March 31, 2021
	Gratuity	Gratuity
Fair value of plan assets at beginning of the year	-	-
Interest income	-	-
Return on plan assets, excluding interest income	-	-
Employer Contribution	-	-
Benefit paid	-	-
<b>Fair value of plan assets at year end</b>	-	-
Actual return on plan assets	-	-
Expected contribution for next year	-	-

**Defined benefit obligations**

**i) Actuarial assumptions**

In arriving at the valuation for gratuity & leave benefit following assumptions were used:

Particulars	March 31, 2022	March 31, 2021
	Indian Assured Lives	
	Mortality	NA
Mortality Table (LIC)	2012-14 (Urban)	
Retirement Age	60	NA
Employee Turnover rate	2.00%	NA
Discount Rate	7.35%	NA
Expected rate of return on plan assets (per annum)	7.35%	NA
Rate of escalation in salary (per annum)	5.80%	NA



**Notes To The Financial Statement as at and for the financial year Ended March 31, 2022**

**Note 23 Employee benefits**

**ii. Sensitivity analysis**

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

	March 31, 2022		March 31, 2021	
	Increase	Decrease	Increase	Decrease
Discount rate (1% movement)	(85,342)	101,860	-	-
Future salary growth (1% movement)	102,433	(87,240)	-	-
Employee Turnover (1% movement)	13,717	(15,710)	-	-

Sensitivity analysis is an analysis which will give the movement in liability if the assumptions were not proved to be true on different count. This only signifies the change in the liability if the difference between assumed and the actual is not following the parameters of the sensitivity analysis.

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity plan and the amounts recognised in the Company's financial statements as at balance sheet date:

	₹	
Net asset / (liability) recognised in the balance sheet as at	March 31, 2022 Gratuity	March 31, 2021 Gratuity
Fair value of plan assets	-	-
Present value of obligation	(705,230)	-
Amount recognised in balance sheet	(705,230)	-

	₹	
Expense recognised during the year	March 31, 2022 Gratuity	March 31, 2021 Gratuity
<b>Included in statement of profit and Loss</b>		
Current service cost	78,277	-
Interest cost	38,811	-
Net actuarial (gain) / loss		
Return on plan assets, excluding actuarial gain or loss	-	-
<b>Included in OCI</b>		
Re-measurement or Actuarial (gain) / loss arising from:		
Demographic assumptions	-	-
Financial assumptions	-	-
Experience adjustment	60,096	-
Return on plan assets, excluding interest income	-	-
<b>Net Cost</b>	<b>177,184</b>	<b>0</b>

**Notes To The Financial Statement as at and for the financial year Ended March 31, 2022**

**Note 23 Employee benefits**

	₹	
<b>Maturity analysis of the benefit payments: from the fund</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
	<b>Gratuity</b>	<b>Gratuity</b>
Projected benefits payable in future years from the date of reporting		
1st following year	17,976	-
2nd following year	20,017	-
3rd following year	20,907	-
4th following year	21,851	-
5th following year	23,090	-
From 6 to 10 years	132,604	-
From 11 years and above	1,968,201	-

	₹	
<b>Category of Plan Assets</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Insurance Funds	-	-
Mutual Funds	-	-
Cash And Cash Equivalents	-	-
<b>Fair value of plan assets</b>	<b>-</b>	<b>-</b>

**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.

		Carrying amount					Fair value			
March 31, 2022	Note No.	Fair value- hedging instruments	FVTPL	FVTOCI	Amortized Cost	Total	Level 1 - Quoted price in active markets	Level 2 - Significant observable inputs	Level 3 - Significant unobservable inputs	Total
<b>Financial assets</b>										
Trade Receivables										-
- Current	5				-	-				
Cash and Cash Equivalents	6				5,378,371	5,378,371				-
Other financial assets										
- Non-current	3				5,619,117	5,619,117				-
- Current	7				11,258,912	11,258,912				
<b>Total financial assets</b>		-	-	-	22,256,400	22,256,400	-	-	-	-
<b>Financial liabilities</b>										
Lease liabilities										
- Non-current	29				81,531,911	81,531,911				
- Current	29				21,765,341	21,765,341				
Other financial liabilities										
- Non-current	-				-	-				-
- Current	13				2,124,755	2,124,755				-
Trade Payables	12				2,181,107	2,181,107				-
<b>Total financial liabilities</b>		-	-	-	107,603,114	107,603,114	-	-	-	-

		Carrying amount					Fair value			
March 31, 2021	Notes	Fair value- hedging instruments	FVTPL	FVTOCI	Amortized Cost	Total	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>										
Trade Receivables										-
- Current	5				1,856,046	1,856,046				
Cash and Cash Equivalents	6				7,415,269	7,415,269				-
Other financial assets										
- Non-current	3				3,136,365	3,136,365				-
- Current	7				218,954	218,954				-
<b>Total financial assets</b>		-	-	-	12,626,634	12,626,634	-	-	-	-
<b>Financial liabilities</b>										
Leases										
- Non-current	29				50,244,655	50,244,655				
- Current	29				10,788,779	10,788,779				
Other financial liabilities										
- Non-current	-				-	-				
- Current	13				881,616	881,616				
Trade Payables	12				2,374,690	2,374,690				
<b>Total financial liabilities</b>		-	-	-	64,289,740	64,289,740	-	-	-	-

**Notes To The Financial Statement as at and for the financial year Ended March 31, 2022**

**Note 24 Financial instruments – Fair values and risk management Disclosure**

**B. Measurement of fair values**

Valuation techniques and significant observable inputs

The following tables show the valuation techniques used in measuring Level 2 fair values, as well as the significant observable inputs used (if any).

**Financial instruments measured at fair value**

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

Refer note 1.5 for different levels in a fair value hierarchy based on the inputs used in the valuation techniques.

**C. Financial risk management**

The Company 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 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.

**APAR Distribution & Logistics Private Limited****Notes To The Financial Statement as at and for the financial year Ended March 31, 2022****Note 25 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.

March 31, 2022	Contractual cash flows					₹ crore
	Carrying amount	Total	1 year or less	1-2 years	3-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
Trade and other payables	2,181,107	2,181,107	2,181,107	-	-	-
Other financial liabilities	2,124,755	2,124,755	2,124,755	-	-	-
Lease liabilities	103,297,252	103,297,252	21,765,341	24,437,214	57,094,697	

March 31, 2021	Contractual cash flows					₹ crore
	Carrying amount	Total	1 year or less	1-2 years	3-5 years	More than 5 years
<b>Non-derivative financial liabilities</b>						
Trade and other payables	2,374,690	2,374,690	2,374,690	-	-	-
Other financial liabilities	881,616	881,616	881,616	-	-	-
Lease liabilities	61,033,434	61,033,434	10,788,779	28,160,607	22,084,048	

The gross inflows/(outflows) disclosed in the above table represent the contractual undiscounted cash flows relating to the financial liabilities which are not usually closed out before contractual maturity.

**Note 26 Related party relationships, transactions and balances**

**A. List of Related Parties**

a). Holding Company - Apar Industries Limited

**B. Related Party Transactions**

Sr No.	Transactions	March 31, 2022	March 31, 2021
		₹	₹
1	Sale of services	65,588,049	5,275,461
2	Purchase of services	-	891,735
3	Reimbursement of Expenses	3,621,891	881,617
4	Subscription to issue of Equity shares	-	9,900,000
5	Balance outstanding as on		
	a) Receivable from holding company for supply of services	11,258,912	2,075,000
	b) Payable to holding company for supply of services	-	1,052,247
	c) Short term advances payable	2,124,755	881,617

**Note 27 Disclosure pursuant to Ind AS 12 "Income Taxes"**

**(a) Major components of tax expense/(income):**

Particulars	March 31, 2022	March 31, 2021
	₹	₹
Statement of Profit and Loss:		
<b>a. Profit and Loss section:</b>		
(i) Current tax :		
Current tax expense for the year	3,570,883	-
(ii) Deferred Tax:		
Tax expense on origination and reversal of temporary differences	(1,228,861)	(464,774)
<b>Income tax expense reported in the statement of profit or loss</b>	<b>2,342,022</b>	<b>(464,774)</b>
<b>b. Other Comprehensive Income (OCI) Section:</b>		
<b>Items that will not be reclassified to profit or loss</b>		
Remeasurements of defined benefit liability (asset)	15,125	-
<b>Income tax expenses reported in the other comprehensive income [i]</b>	<b>15,125</b>	<b>-</b>

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

Particulars	March 31, 2022	March 31, 2021
	₹	₹
Profit before tax (a)	9,245,460	(2,077,585)
<b>Corporate tax rate as per Income tax Act, 1961 (b)</b>	<b>25.168%</b>	<b>25.168%</b>
Tax on accounting profit (c)=(a)*(b)	2,326,897	(522,888)
Add: Items disallowed under Tax laws (d)		
Share capital expenses		58,113
Employee benefits provision	15,125	-
<b>Income Tax (expenses) / Income recognised during the year (e) = (c) + (d)</b>	<b>2,342,022</b>	<b>(464,774)</b>

**Note 28 Deferred Tax Assets / (Liabilities)****Movement in deferred tax balances**

Particulars	Net balance April 1, 2021 ₹	Recognised in profit or loss ₹	Recognised in OCI ₹	Deferred tax Asset / (Liability) ₹
Lease Expenses	372,855	994,091		1,366,946
Taxable Loss	91,919	(91,919)	-	-
Employee benefit provisions	-	326,689	15,125	341,814
<b>Net tax assets (liabilities)</b>	<b>464,775</b>	<b>1,228,861</b>	<b>15,125</b>	<b>1,708,760</b>

Particulars	Net balance April 1, 2020 ₹	Recognised in profit or loss ₹	Recognised in OCI ₹	Net ₹
Lease Expenses	-	372,855	-	372,855
Taxable Loss	-	91,919	-	91,919
<b>Net tax assets (liabilities)</b>	<b>-</b>	<b>464,774</b>	<b>-</b>	<b>464,774</b>

**Note 29 Disclosure pursuant to Ind As 116 - Leases**

Particulars	March 31, 2022 ₹	March 31, 2021 ₹
Interest expenses on Lease liabilities	5,822,740	923,612
Expenses relating to Short term leases & low value assets leases	-	-
<b>Total cash outflows of lease payments</b>	<b>24,168,624</b>	<b>2,576,465</b>

The Company has applied paragraph 6 of IND AS 116; for accounting of Short term leases having lease period of less than 12 months & leases for which the underlying asset if of low value.

Lease payments associated with these leases are accounted either on straight line basis over the lease term or another systematic basis which is more representative of the lease payment pattern.

**Note 30 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.

Management has assessed the potential impact of COVID 19 based on the current circumstances and expects no significant impact on its operations of the business on long term basis / on financial position etc. though there may be lower revenues in the near term.

The Company has considered the possible effects that may result from COVID-19 in the recoverability of carrying amounts of financial and non-financial assets. In developing the assumptions relating to the possible future uncertainties in the economic conditions because of COVID-19, the Company has used internal and external sources of information and expects that the carrying amount of the assets will be recovered.

**Note 31 Segment Reporting**

The company has only one reportable primary segment - provision of logistic and distribution related services.

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.

Revenue based on geographical areas	March 31, 2022 ₹	March 31, 2021 ₹
Revenue from domestic operations (within India)	65,588,049	5,275,461
<b>Total</b>	<b>65,588,049</b>	<b>5,275,461</b>

**Note 32 Contingent liabilities and Commitments**

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

**Note 33 Foreseeable Losses**

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

**Note 34 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 35 Corporate Social Responsibility Expenses**

The Company is not falling under the eligibility criteria given for spending of corporate social responsibility expenditure as given under the Companies Act, 2013

**Note 36 Additional disclosure**

(i) The Company does not have any Benami property, where any proceeding has been initiated or pending against the company for holding any Benami property.

(ii) The Company does not have any transactions with companies struck off.

(iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.

(iv) The Company have not traded or invested in Crypto currency or Virtual Currency during the period/year.

(v) The Company have not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (Intermediaries) with the understanding that the Intermediary shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

(vi) The Company have not received any fund from any person(s) or entity(ies), including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the company shall:

- (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (Ultimate Beneficiaries) or
- (b) provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries,

vii) The Company has no such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as search or survey )

viii) The Company has not borrowed any funds from Banks or financial institutions during the reporting period

Particulars	March 31, 2022	March 31, 2021	Variances%	Remarks	Ratio Methodology
Current Ratio	0.64	0.66	-3.4%	NA	$\frac{\text{Current Assets}}{\text{Current Liabilities}}$
Debt - Equity Ratio	NA	NA	-	NA	$\frac{\text{Long Term borrowing + short term borrowing}}{\text{Total equity}}$
Debt service coverage ratio	NA	NA	-	NA	$\frac{\text{Interest on borrowings}}{\text{Long term borrowing + short term borrowing}}$
Return on Equity ratio	45%	-19%	-335.3%	Please refer comment 1 below	$\frac{\text{Profit after tax}}{\text{Total equity}}$
Inventory Turnover ratio	NA	NA	-	NA	$\frac{\text{Cost of material consumed + changes in inventories + purchase of stock in trade}}{\text{Average Inventory}}$
Trade receivable turnover ratio	70.68	5.68	1143.3%	Please refer comment 1 below	$\frac{\text{Revenue from operations}}{\text{Average Trade receivables}}$
Trade payable turnover ratio	NA	NA	-	NA	$\frac{\text{Total purchases}}{\text{Average Trade payables}}$
Net capital turnover ratio	(9.00)	(2.18)	312.1%	Please refer comment 1 below	$\frac{\text{Revenue from operations}}{\text{Average Working Capital}}$
Net profit margin	11%	-31%	-134.4%	Please refer comment 1 below	$\frac{\text{Profit after tax}}{\text{Total Income}} \times 100$
Return on Capital employed	128%	-27%	-567.9%	Please refer comment 1 below	$\frac{\text{Profit before interest and tax}}{\text{Total equity + Long Term Borrowings}} \times 100$
Return on investment	NA	NA	-	NA	

**Comment 1**

Due to COVID 19 in FY2021, the Company was operating into restricted business environment and was unable to grow its business on full scale. In the FY2022, the Company has started its operation on full scale and generated revenues with reasonable margins. Accordingly, the ratios for both the years are not comparable due to uneven scale of operations.

**Note 38**

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

RAGHUNATH  
PRABHAKAR  
ACHARYA  
Digitally signed by  
RAGHUNATH  
PRABHAKAR ACHARYA  
Date: 2022.05.24  
18:31:01 +05'30'

**R.P. Acharya**  
Partner  
Membership No. 039920  
Mumbai  
May 24, 2022

For and on behalf of the Board of Directors

**KUSHAL N DESAI**  
Digitally signed by KUSHAL N DESAI  
DN: cn=Kushal N Desai, email=Kushal.N.Desai@aparlogistics.com, o=APAR Distribution & Logistics Private Limited, ou=APAR Distribution & Logistics Private Limited, c=IN, postalCode=400008, serialNumber=7204820804, emailAddress=Kushal.N.Desai@aparlogistics.com, cn=Kushal N Desai  
Date: 2022.05.24 17:45:42 +05'30'

**Kushal N. Desai**  
Director  
DIN : 00008084  
Mumbai,  
May 24, 2022

**CHAITANYA N DESAI**  
Digitally signed by CHAITANYA N DESAI  
DN: cn=Chaitanya N Desai, email=Chaitanya.N.Desai@aparlogistics.com, o=APAR Distribution & Logistics Private Limited, ou=APAR Distribution & Logistics Private Limited, c=IN, postalCode=400008, serialNumber=7204820804, emailAddress=Chaitanya.N.Desai@aparlogistics.com, cn=Chaitanya N Desai  
Date: 2022.05.24 17:51:24 +05'30'

**Chaitanya N. Desai**  
Director  
DIN : 00008091





# SHARP & TANNAN LLP

Chartered Accountants

Firm's Registration No. 127145W/W10021

## INDEPENDENT AUDITOR'S REPORT

To the Members of Apar Transmission & Distribution Projects Private Limited

### Report on the audit of the financial statements

#### Opinion

We have audited the financial statements of Apar Transmission & Distribution Projects Private Limited ('the Company'), which comprise the balance sheet as at 31 March 2022, 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 2022, 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.

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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, 2020 ('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 2022 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2022 from being appointed as a director in terms of section 164 (2) of the Act;

## **SHARP & TANNAN LLP**

LETTER NO: \_\_\_\_\_

SHEET NO: \_\_\_\_\_

- (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 23 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 24 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 25 to the financial statements.
- iv (a) Management has represented to us that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ('Intermediaries'), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entities ('Funding Parties'), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ('Ultimate Beneficiaries') or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clauses (i) and (ii) of rule 11(e), as provided under (a) and (b) above, contain any material misstatement.
- v The Company has not declared or paid dividend during the year.

For Sharp & Tannan  
Chartered Accountants  
Firm's registration No.109982W

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RAGHUNATH  
PRABHAKAR  
ACHARYA  
Date: 2022.05.17  
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R. P. Acharya  
Partner

Mumbai, 17 May 2022

Membership no. 039920  
UDIN:22039920AJCTJJ9457

**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) (a) (A) The Company has maintained proper records showing full particulars including quantitative details and situation and relevant details of right-of-use assets;  
(B) The Company does not hold any intangible assets;  
(b) The Company has a program of verification to cover all the items of right-of-use assets which, in our opinion, is reasonable having regard to the size of the Company and nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification;  
(c) The Company does not hold any immovable properties. Accordingly, paragraph 3(i)(c) of the Order is not applicable to the Company;  
(d) The Company has not revalued its property, plant and equipment (including right of use assets) and intangible assets during the year. Accordingly, paragraph 3(i)(d) of the Order is not applicable to the Company; and  
(e) According to the information and explanations given to us, no proceedings have been initiated or are pending against the Company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988).
- (ii) (a) According to the information and explanations given to us, the Company does not have inventories. Accordingly, paragraph 3(ii)(a) of the Order is not applicable to the Company.  
(b) According to the information and explanations given to us, no working capital facility has been sanctioned from banks or financial institutions during the year. Accordingly, paragraph 3(ii)(b) of the Order is not applicable to the Company.
- (iii) According to the information and explanations given to us, the Company has not made any investment, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties. Accordingly, paragraphs 3(iii)(a), (b), (c), (d), (e) and (f) of the Order are not applicable to the Company.
- (iv) In our opinion, and according to the information and explanations given to us, there are no loans, investments, guarantees, and securities granted in respect of which provisions of sections 185 and 186 of the Companies Act 2013 are applicable. Accordingly, paragraph 3(iv) of the Order is 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 goods and service tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, and cess 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, employee'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 goods and service tax, provident fund, employees' state insurance, income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, and cess were in arrears as at 31 March 2022 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 disputed statutory dues referred to in sub-clause (a) above which have not been deposited as at 31 March 2022.

(viii) According to the information and explanations given to us and on the basis of our examination of records of the Company, there are no transactions not recorded in the books of account that have been surrendered or disclosed as income during the year in the tax assessments under the Income-tax Act, 1961 (43 of 1961);

(ix) a) According to the information and explanations given to us, the Company has not defaulted in repayment of loans or other borrowings on in payment of interest thereon to any lender. Accordingly, paragraph 3(ix) (a) of the Order is not applicable to the Company.

(b) According to the information and explanations given to us and on the basis of our audit procedures, we report that the company has not been declared willful defaulter by any bank or other lender.

(c) The Company has not taken any term loan during the year. Accordingly, paragraphs 3(ix) (c), (d), (e) & (f) of the Order are not applicable to the Company

(x) (a) 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(x)(a) of the Order is not applicable to the Company.

(b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Accordingly, paragraph 3(x)(b) of the Order is not applicable to the Company.

(xi) (a) According to the information and explanations given to us, no fraud by the Company or on the Company has been noticed or reported during the year;

(b) No report under sub-section (12) of section 143 of the Act has been filed by us in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the central government; and

(c) According to the information and explanations given to us, no complaints were received as part of the whistle blower mechanism during the year. Accordingly, paragraph 3(xi)(c) 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 where applicable and the details have been disclosed in the Ind AS financial statements as required by the applicable accounting standards.

(xiv) (a) In our opinion and based on our examination, the Company does not have an internal audit system and is not required to have an internal audit system as per provisions of the Companies Act 2013; and

(b) According to the information and explanations given to us, as per section 138 of the Act, the Company is not required to conduct internal audit. Accordingly, paragraph 3(xiv)(b) 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) (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- (b) According to the information and explanations given to us, the Company has not conducted any Non-Banking Financial or Housing Finance activities during the year. Accordingly, paragraph 3(xvi)(b) of the Order is not applicable to the Company;
- (c) According to the information and explanations given to us, Company is not a Core Investment Company ('CIC') as defined in the regulations made by the Reserve Bank of India. Accordingly, paragraph 3(xvi)(c) and (d) of the Order is not applicable to the Company;
- (d) According to the information and explanations given to us, the Group does not have any CIC.
- (xvii) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not incurred cash loss in the current financial year and had incurred cash loss of Rs.27.48 lakhs in the immediately preceding financial year;
- (xviii) There has been no resignation of the statutory auditors during the year. Accordingly, paragraph 3(xviii) of the Order is not applicable to the Company;
- (xix) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans, we are of the opinion that no material uncertainty exists as on the date of the audit report that Company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due;
- (xx) There are no unspent amounts towards the corporate social responsibility as per provisions of section 135 of the Act. Accordingly, paragraphs 3(xx)(a) and (b) of the Order are not applicable to the Company;
- (xxi) According to the information and explanations given to us, the Company is not required to prepare consolidated financial statements. Accordingly, paragraph 3(xxi) of the Order is not applicable to the Company.

For Sharp & Tannan  
Chartered Accountants  
Firm's registration No.109982W

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RAGHUNATH  
PRABHAKAR  
ACHARYA  
Date: 2022.05.17  
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R. P. Acharya  
Partner

Mumbai, 17 May 2022

Membership no. 039920  
UDIN:22039920AJCTJJ9457

**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 Private Limited ('the Company') as of 31 March 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's responsibility for internal financial controls**

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting ('the Guidance Note') 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 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 2022, 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  
Chartered Accountants  
Firm's registration No.109982W

RAGHUNATH  
PRABHAKAR  
ACHARYA

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PRABHAKAR ACHARYA  
Date: 2022.05.17  
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R. P. Acharya  
Partner

Mumbai, 17 May 2022

Membership no. 039920  
UDIN:22039920AJCTJJ9457

## Balance sheet as at March 31, 2022

(Rs in Lakhs)

DIN: 08166808

APAR Transmission & Distribution Projects Private Limited			
Statement of profit and loss for the year ended March 31, 2022			
(Rs in Lakhs)			
	Note	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Revenue</b>			
Revenue from Operations	13	7,035.09	5,239.12
Other income	14	1.37	0.81
<b>Total Revenue</b>		<b>7,036.46</b>	<b>5,239.93</b>
<b>Expenses</b>			
Stringing labour charges	15	4,798.92	4,456.16
Finance costs		0.49	1.04
Depreciation and amortization expense		5.08	7.44
Other expenses	16	1,025.55	810.21
<b>Total Expenses</b>		<b>5,830.04</b>	<b>5,274.85</b>
<b>Net total expenses</b>		<b>5,830.04</b>	<b>5,274.85</b>
<b>Profit Before Exceptional Items and Tax</b>		1,206.42	(34.92)
Exceptional Items		-	-
<b>Profit/(loss) Before Tax</b>		<b>1,206.42</b>	<b>(34.92)</b>
<b>Tax expense:</b>			
1. Current Tax		296.13	-
2. Deferred Tax		7.93	(7.84)
3. Taxes of earlier years		(0.14)	-
		<b>303.92</b>	<b>(7.84)</b>
<b>Net Profit/(loss) for the year</b>		<b>902.50</b>	<b>(27.08)</b>
<b>Other Comprehensive Income</b>		-	-
<b>Total Comprehensive Income for the period</b>		<b>902.50</b>	<b>(27.08)</b>
<b>Earnings per equity share Rs</b>			
	17		
Basic		9,025.02	(270.83)
Diluted		9,025.02	(270.83)
As per our report of even date attached			
SHARP & TANNAN LLP			
Chartered Accountants			
Firm's Registration			
No. 127145W/W100218			
by the hand of			
RAGHUNATH			
PRABHAKAR			
ACHARYA			
R.P. Acharya			
Partner			
Membership No. 039920			
Mumbai			
17th May 2022			
For and on behalf of the Board of Directors			
<div> <div> <div>Ashwin H Shah</div> <div>Chairman</div> <div>DIN: 07561552</div> <div>Vadodara</div> <div>17th May 2022</div> </div> <div> <div>ASHWIN KUMAR HIRALAL SHAH</div> <div>Digitally signed by ASHWIN KUMAR HIRALAL SHAH DN: c=IN, ou=Personal, pseudonym=Sceas49dbca0f0bbe7d6fcd830c7eca77d2233de90f5ce608dc5aef733a301c, 2.5.4.20=812e7cc9608e0c5d6fead1e53aaf3761205e4fab1e1f140b379c3d b2a39a9213, postalCode=390022, st=GUJARAT, serialNumber=846c0b53c88cca453519d8f924b3ab597b3abe3105cdd5280b83a286c2b7, cn=ASHWINKUMAR HIRALAL SHAH Date: 2022.05.17 16:29:22 +05'30'</div> </div> </div> <div> <div>Ahmedhussain G Vohra</div> <div>Director</div> <div>DIN: 08166808</div> </div>			

**APAR Transmission & Distribution Projects Private Limited**  
**Notes to the financial statement for the year ended March 31, 2022**

**Note 2: Right of Use Assets**

	Gross block					Depreciation/Adjustments			Net block	
	As at 01-04-2021	Additions	Deductions	Adjustments	As at 31-03-2022	Upto 31-03-2021	For the year	Upto 31-03-2022	As at 31-03-2022	As at 31-03-2021
Righ of use Assets	22.39	-		(0.10)	22.29	13.67	5.08	18.75	3.54	8.72
Grand Total	22.39	-	-		22.29	13.67	5.08	18.75	3.54	8.72

	Gross block					Depreciation/Adjustments			Net block	
	As at 01-04-2020	Additions	Deductions	Adjustments	As at 31-03-2021	Upto 31-03-2020	For the year	Upto 31-03-2021	As at 31-03-2021	As at 31-03-2020
Righ of use Assets	22.39	-	-		22.39	6.23	7.44	13.67	8.72	16.16
Grand Total	22.39	-	-		22.39	6.23	7.44	13.67	8.72	16.16

**APAR Transmission & Distribution Projects Private Limited**  
**Statement of cash flows for the year ended March 31, 2022**

(Rs in Lakhs)

Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
<b>Cash flow from operating activities</b>		
<b>Profit before tax</b>	1,206.42	(34.92)
Adjustments for	-	-
Depreciation on non current assets	5.08	7.44
Amortisation of intangible assets		
(Gain)/loss on sale of property, plant and equipment		
Foreign currency translation reserve		
Finance costs	0.49	1.04
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	-	-
<b>Movement in working capital</b>		
(Increase)/ Decrease in trade and other receivables	(1,467.38)	(477.48)
(Increase)/ Decrease in inventories		
Increase/ (Decrease) in trade and other payables	444.16	562.39
(Decrease)/ Increase in other liabilities	32.45	3.70
Tax paid	(211.63)	(60.97)
<b>Net cash generated by / (used in) operating activities</b>	<b>9.58</b>	<b>1.21</b>
<b>Cash flow from financing activities</b>		
Payment of Lease Liabilities	(5.67)	(8.37)
<b>Net cash (used in) / generated by financing activities</b>	<b>(5.67)</b>	<b>(8.37)</b>
Net increase / (decrease) in cash and cash equivalents	3.93	(7.16)
Effect of exchanges rate changes on cash and cash equivalents	-	-
Cash and cash equivalents at the beginning of the year	1.44	8.60
<b>Cash and cash equivalents at the end of the year</b>	<b>5.37</b>	<b>1.44</b>

- Notes :**
- Statement of cash flows has been prepared under the indirect method as set out in the Ind AS 7 Statement of Cash Flows.
  - Cash and cash equivalents included in the Statement of cashflows comprise the following:

(Rs in Lakhs)

Particulars	As at March 31, 2022	As at March 31, 2021
Cash and cash equivalents disclosed under current assets (refer note 5)	5.37	1.44
<b>Total cash and cash equivalents</b>	<b>5.37</b>	<b>1.44</b>

As per our report of even date attached

SHARP & TANNAN LLP

Chartered Accountants

Firm's Registration

No. 127145W/W100218

by the hand of



RAGHUNATH PRABHAKAR ACHARYA

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Date: 2022.05.17 17:06:12 +05'30'

R. P. Acharya

Partner

Membership No. 039920

Mumbai

17th May 2022

For and on behalf of the Board of Directors

ASHWIN KUMAR HIRALAL SHAH

Ashwin H Shah

Chairman

DIN: 07561552

Vadodara

17th May 2022

VOHRA AHMEDHUSSAIN GULAMHUSSAIN

Ahmedhussain G Vohra

Director

DIN: 08166808

APAR Transmission & Distribution Projects Private Limited  
Statement of changes in equity

(Rs in Lakhs)

(a) Equity share capital	As at March 31, 2022		As at March 31, 2021	
	No. of Shares	₹	No. of Shares	₹
Balance at the beginning of the reporting period	10,000	1.00	10,000	1.00
Changes due to prior period error	-	-	-	-
Restated balance at the begning of the reporting period	10,000	1	10,000	1
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 (Rs in Lakhs)		
For the year ended	Retained earnings - Surplus	Total
Balance at April 1, 2020	350.45	350.45
Profit/ (loss) for the year	(27.08)	(27.08)
Balance at March 31, 2021	323.37	323.37
Profit/(Loss) for the year	902.50	902.50
Total comprehensive income for the year	902.50	902.50
Balance at March 31, 2022	1,225.87	1,225.87

As per our report of even date attached

SHARP & TANNAN LLP

Chartered Accountants

Firm's Registration

No. 127145W/W100218

by the hand of

RAGHUNATH  
PRABHAKAR  
ACHARYA

R. P. Acharya

Partner

Membership No. 039920

Mumbai

17th May 2022

For and on behalf of the Board of Directors

ASHWINK  
UMAR  
HIRALAL  
SHAH

Ashwin H Shah

Chairman

DIN: 07561552

Vadodara

17th May 2022

VOHRA  
AHMEDHUSSAI  
N  
GULAMHUSSAI  
N

Ahmedhussain G Vohra

Director

DIN: 08166808

**APAR Transmission & Distribution Projects Private Limited**

**Note 1: Notes to the financial statement for the year ended March 31, 2022**

**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 301, Panorama Complex, R. C. Dutt Road, Vadodara, Gujarat – 390 007.

These financial statements are approved for issue by the Board of Directors on 17th May 2022.

**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.

**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**

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 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.

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.

**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

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**



**APAR Transmission & Distribution Projects Private Limited****Note 1: Notes to the financial statement for the year ended March 31, 2022**

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.

**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.

**APAR Transmission & Distribution Projects Private Limited****Note 1: Notes to the financial statement for the year ended March 31, 2022****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.

**APAR Transmission & Distribution Projects Private Limited****Note 1: Notes to the financial statement for the year ended March 31, 2022**

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.

**E. Leases**

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. 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.

**APAR Transmission & Distribution Projects Private Limited****Note 1: Notes to the financial statement for the year ended March 31, 2022**

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.

**F. 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.

**J. 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.

**K. 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.

**L. 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, 2022.

**APAR Transmission & Distribution Projects Private Limited**  
**Notes to the financial statement for the year ended March 31, 2022**

(Rs in Lakhs)

Note 3: Other Tax Assets	31 March 2022	31 March 2021
TDS receivable	67.89	83.43
	<b>67.89</b>	<b>83.43</b>

<b>Note 4: Trade Receivable</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
Considered good, secured		
Considered good, unsecured (Refer note below)	1,656.61	1,368.59
Less: Loss allowance	-	-
	<b>1,656.61</b>	<b>1,368.59</b>

Note Due from Holding Company	31 March 2022	31 March 2021
Apar Industries Limited	1,605.19	1,368.59
	<b>1,605.19</b>	<b>1,368.59</b>

As at March 31, 2022	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 Months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
i) Undisputed trade receivables - considered good	1,656.61	-	-	-	-	-	1,656.61
ii) Undisputed trade receivables - which have significant increase in credit risk						-	-
iii) Undisputed trade receivables - Credit Impaired						-	-
iv) Disputed trade receivables - considered good						-	-
v) Disputed trade receivables - which have significant increase in credit risk						-	-
vi) Disputed trade receivables - Credit Impaired						-	-
<b>Total</b>	1,656.61	-	-	-	-	-	1,656.61

As at March 31, 2021	Outstanding for following periods from due date of payment						
	Not Due	Less than 6 Months	6 months - 1 year	1 - 2 years	2 - 3 years	More than 3 years	Total
i) Undisputed trade receivables - considered good	1,368.59	-					1,368.59
ii) Undisputed trade receivables - which have significant increase in credit risk							-
iii) Undisputed trade receivables - Credit Impaired							-
iv) Disputed trade receivables - considered good							-
v) Disputed trade receivables - which have significant increase in credit risk							-
vi) Disputed trade receivables - Credit Impaired							-
<b>Total</b>	<b>1,368.59</b>	-	-	-	-	-	1,368.59

**APAR Transmission & Distribution Projects Private Limited**  
**Notes to the financial statement for the year ended March 31, 2022**

<b>Note 5: Cash and cash equivalents</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
On current accounts	5.37	1.44
On deposits with original maturity of less than three months		
	<b>5.37</b>	<b>1.44</b>

<b>Note 6: Short term loans &amp; advances</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
Security deposits	1.01	0.66
Advance paid to vendors	107.94	
	<b>108.95</b>	<b>0.66</b>

<b>Note 7: Other current assets</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
Balances with statutory/government authorities	461.21	389.61
Prepayments and others	-	49.21
Contract Assets (Unbilled Revenue)	1,521.06	472.36
	<b>1,982.27</b>	<b>911.18</b>

<b>Note 8: Equity share capital</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
<b>Authorised :</b>		
20,000 (Previous year 20000) Equity shares of ₹ 10 each	2.00	2.00
TOTAL	2.00	2.00
<b>Issued :</b>		
10,000 (Previous year 10,000) Equity shares of ₹ 10 each	1.00	1.00
TOTAL	1.00	1.00
<b>Subscribed and Paid up :</b>		
10,000 (Previous year 10,000) Equity shares of ₹ 10 each	1.00	1.00
	1.00	1.00

<b>Reconciliation of number of shares outstanding at the beginning and end of the year :</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
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

**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.

<b>Reconciliation of number of shares outstanding at the beginning and end of the year under Employee Stock Option Plan:</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
Outstanding at the beginning of the year	10,000	10,000
Forfeited during the year	-	-
Issued during the year	-	-
Outstanding at the end of the year	10,000	10,000

<b>Shareholders holding more than 5% shares in the company is set out below:</b>	<b>31 March 2022</b>		<b>31 March 2021</b>	
	<b>No of shares</b>	<b>%</b>	<b>No of shares</b>	<b>%</b>
Apar Industries Limited	9,999	99.99%	9,999	99.99%

**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 Transmission & Distribution Projects Private Limited**  
**Notes to the financial statement for the year ended March 31, 2022**

<b>Note 9: Other Equity</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
Retained earnings - Surplus / (Deficit)	1,225.87	323.37
General reserve	-	-
Securities premium	-	-
Capital reserve	-	-
Capital Redemption Reserve	-	-
	1,225.87	323.37
<b>Retained earnings - Surplus / (Deficit)</b>		
As per last balance sheet	323.37	350.45
Profit/(loss) during the year	902.50	(27.08)
<b>Closing Balance</b>	<b>1,225.87</b>	<b>323.37</b>

<b>Note 10: Trade and other payables</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
Acceptances		
Due to Micro, Small and Medium Enterprises	-	-
Due to other than micro and small and medium enterprises	2,478.54	2,034.37
Due to subsidiary companies		-
<b>Total</b>	<b>2,478.54</b>	<b>2,034.37</b>

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.

**Trade payable ageing schedule**

<b>As at March 31, 2022</b>	<b>Outstanding for following periods from due date of payment</b>				
	<b>Less than 1 year</b>	<b>1 - 2 years</b>	<b>2 - 3 years</b>	<b>More than 3 years</b>	<b>Total</b>
i) MSME					-
ii) Others	53.80	57.18	-	-	110.98
iii) Disputed dues - MSME					-
iii) Disputed dues - Others					-
<b>Total</b>	53.80	57.18	-	-	110.98

<b>As at March 31, 2021</b>	<b>Outstanding for following periods from due date of payment</b>				
	<b>Less than 1 year</b>	<b>1 - 2 years</b>	<b>2 - 3 years</b>	<b>More than 3 years</b>	<b>Total</b>
i) MSME					-
ii) Others	72.35	17.82	-	-	90.17
iii) Disputed dues - MSME					-
iii) Disputed dues - Others					-
<b>Total</b>	72.35	17.82	-	-	90.17

**APAR Transmission & Distribution Projects Private Limited**  
**Notes to the financial statement for the year ended March 31, 2022**

<b>Note 11: Other current liabilities</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
Statutory dues	47.99	3.89
Other payables	(1.43)	9.97
Recovery of professional Tax	-	-
	<b>46.56</b>	<b>13.86</b>

**Note:-**

Other payables includes security deposit and advance from customers.

<b>Note 12: Liability for Current Tax</b>	<b>31 March 2022</b>	<b>31 March 2021</b>
Provision for Tax for Current Year	68.96	-
Provision for Tax for Previous Years	-	-
Total	68.96	-

<b>Note 13: Revenue from operations</b>	<b>2021-22</b>	<b>2020-21</b>
Sale of services	7,035.09	5,239.12
Other operating revenue	-	-
Miscellaneous Income	-	-
<b>Total</b>	<b>7,035.09</b>	<b>5,239.12</b>

<b>Note 14: Other Income</b>	<b>2021-22</b>	<b>2020-21</b>
Interest income		
-Others	1.37	0.81
<b>Total</b>	<b>1.37</b>	<b>0.81</b>

<b>Note 15: Stringing labour charges</b>	<b>2021-22</b>	<b>2020-21</b>
Consumption of stores and spares		
Packing materials		
Excise duty adjustment of finished goods stock		
Storage charges		
Power, electricity and fuel		
Labour Charges - Stringing Work	4,798.92	4,456.16
	4,798.92	4,456.16

<b>Note 16: Other expenses</b>	<b>2021-22</b>	<b>2020-21</b>
Freight charges	34.99	64.33
Rent	-	-
Rates and taxes	0.05	0.03
Service charges	3.60	-
Expenditure on CSR activities	2.00	3.20
Sales commission	-	-
Travelling and conveyance	87.05	76.72
Printing and stationery	-	-
Legal and professional fees	1.63	91.13
Payment to auditors:	-	-
Auditor's remuneration(Refer note below)	2.40	1.70
Lease Rent	7.51	8.97
Labour Charges - Others	305.88	109.35
Bank charges and commission	-	0.01
Security charges	264.66	228.14
Miscellaneous expenses	35.73	25.75
Reimbursement of expenses to holding company	280.05	200.88
	<b>1,025.55</b>	<b>810.21</b>

**Auditors' remuneration**

<b>Auditors remuneration as</b>	<b>2021-22</b>	<b>2020-21</b>
Statutory audit fees	1.00	0.50
Limited review fees	0.90	0.60
Other services fees	0.50	0.60



APAR Transmission & Distribution Projects Private Limited

Notes to the financial statement for the year ended March 31, 2022

(Rs in Lakhs)

Note 17 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, 2022	March 31, 2021
Profit (loss) for the year, attributable to the owners of the Company	902.50	(27.08)
<b>Profit (loss) for the year, attributable to the owners of the Company</b>	<b>902.50</b>	<b>(27.08)</b>

ii. Weighted average number of ordinary shares (basic)

	March 31, 2022	March 31, 2021
Issued ordinary share capital	10,000	10,000
<b>Weighted average number of shares at March 31</b>	<b>10,000</b>	<b>10,000</b>

iii. Earning Per Share

	March 31, 2022	March 31, 2021
Earning per share (Rs)	9,025.02	(270.83)

B. Diluted earnings per share

There are no dilutive instruments as at 31/03/2022 and as at 31/03/2021, hence diluted earnings per share is the same as basic earnings per share.

Note 18: Related party relationships, transactions and balances

A. List of Related Parties

Holding Company: APAR Industries Limited

B. Related Party Transactions

(Rs in Lakhs)

Transactions	March 31, 2022	March 31, 2021
1. Sales of services	6,297.20	5,239.12
2. Reimbursement of expenses	284.14	204.56
3. Balance outstanding for sale of services	1,605.19	1,840.94
4. Balance payable for rent	9.79	6.28

(a) Major components of tax expense/(income):

(Rs in Lakhs)

Sr. No.	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a)	Statement of Profit and Loss:		
	Profit and Loss section:		
	(i) Current tax :		
	Current tax expense for the year	296.13	-
	Tax expense in respect of earlier years	(0.14)	-
		<b>295.99</b>	<b>-</b>
	(ii) Deferred Tax:		
	Tax expense on origination and reversal of temporary differences	7.93	(7.84)
	Effect on deferred tax balances due to the change in income tax rate	-	-
		<b>7.93</b>	<b>(7.84)</b>
	<b>Income tax expense reported in the statement of profit or loss[(i)+(ii)]</b>	<b>303.92</b>	<b>(7.84)</b>
(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	-	-
		-	-
		-	-
	<b>Income tax expenses reported in the other comprehensive income [i]</b>	<b>-</b>	<b>-</b>
(c)	<b>Other directly reported in balance sheet:</b>		
	Current tax expense	-	-
	Deferred tax assets/(liabilities)	-	-
	<b>Income tax expense reported directly in balance sheet</b>	<b>-</b>	<b>-</b>

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

Sr. No.	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
(a)	Profit before tax	1,206.42	(34.92)
(b)	Corporate tax rate as per Income tax Act, 1961	25.17%	25.17%
(c)	Tax on accounting profit (c)=(a) * (b)	303.66	(8.79)
(d)	(i) Tax expense in respect of earlier years	(0.14)	-
	(ii) DTA reversal of brought forward loss	0.35	-
	(iii) Lease	0.05	-
	<b>Total effect of tax adjustments [(i) to (vi)]</b>	<b>0.26</b>	<b>-</b>
(e)	<b>Tax expense recognised during the year</b>	<b>303.92</b>	<b>(8.79)</b>

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

Particulars	Deferred tax (liabilities)/ assets as at 01-04-2021	Charge/(credit) to Statement of Profit and Loss	Utilisation of MAT	Deferred tax (liabilities)/ assets as at 31-03-2022
<b>Deferred tax liabilities:</b>				
Leases	-	-	-	-
Tax loss	-	-	-	-
<b>Net deferred tax liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred tax assets:</b>				
Leases	0.03	0.02	-	0.05
Tax Loss	7.95	(7.95)	-	-
<b>Net Deferred tax assets</b>	<b>7.98</b>	<b>(7.93)</b>	<b>-</b>	<b>0.05</b>
<b>Net deferred tax (liability)/assets</b>	<b>7.98</b>	<b>(7.93)</b>	<b>-</b>	<b>0.05</b>

Particulars	Deferred tax (liabilities)/ assets as at 01-04-2020	Charge/(credit) to Statement of Profit and Loss	Utilisation of MAT	Deferred tax (liabilities)/ assets as at 31-03-2021
<b>Deferred tax liabilities:</b>				
Leases	-	-	-	-
Tax Loss	-	-	-	-
<b>Net deferred tax liabilities</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Deferred tax assets:</b>				
Leases	0.14	(0.11)	-	0.03
Tax Loss	-	7.95	-	7.95
<b>Net Deferred tax assets</b>	<b>0.14</b>	<b>7.84</b>	<b>-</b>	<b>7.98</b>
<b>Net deferred tax (liability)/assets</b>	<b>0.14</b>	<b>7.84</b>	<b>-</b>	<b>7.98</b>

**Note 20 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.

(Rs in Lakhs)

March 31, 2022	Note No.	Carrying amount				
		Fair value- hedging instruments	FVTPL	FVTOCI	Amortized Cost	Total
<b>Financial Assets</b>						
Non current - Other	-				-	-
Trade receivables	4				1,656.61	1,656.61
Cash and cash equivalents	5				5.37	5.37
Short-term loans and advances	6				108.95	108.95
<b>Total Financial Assets</b>		-	-	-	<b>1,770.93</b>	<b>1,770.93</b>
<b>Financial liabilities</b>						
Trade and other payables	10				2,478.54	2,478.54
<b>Total Financial Liabilities</b>		-	-	-	<b>2,478.54</b>	<b>2,478.54</b>

March 31, 2021	Note No.	Carrying amount				
		Fair value- hedging instruments	FVTPL	FVTOCI	Amortized Cost	Total
<b>Financial Assets</b>						
Non current - Other	-				-	-
Trade receivables	4				1,368.59	1,368.59
Cash and cash equivalents	5				1.44	1.44
Short-term loans and advances	6				0.66	0.66
<b>Total Financial Assets</b>		-	-	-	<b>1,370.69</b>	<b>1,370.69</b>
<b>Financial liabilities</b>						
Trade and other payables	10				2,034.37	2,034.37
<b>Total Financial Liabilities</b>		-	-	-	<b>2,034.37</b>	<b>2,034.37</b>

Assets that are not financial assets (such as receivables from statutory authorities, prepaid expenses, advances paid and certain other receivables) amounting to ₹ 1982.26 Lakhs and ₹ 911.18 Lakhs as of March 31, 2022 and March 31, 2021, 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 ₹ 115.53 Lakhs and ₹ 13.86 Lakhs as of March 31, 2022 and March 31, 2021 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 carrying 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, 2022	
	March 31, 2022	March 31, 2021
Neither past due nor impaired	1,656.61	1,345.72
past due 1-90 days	-	22.87
past due 91 -180 days	-	-
past due 180 days	-	-
Total	1,656.61	1,368.59
Less: Provisions	-	-
<b>Net Total</b>	<b>1,656.61</b>	<b>1,368.59</b>

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

	March 31, 2022	March 31, 2021
Neither past due nor impaired	109	0.66
past due 1-90 days	-	-
past due 91 -180 days	-	-
past due 180 days	-	-
Total	109	0.66
Less: Provisions	-	-
<b>Net Total</b>	<b>109</b>	<b>0.66</b>

#### Cash and cash equivalents

The Company holds cash and cash equivalents of ₹ 5.37 lakhs as on 31 March 2022 ( ₹ 1.44 lakhs as on 31 March 2021). 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 assets

The following are the remaining contractual maturities of financial assets at the reporting date. The amounts are gross and undiscounted, and exclude the impact of netting agreements.

March 31, 2022	Carrying amount	Total	1 year or less	1-2 years	2-5 years	More than 5
Non current - Other	-	-	-	-	-	-
Trade receivables	1,656.61	1,656.61	1,656.61	-	-	-
Cash and cash equivalents	5.37	5.37	5.37	-	-	-
Short-term loans and advances	108.95	108.95	108.95	-	-	-

March 31, 2021	Carrying amount	Total	1 year or less	1-2 years	2-5 years	More than 5
Non current - Other	-	-	-	-	-	-
Trade receivables	1,368.59	1,368.59	1,368.59	-	-	-
Cash and cash equivalents	1.44	1.44	1.44	-	-	-
Short-term loans and advances	0.66	0.66	0.66	-	-	-

##### 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, 2022	Carrying amount	Total	1 year or less	1-2 years	2-5 years	More than 5
<b>Non-derivative financial liabilities</b>						
Trade and other payables	2,478.54	2,478.54	2,478.54	-	-	-

##### Contractual cash flows

March 31, 2021	Carrying amount	Total	1 year or less	1-2 years	2-5 years	More than 5
<b>Non-derivative financial liabilities</b>						
Trade and other payables	2,034.37	2,034.37	2,040.07	(5.70)	-	-

#### 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.

The Company is exposed to market risk primarily related to interest rate risk. Thus, its exposure to market risk is a function of revenue generating and operating activities.

**Note 21 IND AS 115 - Revenue from Contracts with Customers**

**i. Contract balances**

	<b>2021-22</b>	<b>2020-21</b>
	Rs in Lakhs	Rs in Lakhs
<b>Contract assets</b>		
<b>Unbilled revenue</b>		
As at April 1, 2021	472.36	657.36
Add: Addition during the year	1,521.06	472.36
	1,993.42	1,129.72
Less: Transferred to receivable	472.36	657.36
As at Mar 31, 2022	<b>1,521.06</b>	<b>472.36</b>

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 22 Disclosure pursuant to Section 135 for Corporate Social Responsibility**

	<b>2021-22</b>	<b>2020-21</b>
	Rs in Lakhs	Rs in Lakhs
Details of corporate social responsibility expenditure		
Amount required to be spent by the Company during	1.89	3.16
Amount spent during the year	2.00	3.20
Amount unspent	Nil	Nil

**Note 23 Segment Reporting**

The company has only one reportable primary segment - Provision of stringing / re-stringing etc. services for conductors and cables industries within India. 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 24 Contingent liabilities and Commitments**

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

**Note 25: Foreseeable Losses**

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

**Note 26: Additional disclosures**

- (i) The Company does not has any benami property, where any proceeding has been initiated or pending against the company for holding any benami property.
- (ii) The Company does not have any transactions with companies struck off.
- (iii) The Company does not have any charges or satisfaction which is yet to be registered with ROC beyond the statutory period.
- (iv) The Company has not traded or invested in crypto currency or virtual currency during the period/year.
- (v) The Company has not advanced or loaned or invested funds to any other person(s) or entity(ies), including foreign entities (intermediaries) with the understanding that the intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (ultimate beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the ultimate beneficiaries.
- (vi) The Company has not received any fund from any person(s) or entity(ies), including foreign entities (funding party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the funding party (ultimate beneficiaries) or
  - (b) provide any guarantee, security or the like on behalf of the ultimate beneficiaries.
- vii) The Company has no transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income-tax Act, 1961).
- viii) The Company has not borrowed any funds from banks or financial institutions during the reporting period

**Note 27: 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**  
**Notes to the financial statements as at March 31, 2022**

**Note 28: Disclosure pursuant to Ind As 116 - Leases**

(Rs in Lakhs)

<b>Particulars</b>	<b>March 31, 2022</b>	<b>March 31, 2021</b>
Interest expenses on Lease liabilities	0.49	1.04
Expenses relating to Short term leases & low value assets leases	5.17	7.33
Total cash outflows of lease payments	5.67	8.37

The Company has applied paragraph 6 of IND AS 116; for accounting of Short term leases having lease period of less than 12 months & leases for which the underlying asset of of low value.

Lease payments associated with these leases are accounted either on straight line basis over the lease term or another systematic basis which is more representative of the lease payment pattern.

**APAR Transmission & Distribution Projects Private Limited**  
**Notes to the financial statements as at March 31, 2022**

**Note 29:**

Particulars	March 31, 2022	March 31, 2021	Ratio Methodology	Variances	Remarks
Current Ratio	1.45	1.11	<u>Current Assets</u> Current Liabilities	30%	There is rise in receivable as well as other current assets as compare to previous year which resulted in a better current ratio.
Debt - Equity Ratio	-	-	<u>Long Term borrowing + short term borrowing</u> Total equity	0%	
Debt service coverage ratio	-	-	<u>Interest on borrowings</u> Long term borrowing + short term borrowing	0%	
Return on Equity ratio	0.74	(0.08)	<u>Profit after tax</u> Total equity	-981%	We had a good year as compared to the previous year, in terms of orders received directly as well as through holding company, with good margins.
Inventory Turnover ratio	-	-	<u>Cost of material consumed + changes in inventories + purchase of stock in trade</u> Average Inventory	0%	
Trade receivable turnover ratio	4.65	3.83	<u>Revenue from operations</u> Average Trade receivables	21%	
Trade payable turnover ratio	-	-	<u>Total purchases</u> Average Trade payables	0%	
Net capital turnover ratio	10.17	19.05	<u>Revenue from operations</u> Average Working Capital	-47%	There is a rise in operating revenue as well as other current assets which helped in faster rotation of working capital, and there was no requirement of outside funding.
Net profit margin	12.83	(0.52)	<u>Profit after tax</u> X 100 Total Income	-2582%	We had a good year as compared to the previous year, in terms of orders received directly as well as through holding company, with good margins.
Return on Capital employed	0.98	-0.11	<u>Profit before interest and tax</u> X 100 Total equity + Long term borrowing	-1014%	We had a good year as compared to the previous year, in terms of orders received directly as well as through holding company, with good margins.
Return on investment	-	-		0%	

**Note 30 : 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 RAGHUNATH PRABHAKAR ACHARYA R. P. Acharya Partner Membership No. 039920 Mumbai 17th May 2022	For and on behalf of the Board of Directors ASHWINKU MAR HIRALAL SHAH Ashwin H Shah Chairman DIN: 07561552 Vadodara 17th May 2022	VOHRA AHMEDHUSSAIN GULAMHUSSAIN Ahmedhussain G Vohra Director DIN: 08166808
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**PETROLEUM SPECIALITIES FZE  
HAMRIYAH, SHARJAH –  
UNITED ARAB EMIRATES.  
Financial Statements and Independent  
Auditors Report  
for the year ended March 31, 2022**



# **PETROLEUM SPECIALITIES FZE**

**SHARJAH, UAE**

## **FINANCIAL STATEMENTS AS ON MARCH 31, 2022**

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### **Directors' Report**

The Directors submit their report together with the audited financial statements of Petroleum Specialties FZE ("the Establishment") for the year ended 31 March 2022.

#### **Principal activities**

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

#### **Financial results**

The results of the Establishment for the year ended 31 March 2022 are set out in the accompanying financial statements.

#### **Directors**

The Board of Directors comprised of:

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

#### **Auditors**

The financial statements for the year ended 31 March 2022 have been audited by CNK Hussain Alsayegh Chartered Accountants, Dubai, United Arab Emirates.

These financial statements were approved by the Board and signed on 21<sup>st</sup> May 2022.

**Rishabh Kushal Desai**

**Kushal Narendra Desai**

## Independent Auditor's Report

To the shareholders of PETROLEUM SPECIALITIES FZE, HAMRIYAH- SHARJAH

### Report on the audit of financial statements

#### *Opinion*

We have audited the accompanying financial statements of Petroleum Specialties FZE ("the Company"), which comprise the statement of financial position as at **March 31, 2022**, the statement of comprehensive income, the statement of cash flows and the statement of changes in equity for the year then ended, and notes to the financial statements and a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Petroleum Specialties FZE, Dubai as at **March 31, 2022** and of its financial performance and its cash flows for the year then ended in accordance with International Financial Reporting Standards (IFRSs).

#### *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 Auditor's responsibilities for the audit of the financial statements section of our report. We are independent of the company in accordance with the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants ("IESBA Code") together with the other ethical requirements that are relevant to our audit of the company's financial statements in the United Arab Emirates, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the IESBA Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

#### *Other Matter*

The financial statements of the Company as at and for the year ended 31 March 2021 were audited by another auditor who expressed an unmodified opinion on those statements, our audit opinion is on the financial statements for the year ended 31 March 2022 and does not extend to the comparative information.

#### *Responsibilities of management and those charged with governance for the financial statements*

Management is responsible for the preparation and fair presentation of these financial statements, in accordance with International Financial Reporting Standards and in compliance with the applicable provisions of the Company's Memorandum and Articles of Association 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.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so. Those charged with governance are responsible for overseeing the Company's financial reporting process.





## Independent Auditor's Report

To the shareholders of PETROLEUM SPECIALITIES FZE, HAMRIYAH- SHARJAH

### *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 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 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 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 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.
- 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.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Company to express an opinion on the financial statements. We are responsible for the direction, supervision and performance of the Company audit. We remain solely responsible for our audit opinion.



## Independent Auditor's Report

To the shareholders of PETROLEUM SPECIALITIES FZE, HAMRIYAH- SHARJAH

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

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

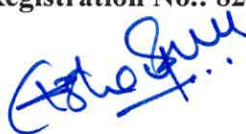
From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

## Report on other legal and regulatory requirements

Further, we report that:

- a) the Company has maintained proper books of account;
- b) we have obtained all the information and explanations we considered necessary for the purposes of our audit;
- c) the financial statements have been prepared and comply, in all material respects, with the International Financial Reporting Standards (IFRS);
- d) based on the information that has been made available to us nothing has come to our attention which causes us to believe that the Company has contravened, during the financial year ended March 31, 2022, any of the applicable provisions of its Memorandum and Articles of Association which would materially affect its activities or its financial position as at March 31, 2022.

**For and on behalf of**  
**CNK HUSSAIN ALSAYEGH**  
**Chartered Accountants**  
**Registration No.: 82**

  
**Akshay Thomas Sam**  
**Registration No.: 1313**  
**Date: 21<sup>st</sup> May, 2022**  
**Dubai, UAE**





PETROLEUM SPECIALITIES FZE  
SHARJAH, UNITED ARAB EMIRATES

STATEMENT OF FINANCIAL POSITION AS AT MARCH 31, 2022  
(Amount in United States Dollars)

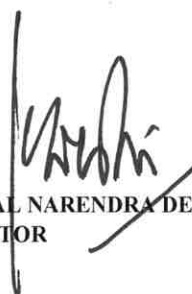
ASSETS	Note	As at 31st March, 2022	As at 31st March, 2021
<b>Non-Current Assets</b>			
Property, plant and equipment	4	13,202,771	13,526,554
Right of use assets	3.16	5,161,040	5,451,803
Advance for capital assets	5	855,818	172,066
Capital work-in-progress	6	175,989	-
<b>Total Non-Current Assets</b>		<b>19,395,618</b>	<b>19,150,423</b>
<b>Current assets</b>			
Inventories	7	19,734,136	11,529,756
Deposits, prepayment and advances	8	777,713	572,725
Trade and Other Receivables	9	22,988,116	10,525,664
Due from related party	13	403,596	44,635
Cash & cash equivalents	10	929,303	1,270,807
<b>Total current assets</b>		<b>44,832,864</b>	<b>23,943,587</b>
<b>TOTAL ASSETS</b>		<b>64,228,482</b>	<b>43,094,010</b>
<b>EQUITY AND LIABILITIES</b>			
<b>EQUITY</b>			
Share capital		12,329,700	12,329,700
Statutory Reserve		187,778	-
Retained earnings		265,595	(1,424,408)
<b>Total Equity</b>		<b>12,783,073</b>	<b>10,905,292</b>
<b>Non-Current Liabilities</b>			
Lease liability	11	5,514,629	5,501,254
End of service benefits	12	195,817	142,162
Due to related parties	13	1,300,629	-
<b>Total Non-Current Liabilities</b>		<b>7,011,075</b>	<b>5,643,416</b>
<b>Current Liabilities</b>			
Lease liability	11	140,905	262,044
Due to related parties	13	11,433,461	4,307,921
Bank Overdraft	14	317,740	-
Trade and Other Payables	15	32,542,228	21,975,337
<b>Total Current Liabilities</b>		<b>44,434,334</b>	<b>26,545,302</b>
<b>Total Liabilities</b>		<b>51,445,409</b>	<b>32,188,718</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>64,228,482</b>	<b>43,094,010</b>

The accompanying notes form an integral part of the financial statements.  
The independent auditors' report is set out on page 2-4.

FOR  
PETROLEUM SPECIALITIES FZE



RISHABH KUSHAL DESAI  
DIRECTOR



KUSHAL NARENDRA DESAI  
DIRECTOR

PETROLEUM SPECIALITIES FZE  
SHARJAH, UNITED ARAB EMIRATES

STATEMENT OF COMPREHENSIVE INCOME FOR THE YEAR ENDED MARCH 31, 2022  
(Amount in United States Dollars)

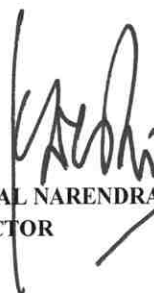
	Note	2021-22	2020-21
Revenue	16	109,343,703	59,404,235
Cost of Sales	18	(88,724,523)	(44,420,458)
<b>Gross Profit</b>		<b>20,619,180</b>	<b>14,983,777</b>
Other income	17	366	-
Depreciation on Property, Plant and Equipments	4	(43,030)	(47,502)
Selling and Distribution Expenses	19	(14,452,147)	(7,722,502)
General and Administrative Expenses	20	(3,205,148)	(2,698,169)
<b>Net Operating Profit for the year</b>		<b>2,919,221</b>	<b>4,515,604</b>
Finance cost	21	(1,041,440)	(1,241,336)
<b>Profit/(Loss) for the year</b>		<b>1,877,781</b>	<b>3,274,268</b>
<i>Other comprehensive income/(loss) to be reclassified to income statement in subsequent periods</i>			
Increase/(Decrease) in hedging reserve		-	194,273
<b>Total Comprehensive Income for the year</b>		<b>1,877,781</b>	<b>3,468,541</b>

The accompanying notes form an integral part of the financial statements.  
The independent auditors' report is set out on page 2-4.

FOR  
PETROLEUM SPECIALITIES FZE



RISHABH KUSHAL DESAI  
DIRECTOR



KUSHAL NARENDRA DESAI  
DIRECTOR


**PETROLEUM SPECIALITIES FZE**  
**SHARJAH, UNITED ARAB EMIRATES**

**STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2022**  
**(Amount in United States Dollars)**

	2021-22	2020-21
<b>Cash flows from operating activities</b>		
<b>Net profit for the year</b>	<b>1,877,781</b>	<b>3,274,268</b>
Adjustments for:		
Provision for employees' end of service benefits	59,991	44,162
Provision for doubtful accounts	36,731	18,501
Finance Cost	1,041,440	1,241,336
Interest on lease liability	154,039	154,617
Depreciation on property, plant and equipment	892,541	849,127
Depreciation on right of use assets	290,763	254,481
Gratuity paid	(6,336)	(2,871)
<b>Operating profit before working capital changes</b>	<b>4,346,950</b>	<b>5,833,621</b>
(Increase)/ Decrease in inventories	(8,204,380)	(2,915,125)
(Increase)/ Decrease in trade and other receivables	(12,499,183)	1,723,211
(Increase)/ Decrease in deposits, prepayments and advances	(204,988)	(160,754)
(Increase)/ Decrease in due from related party	(358,961)	-
Increase/ (Decrease) in due to related party	8,426,169	(282,576)
Increase/ (Decrease) in trade and other payables	10,566,891	4,394,443
<b>Net cash generated from operating activities</b>	<b>2,072,498</b>	<b>8,592,820</b>
<b>Cash flows from investing activities</b>		
Purchase of property, plant and equipment	(572,667)	(33,507)
Disposal of property, plant and equipment	3,909	-
Advance for capital assets	(683,752)	(150,721)
Additions to work-in-progress	(175,989)	-
<b>Net cash from investing activities</b>	<b>(1,428,499)</b>	<b>(184,228)</b>
<b>Cash flows from financing activities</b>		
Finance costs paid	(1,041,440)	(1,241,336)
Principle element of lease payments	(261,803)	(262,051)
Change in bank borrowings	-	(6,626,700)
Change in Bank Overdraft	317,740	-
<b>Net cash used in financing activities</b>	<b>(985,503)</b>	<b>(8,130,087)</b>
<b>Net increase in cash and cash equivalents</b>	<b>(341,504)</b>	<b>278,505</b>
Cash and cash equivalents at beginning of the year	1,270,807	992,302
<b>Cash and cash equivalents at end of the year</b>	<b>929,303</b>	<b>1,270,807</b>

The accompanying notes form an integral part of the financial statements.  
The independent auditors' report is set out on page 2-4.

FOR  
PETROLEUM SPECIALITIES FZE

  
**RISHABH KUSHAL DESAI**  
DIRECTOR

  
**KUSHAL NARENDRA DESAI**  
DIRECTOR




PETROLEUM SPECIALITIES FZE  
SHARJAH, UNITED ARAB EMIRATES

STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED MARCH 31, 2022  
(Amount in United States Dollars)

Particulars	Share Capital	Statutory Reserves	Hedging Reserve	Accumulated Losses	Total
Balance as at April 01, 2020	12,329,700	-	(194,273)	(4,698,676)	7,436,751
Additions during the year	-	-	-	-	-
Net Profit /(Loss) for the year	-	-	-	3,274,268	3,274,268
Transfers during the year	-	-	-	-	-
Other Comprehensive Income for the year	-	-	194,273	-	194,273
Balance as at March 31, 2021	12,329,700	-	-	(1,424,408)	10,905,292
Balance as at April 01, 2021	12,329,700	-	-	(1,424,408)	10,905,292
Additions during the year	-	187,778	-	-	187,778
Net Profit /(Loss) for the year	-	-	-	1,877,781	1,877,781
Transfers during the year	-	-	-	(187,778)	(187,778)
Other Comprehensive Income for the year	-	-	-	-	-
Balance as at March 31, 2022	12,329,700	187,778	-	265,595	12,783,073

The accompanying notes form an integral part of the financial statements.  
The independent auditors' report is set out on page 2-4.

FOR  
PETROLEUM SPECIALITIES FZE

  
RISHABH KUSHAL DESAI  
DIRECTOR

  
KUSHAL NARENDRA DESAI  
DIRECTOR

**PETROLEUM SPECIALITIES FZE**  
**SHARJAH, UNITED ARAB EMIRATES**

**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022**  
**(Amount in United States Dollars)**

**1 STATUS AND ACTIVITIES**

Petroleum Specialities FZE, (hereinafter referred to "the Company") is registered with the Hamriyah Free Zone Authority, Sharjah, United Arab Emirates as a Free Zone company established under the Hamriyah Free Zone Rules and Regulations. The activity of the company is manufacturing and marketing of petroleum based speciality products, all kinds of oils, lubricants and chemicals as per the industrial license no. 13226 issued on November 18, 2014. The Company also has a commercial license 15475 issued on January 15, 2017. The company's registered office is at Plot No. 1C-02D1, Hamriyah Free Zone, Sharjah, United Arab Emirates.

The Company is registered for VAT with Federal tax authority vide TRN 100024623900003

The financial statements are presented in United States Dollars (USD) which is the functional and presentational currency of the Company.

The share capital of the company is USD 12,329,700/- (AED 45,250,000/3.67) (Twelve Million Three Twenty Nine Thousands Seven Hundred Dollars) divided into 45,250 shares of USD 272.4795/- (AED 1,000/3.67).

#	Shareholders	Nationality	% in capital	No. of Shares	Capital Amount (Amount in AED)
1	M/s Petroleum Specialities Pte Limited	Singapore	100%	45,250	45,250,000
	<b>Total</b>		<b>100%</b>	<b>45,250</b>	<b>45,250,000</b>

**2 APPLICATION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS ('IFRSs')**

**New standards, amendments and interpretations effective from January 1, 2021**

The following new and revised IFRSs are issued and effective from January 1, 2021. The application of these new and revised IFRSs does not have any material impact in prior years but may affect the accounting in current and for future transactions or arrangements.

In the current year, the Company has also applied following amendments to IFRS issued by the International Accounting Standards Board ('IASB') that are mandatorily effective for an accounting period that begins on or after 1 January 2021. The application of these amendments to IFRS has not had any material impact on the amounts reported for the current and prior years but may affect the accounting for the company's future transactions or arrangements.

**Effective date of IBOR reform Phase 2 amendments**

On 27 August 2020, the IASB issued 'Interest Rate Benchmark Reform — Phase 2 (Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16)' with amendments that address issues that might affect financial reporting after the reform of an interest rate benchmark, including its replacement with alternative benchmark rates. The amendments are effective for annual periods beginning on or after 1 January 2021. The management has assessed the possible impact on the presentation of financial statement for the above and concluded that there will be no impact on the presentation.

**Effective date of IFRS 16 amendment**

On 31 March 2021, the IASB published 'Covid-19-Related Rent Concessions beyond 30 June 2021 (Amendment to IFRS 16)' that extends, by one year, the May 2020 amendment that provides lessees with an exemption from assessing whether a COVID-19-related rent concession is a lease modification. The amendment is effective for annual reporting periods beginning on or after 1 April 2021.

The management has assessed the possible impact on the presentation of financial statement for the above and concluded that there will be no impact on the presentation.

**New standards, amendments and interpretations not yet effective from January 1, 2021**

**New or revised pronouncement**

**Amendments to IAS 1- Presentation of Financial Statements (Effective from Annual reporting periods beginning on or after 1 January 2023)**

**Classification of Liabilities as Current or Non-Current**

The amendments aim to promote consistency in applying the requirements by helping companies determine whether, in the statement of financial position, debt and other liabilities with an uncertain settlement date should be classified as current (due or potentially due to be settled within one year) or non-current.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022  
(Amount in United States Dollars)

**Amendments to IFRS 3- Business Combinations (Effective from Annual reporting periods beginning on or after 1 January 2022)**

**Reference to the Conceptual Framework**

The amendments update an outdated reference to the Conceptual Framework in IFRS 3 without significantly changing the requirements in the standard.

**Amendments to IAS 16- Property, Plant and Equipment (Effective from Annual reporting periods beginning on or after 1 January 2022)**

**Property, Plant and Equipment — Proceeds before Intended Use**

The amendments prohibit deducting from the cost of an item of property, plant and equipment any proceeds from selling items produced while bringing that asset to the location and condition necessary for it to be capable of operating in the manner intended by management. Instead, an entity recognizes the proceeds from selling such items, and the cost of producing those items, in profit or loss.

**Amendments to IAS 37-Provisions, Contingent Liabilities and Contingent Assets (Effective from Annual reporting periods beginning on or after 1 January 2022)**

**Onerous Contracts — Cost of Fulfilling a Contract**

The amendments specify that the 'cost of fulfilling' a contract comprises the 'costs that relate directly to the contract'. Costs that relate directly to a contract can either be incremental costs of fulfilling that contract (examples would be direct labor, materials) or an allocation of other costs that relate directly to fulfilling contracts (an example would be the allocation of the depreciation charge for an item of property, plant and equipment used in fulfilling the contract).

**Annual Improvements to IFRS Standards 2018–2020 makes amendments to the following standards:**

**New standards and significant amendments to standards applicable to the Company**

**Effective for periods  
beginning on or after**

IFRS-1 Subsidiary as a first-time adopter. The amendment permits a subsidiary that applies paragraph D16(a) of IFRS 1 to measure cumulative translation differences using the amounts reported by its parent, based on the parent's date of transition to IFRSs. Annual periods beginning on or after January 1, 2022. Early application is permitted.

**IFRS-9- Financial Instruments-**

Fees in the '10 per cent' test for derecognition of financial liabilities. The amendment clarifies which fees an entity includes when it applies the '10 per cent' test in paragraph B3.3.6 of IFRS 9 in assessing whether to derecognize a financial liability. An entity includes only fees paid or received between the entity (the borrower) and the lender, including fees paid or received by either the entity or the lender on the other's behalf. Annual periods beginning on or after January 1, 2022. Early application is permitted.

**New standards and significant amendments to standards applicable to the Company (Continued...)**

**Effective for periods  
beginning on or after**

**IFRS 16 Leases**

Lease incentives. The amendment to Illustrative Example 13 accompanying IFRS 16 removes from the example the illustration of the reimbursement of leasehold improvements by the lessor in order to resolve any potential confusion regarding the treatment of lease incentives that might arise because of how lease incentives are illustrated in that example. The amendment to IFRS 16 only regards an illustrative example, so no effective date is stated.

**IAS 41- Agriculture**

Taxation in fair value measurements. The amendment removes the requirement in paragraph 22 of IAS 41 for entities to exclude taxation cash flows when measuring the fair value of a biological asset using a present value technique. This will ensure consistency with the requirements in IFRS 13. Annual periods beginning on or after January 1, 2022. Early application is permitted.

Management anticipates that these IFRS and amendments will be adopted in the financial statements in the initial period when they become mandatorily effective. The impact of these standards and amendments are currently being assessed by the management.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022  
(Amount in United States Dollars)

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3 SIGNIFICANT ACCOUNTING POLICIES

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**3.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The financial statement have been prepared in accordance with International Financial Reporting Standards (IFRS) issued by the International Accounting Standards Board (IASB) and interpretations issued by the International Financial Reporting Interpretations Committee (IFRIC) that are relevant to the operations of the company.

**3.2 ACCOUNTING CONVENTION**

The financial statements have been prepared under the historical cost convention. The accounting policies have been consistently applied by the Company during the period under review.

**3.3 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 and declining balance basis over the estimated useful lives of the assets as follows:

Asset Class	Depreciation (Years)
Buildings	30-60 Years
Plant and machinery	10-20 Years
Motor vehicles	08 Years
Furniture, fixtures and office equipment	05-10 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 and equipment that is accounted for separately is capitalized and the carrying amount of the component that is replaced is written off. Other subsequent expenditure is capitalized only when it increases future economic benefits of the related item of property and equipment. All other expenditure is recognized in the statement of comprehensive income as the expense is incurred.

An asset's carrying amount is written down immediately to its recoverable amount if the asset's carrying amount is greater than its estimated recoverable amount.

The gain or loss arising on the disposal or retirement of an item of property and equipment is determined as the difference between the sales proceeds and the carrying amount of the asset and is recognized in profit or loss.

**3.4 IMPAIRMENT OF TANGIBLE ASSETS**

At the end of each reporting period, the Company reviews the carrying amounts of its tangible assets to determine whether there is any indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the asset belongs. Where a reasonable and consistent basis of allocation can be identified, corporate assets are also allocated to individual cash-generating units, or otherwise they are allocated to the smallest group of cash-generating units for which a reasonable and consistent allocation basis can be identified.

Recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (or cash-generating unit) is increased to the revised estimate of its recoverable amount, but so that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss, unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022  
(Amount in United States Dollars)

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**3.5 INVENTORY**

Inventories are valued at the lower of cost and net realizable value after taking an allowance for any slow moving or obsolete items. Cost comprises of the invoiced cost, freight and other expenses incurred in bringing the inventories to their present condition and location. Cost is determined on the weighted average cost basis and comprises direct invoice costs and related expenses. Net realizable value represents the estimated selling price less all estimated costs to be incurred in marketing, selling and distribution.

**3.6 FINANCIAL INSTRUMENTS**

Financial assets and financial liabilities are recognized in the Company's statement of financial position when the Company becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in the statement of profit or loss.

**Financial Assets**

All regular way purchases or sales of financial assets are recognized and derecognized on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace.

All recognized financial assets are measured subsequently in their entirety at either amortized cost or fair value, depending on the classification of the financial assets.

*Classification of financial assets*

(i) Debt instruments designated at amortized cost

Debt instruments that meet the following conditions are measured subsequently at amortized cost:

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

(ii) Debt instrument designated at other comprehensive income

Debt instruments that meet the following conditions are measured subsequently at fair value through other comprehensive income (FVTOCI):

- the financial asset is held within a business model whose objective is achieved by both collecting contractual cash flows and selling the financial assets; and
- the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

By default, all other financial assets are measured subsequently at fair value through profit or loss (FVTPL).

For financial instruments other than purchased or originated credit-impaired financial assets (i.e. assets that are credit-impaired on initial recognition), the effective interest rate is the rate that exactly discounts estimated future cash receipts (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) excluding expected credit losses, through the expected life of the debt instrument, or, where appropriate, a shorter period, to the gross carrying amount of the debt instrument on initial recognition. For purchased or originated credit-impaired financial assets, a credit adjusted effective interest rate is calculated by discounting the estimated future cash flows, including expected credit losses, to the amortized cost of the debt instrument on initial recognition.

*Amortized cost and effective interest rate method*

The amortized cost of a financial asset is the amount at which the financial asset is measured at initial recognition minus the principal repayments, plus the cumulative amortization using the effective interest method of any difference between that initial amount and the maturity amount, adjusted for any loss allowance.



NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022  
(Amount in United States Dollars)

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3.6 FINANCIAL INSTRUMENTS (Contd...)

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The effective interest method is a method of calculating the amortized cost of a debt instrument and of allocating interest income over the relevant period.

Interest income is recognized using the effective interest method for debt instruments measured subsequently at amortized cost and at FVTOCI. For financial instruments other than purchased or originated credit-impaired financial assets, interest income is calculated by applying the effective interest rate to the gross carrying amount of a financial asset, except for financial assets that have subsequently become credit-impaired (see below). For financial assets that have subsequently become credit-impaired, interest income is recognized by applying the effective interest rate to the amortized cost of the financial asset. If, in subsequent reporting periods, the credit risk on the credit-impaired financial instrument improves so that the financial asset is no longer credit-impaired, interest income is recognized by applying the effective interest rate to the gross carrying amount of the financial asset.

For purchased or originated credit-impaired financial assets, the Company recognizes interest income by applying the credit-adjusted effective interest rate to the amortized cost of the financial asset from initial recognition. The calculation does not revert to the gross basis even if the credit risk of the financial asset subsequently improves so that the financial asset is no longer credit-impaired.

Interest income is recognized in profit or loss and is included in the "finance income - interest income" line item.

(iii) Equity instruments designated as at FVTOCI

On initial recognition, the Company may make an irrevocable election (on an instrument-by-instrument basis) to designate investments in equity instruments as at FVTOCI. Designation at FVTOCI is not permitted if the equity investment is held for trading or if it is contingent consideration recognized by an acquirer in a business combination.

Investments in equity instruments at FVTOCI are initially measured at fair value plus transaction costs. Subsequently, they are measured at fair value with gains and losses arising from changes in fair value recognized in other comprehensive income and accumulated in the investments revaluation reserve. The cumulative gain or loss will not be reclassified to profit or loss on disposal of the equity investments, instead, they will be transferred to retained earnings.

Dividends on these investments in equity instruments are recognized in profit or loss in accordance with IFRS 9, unless the dividends clearly represent a recovery of part of the cost of the investment. Dividends are included in the 'finance income' line item in profit or loss.

(iv) Financial assets at FVTPL

Financial assets that do not meet the criteria for being measured at amortized cost or FVTOCI are measured at FVTPL. Specifically:

- Investments in equity instruments are classified as at FVTPL, unless the Company designates an equity investment that is neither held for trading nor a contingent consideration arising from a business combination as at FVTOCI on initial recognition.
- Debt instruments that do not meet the amortized cost criteria or the FVTOCI criteria are classified as at FVTPL. In addition, debt instruments that meet either the amortized cost criteria or the FVTOCI criteria may be designated as at FVTPL upon initial recognition if such designation eliminates or significantly reduces a measurement or recognition inconsistency (so called 'accounting mismatch') that would arise from measuring assets or liabilities or recognizing the gains and losses on them on different bases. The Company has not designated any debt instruments as at FVTPL.

Financial assets at FVTPL are measured at fair value at the end of each reporting period, with any fair value gains or losses recognized in profit or loss.

*Impairment of financial assets*

The Company recognizes a loss allowance for expected credit losses on investments in trade and other receivables as well as on financial guarantee contracts, if any. The amount of expected credit losses is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Company always recognizes lifetime ECL for trade and other receivables. The expected credit losses on these financial assets are estimated using a provision matrix based on The Company's historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

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For all other financial instruments, the Company recognizes lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Company measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the expected credit losses that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Company compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Company considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Company's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organizations, as well as consideration of various external sources of actual and forecast economic information that relate to the Company's core operations.

Financial assets are assessed as credit impaired when one or more events that have a detrimental impact on the estimated future cash flows of that asset have occurred.

ECL are the discounted product of the Probability of Default (PD), Exposure at Default (EAD), and Loss Given Default (LGD). The PD represents the likelihood of a borrower defaulting on its financial obligation, either over the next 12 months (12M PD), or over the remaining lifetime (Lifetime PD) of the obligation. EAD represents the expected exposure in the event of a default. The Company derives the EAD from the current exposure to the financial instruments and potential changes to the current amounts allowed under the contract including amortization. The EAD of a financial asset is its gross carrying amount. The LGD represents expected loss conditional on default, its expected value when realized and the time value of money.

The Company expects to apply the simplified approach to recognize lifetime expected credit losses for its trade receivables as permitted by IFRS 9. Accordingly, trade receivables which are not credit impaired and which do not have significant financing component is categorized under stage 2 and lifetime ECL is recognized.

Objective evidence that debt instrument is impaired includes whether any payment of principal or profit is overdue by more than 90 days or there are any known difficulties in the cash flows including the sustainability of the counterparty's business plan, credit rating downgrades, breach of original terms of the contract, its ability to improve performance once a financial difficulty has arisen, deterioration in the value of collateral etc. The Company assesses whether objective evidence of impairment exists on an individual basis for each individually significant asset and collectively for others not deemed individually significant.

Loss allowances for ECL are presented as a deduction from the gross carrying amount of the financial assets for amortized cost assets.

### 3.7 REVENUE RECOGNITION

The Company recognizes revenue mainly from manufacturing and marketing of petroleum based specialty products, all kinds of oils, lubricants and chemicals. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made. Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding discounts, rebates, customer returns and other taxes. The following specific recognition criteria must also be met before revenue is recognized:

#### *Revenue from sale of goods*

The Company 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 Company 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 Company will allocate the transaction price to each performance obligation in an amount that depicts the amount of consideration to which the Company expects to be entitled in exchange for satisfying each performance obligation.

Step 5: Recognize revenue when (or as) the entity satisfies a performance obligation at a point in time or over time.



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**3.8 ACCOUNT RECEIVABLES**

Receivables are stated at their normal value as reduced by appropriate allowances for estimated irrecoverable amounts.

The management undertakes a periodic review of the amount recoverable from Accounts & other receivables and determines recoverability based on various factors such as ageing of receivables, payment history, collateral available & other knowledge about the receivables. Provisions for bad and doubtful debts represent estimates of ultimate unrealizable debts. The estimates are judgmental and are based on case based evaluation by the management.

**3.9 ACCOUNT & OTHER PAYABLE**

Accounts & other payables are stated at nominal amounts payable for goods or services rendered.

**3.10 PROVISIONS**

Provisions are recognized 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 a reliable estimate can be made of the amount of the obligation. When the Company 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.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, a receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of receivable can be measured reliably.

**3.11 EMPLOYEE'S END OF SERVICE BENEFITS**

The Company provides end-of-service benefits to its employees. The entitlement of these benefits is based upon the employees' final basic 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.

**3.12 FOREIGN CURRENCY**

The financial statements of the Company are presented in the currency of the primary economic environment in which the Company operates. For the purpose of the financial statements, the results and financial position of the Company are expressed in United States Dollars ('USD'), which is the functional currency of the Company and the presentation currency for the financial statements.

In preparing the financial statements of the Company, transactions in currencies other than the Company's functional currency are recorded at the rates of exchange prevailing at the dates of the transactions. At each statement of financial position date, monetary items denominated in foreign currencies are retranslated at the rates prevailing at the reporting date. Non-monetary items carried at fair value that are denominated in foreign currencies are retranslated at the rates prevailing on the date when the fair value was determined. Non-monetary items that are measured in terms of historical cost in a foreign currency are not retranslated.

Exchange differences arising on the settlement of monetary items, and on the translation of monetary items, are included in the profit and loss for the year. Exchange differences arising on the retranslation of non-monetary items carried at fair value are included in profit or loss for the period except for differences arising on the retranslation of non-monetary items in respect of which gains and losses are recognized directly in equity. For such non-monetary items, any exchange component of that gain or loss is also recognized directly in equity.

**3.13 CASH AND CASH EQUIVALENTS**

For the purpose of statement of cashflow, cash and cash equivalents include cash on hand, bank current accounts and fixed deposits with banks (if any).

**3.14 CRITICAL ACCOUNTING JUDGEMENTS & KEY SOURCES OF ESTIMATION UNCERTAINTY**

The preparation of financial statements in conformity with IFRS requires management to make judgments, estimates & assumptions that affect the application of accounting policies & the carrying amounts of assets, liabilities, income & expenses. The estimates & associated assumptions are based on historical experience and other factors that are considered to be relevant and reasonable under the circumstances.

Estimates & underlying assumptions are reviewed on a going concern basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised, if the revision affects only that period, or in the period of revision and future periods if the revision affects both current & future periods.



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**3.15 VALUE ADDED TAX**

Expenses and assets are recognized net of the amount of VAT, except:

- When the VAT incurred on a purchase of assets or services is not recoverable from the taxation authority, in which case, the VAT is recognized as part of the cost of acquisition of the asset or as part of the expense item, as applicable; and/or
- When receivables and payables, amounts are stated with the amount of VAT included.

The net amount of VAT recoverable from, or payable to, the taxation authority is included as part of duties and taxes as part of accounts and other payables and receivables in statement of financial position.

**3.16 IFRS 16 LEASES**

*The Company as lessee*

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.

**3.16 IFRS 16 LEASES (Contd...)**

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 Company adopts the standard in the annual accounting periods beginning 1 April 2019 for its lease on a land located at Ajman Industrial Area, Ajman, United Arab Emirates. The Company 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 Company's right-of-use assets and lease liabilities and the movements during the year:

	<b>Right-of-use asset (USD)</b>	<b>Lease liability (USD)</b>
<b>As at April 1, 2021</b>	<b>5,451,803</b>	<b>5,763,298</b>
Additions	-	-
Depreciation Expense	(290,763)	-
Interest Expense	-	154,039
Payments	-	(261,803)
<b>As at March 31, 2022</b>	<b>5,161,040</b>	<b>5,655,534</b>

**3.17 STATUTORY RESERVES**

In accordance with Article 15 Clause C of the Memorandum of Association of the Company and the UAE Federal Law No.2 of 2015, a minimum of 10% of the net profit of the Company is to be allocated every year to a non-distributable reserve. Such allocation may cease when the statutory reserve equals 50% of the paid up share capital.

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**4 PROPERTY, PLANT AND EQUIPMENT**

	Buildings	Plant and machinery	Motor vehicles	Furniture, fixtures and equipment	Total
<b>Cost</b>					
At April 01, 2020	4,417,914	12,629,408	129,716	176,584	17,353,622
Additions during the year	-	3,971	15,553	13,983	33,507
Disposals during the year	-	-	-	-	-
<b>At March 31, 2021</b>	<b>4,417,914</b>	<b>12,633,379</b>	<b>145,269</b>	<b>190,567</b>	<b>17,387,129</b>
At April 01, 2021	4,417,914	12,633,379	145,269	190,567	17,387,129
Additions during the year	-	565,703	-	6,964	572,667
Disposals during the year	-	-	-	(3,909)	(3,909)
<b>At March 31, 2022</b>	<b>4,417,914</b>	<b>13,199,082</b>	<b>145,269</b>	<b>193,622</b>	<b>17,955,887</b>
<b>Depreciation</b>					
At April 01, 2020	407,109	2,376,484	96,908	130,947	3,011,448
Charge for the year	127,682	691,321	12,721	17,403	849,127
On disposals	-	-	-	-	-
<b>At March 31, 2021</b>	<b>534,791</b>	<b>3,067,805</b>	<b>109,629</b>	<b>148,350</b>	<b>3,860,575</b>
At April 01, 2021	534,791	3,067,805	109,629	148,350	3,860,575
Charge for the year	127,136	743,469	11,130	14,520	896,255
On disposals	-	-	-	(3,714)	(3,714)
<b>At March 31, 2022</b>	<b>661,927</b>	<b>3,811,274</b>	<b>120,759</b>	<b>159,156</b>	<b>4,753,116</b>
<b>Net book value</b>					
At March 31, 2021	3,883,123	9,565,574	35,640	42,217	13,526,554
At March 31, 2022	3,755,987	9,387,808	24,510	34,466	13,202,771

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		As at 31st March, 2022	As at 31st March, 2021
<b>5</b>	<b>ADVANCE FOR CAPITAL ASSETS</b>		
	Advance to suppliers and contractors	855,818	172,066
	<b>Closing Balance</b>	<b>855,818</b>	<b>172,066</b>
<b>6</b>	<b>CAPITAL WORK-IN-PROGRESS</b>		
	Opening balance	-	-
	Additions	175,989	-
	Transferred to plant and machinery	-	-
	CWIP written off during the year	-	-
	<b>Closing Balance</b>	<b>175,989</b>	<b>-</b>
<b>7</b>	<b>INVENTORIES</b>		
	Raw materials	6,955,552	7,842,496
	Work In Progress	3,824	16,379
	Consumables	125,910	163,006
	Finished goods	2,804,015	394,841
	Goods in transit	9,844,835	3,113,034
	<b>Closing Balance</b>	<b>19,734,136</b>	<b>11,529,756</b>
<b>8</b>	<b>DEPOSITS, PREPAYMENT AND ADVANCES</b>		
	Deposits	241,055	145,432
	Prepayments	514,667	414,148
	Staff Advances	21,991	13,145
	<b>Closing Balance</b>	<b>777,713</b>	<b>572,725</b>
<b>9</b>	<b>TRADE AND OTHER RECEIVABLES</b>		
	Trade receivables	22,415,238	10,125,316
	Less: Allowance for doubtful trade receivables	(169,123)	(132,392)
	<b>Net trade receivables</b>	<b>22,246,115</b>	<b>9,992,924</b>
	Other receivables	140,595	167,932
	Duties and Taxes	601,406	364,808
	<b>Closing Balance</b>	<b>22,988,116</b>	<b>10,525,664</b>
		As at 31st March, 2022	As at 31st March, 2021
	Debtors ageing is given as under:		
	Debts between 0 - 180 days	22,148,433	9,984,144
	Debts between 181 - 365 days	262,352	46,208
	Debts due more than a year	4,453	94,964
		<b>22,415,238</b>	<b>10,125,316</b>

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9 TRADE AND OTHER RECEIVABLES (Continued...)

Movement in provision for doubtful trade receivables is as under:

	As at 31st March, 2022	As at 31st March, 2021
<b>Balance at the beginning of the year</b>	<b>132,392</b>	<b>113,891</b>
Additional Provision made during year	36,731	18,501
Reversal of provision	-	-
<b>Balance at the end of the year</b>	<b>169,123</b>	<b>132,392</b>

Management assessed the expected credit losses as prescribed by the requirements of IFRS 9 against accounts and other receivables. Company has applied the simplified approach to measuring the expected credit losses which uses lifetime expected loss allowance for all accounts and other receivables.

When measuring ECL the Company uses reasonable and supportable forward-looking information, which is based on assumptions for the future movement of different economic drivers and how these drivers will affect each other. Loss given default is an estimate of the loss arising on default. It is based on the difference between the contractual cash flows due and those that the lender would expect to receive, taking into account cash flows from collateral and integral credit enhancements.

Probability of default constitutes a key input in measuring ECL. Probability of default is an estimate of the likelihood of default over a given time horizon, the calculation of which includes historical data, assumptions and expectations of future conditions.

10 CASH & CASH EQUIVALENTS

	As at 31st March, 2022	As at 31st March, 2021
Cash on hand	3,014	6,117
Current accounts with banks	926,289	1,264,690
<b>Closing Balance</b>	<b>929,303</b>	<b>1,270,807</b>

11 LEASE LIABILITY

	As at 31st March, 2022	As at 31st March, 2021
<b>Movement in the lease liabilities during the year is as follows:</b>		
As at April 01,	5,763,298	4,659,602
Impact of Implementation of IFRS 16	-	-
<b>Add: Addition during the year</b>	<b>-</b>	<b>1,211,130</b>
<b>Add: Implicit Interest</b>	<b>154,039</b>	<b>154,617</b>
<b>Less: Repayment during the year</b>	<b>(261,803)</b>	<b>(262,051)</b>
<b>Net carrying value as at March 31</b>	<b>5,655,534</b>	<b>5,763,298</b>
<b>Of the above:</b>		
Current portion of lease liability	140,905	262,044
Non-current portion of lease liability	5,514,629	5,501,254
<b>Total</b>	<b>5,655,534</b>	<b>5,763,298</b>
<b>Maturity analysis of lease liability is as under:</b>		
up to 1 year	140,905	107,764
1 year to 5 years	1,183,703	1,061,248
5 years and above	4,330,926	4,594,286

12 END OF SERVICE BENEFITS

	As at 31st March, 2022	As at 31st March, 2021
Opening balance	142,162	100,871
Provision during the year	59,991	44,162
Less: Amount paid during the year	(6,336)	(2,871)
<b>Closing balance</b>	<b>195,817</b>	<b>142,162</b>



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**13 RELATED PARTIES TRANSACTIONS**

Related parties include key management personnel, fellow subsidiaries, associates, joint ventures, directors and entities which are controlled directly or indirectly by the company or its directors or over which they exercise significant management influence. Transactions and account balances between the company and its related parties are described below:

During the year, the Company entered into the following transactions with related parties:

	As at 31st March, 2022	As at 31st March, 2021
Funds transferred from related parties	4,873,441.05	1,846,838
Purchased/Services Received from related parties	13,157,291.14	1,760,652
Sales Commission & Expenses through related parties	216,642.79	216,657

**Compensation of key managerial personnel**

Compensation of key managerial personnel Compensation of key managerial personnel represents the compensation paid or payable to key management for employee services and is included in the employee costs. The key management includes directors and other members of senior management. The compensation of key management for the period is shown below:

	As at 31st March, 2022	As at 31st March, 2021
Short Term benefits	75,620	61,089
End of service benefits	6,323	4,900
<b>Total</b>	<b>81,943</b>	<b>65,989</b>

**DUE TO RELATED PARTIES**

	As at 31st March, 2022	As at 31st March, 2021
<b>Entities under common management/control</b>		
M/s. Apar Industries Limited, India	9,712,746	155,421
M/s. Petroleum Speciality Pte. Limited**	1,300,629	-
M/s. Apar Investment INC	1,720,715	4,152,500
<b>Closing Balance</b>	<b>12,734,090</b>	<b>4,307,921</b>
Current Portion	11,433,461	-
Non Current Portion	1,300,629	4,307,921

\*\* During the year, M/s. Petroleum Speciality Pte. Limited and the company have entered into a loan agreement effective February 28, 2022, wherein the company has received a loan of USD 1.5 million in the nature of working capital, of which the company has received an amount of USD 1.3 million as part of the loan agreement. The interest accrued thereon is @ 6 months SOFR plus 100 basis point per annum payable half yearly. The above loan is repayable on 15th April, 2025 or as mutually agreed..

**DUE FROM RELATED PARTY**

	As at 31st March, 2022	As at 31st March, 2021
<b>Entities under common management/control</b>		
M/s. Apar Industries Limited, India	380,717	-
M/s. Apar Investments Pte Limited*	22,879	44,635
<b>Closing Balance</b>	<b>403,596</b>	<b>44,635</b>

\* As on March 31, 2022, an amount of USD 22,879 is receivable from M/s Apar Investments Pte Limited on account of expenses of Mr. Rajesh Jogani. The management has regrouped the previous year balance which was classified under other receivables in the previous year.

**14 BANK OVERDRAFT**

	As at 31st March, 2022	As at 31st March, 2021
Bank Overdraft balance	317,740	-
<b>Closing Balance</b>	<b>317,740</b>	<b>-</b>

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	As at 31st March, 2022	As at 31st March, 2021
<b>15 TRADE AND OTHER PAYABLES</b>		
Trade payables	14,423,085	3,330,437
Bills Payables (Acceptances)	14,083,460	12,321,068
Advance from customers	2,790,199	702,442
Accruals and provisions	1,202,413	4,727,642
Other payables	43,071	893,748
<b>Closing balance</b>	<b>32,542,228</b>	<b>21,975,337</b>
<b>16 REVENUE</b>	<b>2021-22</b>	<b>2020-21</b>
Export Sales	102,887,492	57,058,284
Other Direct Income	6,456,211	2,345,951
<b>Total</b>	<b>109,343,703</b>	<b>59,404,235</b>
<b>17 OTHER INCOME</b>	<b>2021-22</b>	<b>2020-21</b>
Other Income	366	-
<b>Total</b>	<b>366</b>	<b>-</b>
<b>18 COST OF SALES</b>	<b>2021-22</b>	<b>2020-21</b>
Opening stock	11,529,756	8,614,631
Purchase	94,704,282	46,103,069
Depreciation on property, plant and equipment	853,225	801,625
Depreciation on right-of-use assets	290,763	254,481
Interest on lease liability	154,039	154,617
Other direct costs	926,594	21,791
Closing stock	(19,734,136)	(11,529,756)
<b>Total</b>	<b>88,724,523</b>	<b>44,420,458</b>
<b>19 SELLING AND DISTRIBUTION EXPENSES</b>	<b>2021-22</b>	<b>2020-21</b>
Freight	8,796,082	3,729,120
Packaging	3,832,240	2,679,098
Storage	1,030,243	554,044
Commission	793,582	760,240
<b>Total</b>	<b>14,452,147</b>	<b>7,722,502</b>
<b>20 GENERAL AND ADMINISTRATIVE EXPENSES</b>	<b>2021-22</b>	<b>2020-21</b>
Salaries and other related benefits	1,349,750	1,296,586
Staff and labor accommodation	172,153	141,539
Legal, professional and municipal and visa charges	67,559	142,304
Insurance	280,939	141,952
Communication	54,818	65,403
Travelling and conveyance	238,794	129,298
Provision for doubtful debt	36,731	18,501
Amortization of intangible asset	-	-
Foreign exchange loss	41,132	-
Other general and administrative expenses	197,677	660,176
<b>Total</b>	<b>3,205,148</b>	<b>2,698,169</b>

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<b>21 FINANCE COST</b>	<b>2021-22</b>	<b>2020-21</b>
Bank charges	698,181	-
Interest expense	343,259	1,241,336
<b>Total</b>	<b>1,041,440</b>	<b>1,241,336</b>

<b>22 CONTINGENT LIABILITIES</b>	<b>As at 31st March, 2022</b>	<b>As at 31st March, 2021</b>
Letter of guarantee	613,525	1,174,304
<b>Total</b>	<b>613,525</b>	<b>1,174,304</b>

**23 IMPACT OF COVID-19 ON BUSINESS**

The existence of novel coronavirus (Covid-19) was confirmed in early 2020 and has spread across globe, causing disruptions to businesses and

**24 FINANCIAL INSTRUMENTS**

***Market risk management***

The Company is primarily exposed to the financial risks of changes in foreign currency exchange rates (currency risk), interest rates (interest rate risk) and market prices (other price risk).

Currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of the changes in foreign exchange rates.

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

Other price risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices whether those changes are caused by factors specific to the individual financial instrument of the Company, or factors affecting all similar financial instruments traded in the market.

***Foreign currency risk management***

The Company undertakes certain transactions denominated in foreign currencies. Hence, exposures to exchange rate fluctuations arise. The Company also undertakes transactions in US Dollar which has been pegged against the United Arab Emirates Dirham ("AED"), hence no exchange risk is considered to exist for US Dollar.

***Interest rate risk management***

The Company is exposed to interest rate risk on cash at bank (including time deposits), related party borrowings and bank borrowings.

***Credit risk management***

Credit risk is the risk that one party of a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The

***Liquidity risk management***

Liquidity risk is the risk that an entity will encounter difficulty in meeting obligations associated with financial liabilities.

The Company has built appropriate liquidity risk management framework for the management of its short, medium and long term funding and



PETROLEUM SPECIALITIES FZE  
SHARJAH, UNITED ARAB EMIRATES

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2022

(Amount in United States Dollars)

24 FINANCIAL INSTRUMENTS (Continued...)

Important Ratio analysis	2021-22	2020-21
Gross profit ratio	18.86%	25.22%
Net profit ratio	1.72%	5.51%
Percentage increase/decrease in turnover	84.07%	3.02%
Important Ratio analysis	2021-22	2020-21
Current ratio	1.01	0.90
Financial instruments by category	2021	2020
<u>Financial assets</u>		
Trade and Other Receivables	22,246,115	39,486,677
Deposits	521,972	543,960
Cash & cash equivalents	14,889,460	29,190,016
Due from related party	2,000,000	2,000,000
<u>Financial liabilities</u>		
Bank borrowings	1,337,002	262,373
Trade and other payables	33,811,322	14,242,634

25 COMPARATIVE FIGURES

Comparative figures for the previous year have been regrouped and reclassified, wherever necessary to confirm the current year presentation.

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

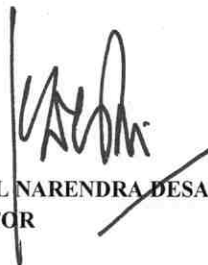
The independent auditors' report is set out on page 2-4.

FOR

PETROLEUM SPECIALITIES FZE



RISHABH KUSHAL DESAI  
DIRECTOR



KUSHAL NARENDRA DESAI  
DIRECTOR





# SEKHAR & CO.

## CHARTERED ACCOUNTANTS

**PARTNERS :**

**K.C. Devdas, B.Com., F.C.A**

**C. Amarnath, B.Com, L.L.B., F.C.A., DISA (ICA)**

**Mrudulatha Devdas, B.Com., A.C.A**

### INDEPENDENT AUDITORS' REPORT

**To the Members of,**

**Ampoil Apar Lubricants Private Limited**

**Report on the Financial Statements**

#### Opinion

We have audited the Standalone financial statements of **M/s Ampoil Apar Lubricants Private Limited** ("the Company"), which comprise the Balance Sheet as at 31<sup>st</sup> March 2022, the statement of Profit and Loss, and statement of Cash Flows for the year ended, and notes to the financial statements including a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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 accounting principles generally accepted in India including Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 and Companies (Accounting Standards) amendment Rules 2018 as applicable, of the state of affairs of the Company as at March 31, 2022, and Profit & loss 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 (ICAI) together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made there under, 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 Board's Report including Annexure to Board's Report, but does not include the financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

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 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 financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India including Accounting Standards specified under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the 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 is 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 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 an 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.



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**

As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), as amended, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in "Annexure – A" a statement on matters specified in paragraphs 3 and 4 of the Order to the extent applicable.

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, and the Statement of Cash Flow dealt with by this Report are in agreement with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.



e) On the basis of the written representations received from the Directors as on March 31, 2022 taken on record by the Board of Directors of the Company, none of the directors are disqualified as on March 31, 2022 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the Internal Financial Controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B".

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: In our opinion and to the best of our information and according to the explanations given to us, there is no managerial remuneration paid or provided by the Company to its directors during the year.

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 does not have any pending litigations which would impact its financial position.
- ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
- iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- iv. The management has represented that no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate





Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

The management has represented, that, to the best of it’s knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities (“Funding Parties”), with the understanding, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party (“Ultimate Beneficiaries”) or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

Based on our audit procedures, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) contain any material mis-statement.

- v. The Company has not declared dividend during the year.

Place: Secunderabad

Date: 25/04/2022

UDIN: 22021427AICOAM6463

For Sekhar & Co.,  
Chartered Accountants  
FRN: 003695-S

*C. Amarnath*

C. Amarnath  
Partner

M.No.: 021427





# SEKHAR & CO.

## CHARTERED ACCOUNTANTS

**PARTNERS :**

**K.C. Devdas**, B.Com., F.C.A

**C. Amarnath**, B.Com, L.L.B., F.C.A., DISA (ICA)

**Mrudulatha Devdas**, B.Com., A.C.A

**Annexure A” to the Independent Auditors’ Report**

Referred to in Paragraph 1 under the heading ‘Report on Other Legal & Regulatory Requirement’ of our report of even date to the standalone financial statements for the year ended March 31, 2022:

- i. a) The Company has no Property, Plant or Equipment as on 31/03/2022.  
b) On account of the observation in a) above the need for physical verification does not arise.  
c) There are no immovable properties held in the name of the Company.
- ii. The Company does not hold any inventory as on 31/03/2022. As explained to us, the management has conducted the physical verification of inventory at reasonable intervals for the stocks received and issued during the course of the financial year.
- iii. The Company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, Limited Liability Partnerships or any other parties.
- iv. In our opinion and according to the information and explanations given to us, the provisions of Section 185 and 186 of the Companies Act, 2013 are not applicable.
- v. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the rules framed there under with regard to the deposits accepted from the public are not applicable.





- vi. The Company is not engaged in production, processing or manufacturing activities. Therefore, the provision of maintenance of cost records specified by the Central Government under sub-section (1) of Section 148 of the Companies Act, 2013 mentioned in clause (vi) of paragraph 3 of the Order is not applicable.
- vii. According to information and explanations given to us and on the basis of our examination of the books of accounts and records, the Company has been generally regular in depositing undisputed statutory dues with appropriate authorities.
- viii. Based on our audit procedures and according to the information and explanations given to us, there are no transactions which are not recorded in the accounts that have been disclosed or surrendered before the tax authorities as income during the year.
- ix. Based on our audit procedures and according to the information and explanations given to us, the Company has not accepted loans or borrowings from financial institutions, banks and Government.
- x. According to the information and explanations given by the management, the Company has not raised any money by way of initial public offer or further public offer (including debt instruments). Further, the Company has not made any private placement or preferential allotment of shares or convertible debentures (fully, partially or optionally convertible) during the year.
- xi. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the company or on the company has been noticed or reported during the year. There have been no whistle-blower complaints.
- xii. In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3 (xii) of the Order are not applicable to the Company.
- xiii. In our opinion, all transactions with the related parties are in compliance with Sections 177 and 188 of Companies Act, 2013 and the details have been disclosed in the Standalone Financial Statements as required by the applicable accounting standards.



- xiv. According to the information and explanations given to us, the Company does not have Internal audit system considering its size and business activities.
- xv. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons concerned with him.
- xvi. In our opinion, the company is not required to be registered under Section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the company and hence not commented upon.
- xvii. The Company has not incurred cash loss during the financial year. The cash loss incurred by the Company for the previous years are as under:

Year	Cash Loss
2021-22	NIL
2020-21	215818

- xviii. There has been no resignation of statutory auditor's during the year.
- xix. Upon an evaluation of the ageing report, financial ratios and expected dates of realization of financial assets and payment of financial liabilities, we opine that the company is in a position to meet its liabilities that are existing as on the balance sheet date as and when they become due in the future.
- xx. According to the information and explanations given to us, the Company has no obligation under Corporate Social Responsibility.



- xxi. The financial statements which are the subject matter of audit represents standalone statements. Since these are not consolidated financial statements the clause relating to comments on the presence of any qualifications or adverse remarks in the audit reports of other group companies does not arise.

**Place: Secunderabad**

**Date: 25/04/2022**

**UDIN: 22021427AICOAM6463**

**For Sekhar & Co.,  
Chartered Accountants  
FRN: 003695-S**

*C. Amarnath*

**C. Amarnath**

**Partner**

**M.No.: 021427**





# SEKHAR & CO.

## CHARTERED ACCOUNTANTS

**PARTNERS :**

**K.C. Devdas**, B.Com., F.C.A

**C. Amarnath**, B.Com, L.L.B., F.C.A., DISA (ICA)

**Mrudulatha Devdas**, B.Com., A.C.A

**“Annexure B” to the Independent Auditor’s Report of even date on the Financial Statements of M/s Ampoil Apar Lubricants Private Limited**

**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 **M/s Ampoil Apar Lubricants Private Limited**, (“the Company”) as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management’s Responsibility for Internal Financial Controls**

The Company’s management is responsible for establishing and maintaining internal financial controls. 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 (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, 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



Institute of Chartered Accountants of India. 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 judgment, 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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized 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 March 31, 2022.

**For Sekhar & Co.,  
Chartered Accountants  
FRN: 003695-S**

*C. Amarnath*

**C. Amarnath**

**Partner**

**M.No.: 021427**



**Place: Secunderabad**

**Date: 25/04/2022**

**UDIN: 22021427AICOAM6463**

**AMPOIL APAR LUBRICANTS PRIVATE LIMITED**

**BALANCE SHEET AS AT 31st March, 2022**

		Particulars	Note No.	Current Year 2021-22	Previous Year 2020-21
<b>I</b>		<b><u>EQUITY AND LIABILITIES</u></b>			
	1	<b><u>Shareholders' Funds</u></b>			
	a)	Share Capital	1	1,00,00,000.00	1,00,00,000.00
	b)	Reserves and Surplus	2	27,68,344.78	(2,15,817.95)
				1,27,68,344.78	97,84,182.05
	2	<b><u>Non-Current Liabilities</u></b>			
	a)	Long-Term Borrowings		-	-
	b)	Other Long-Term Liabilities	3	-	-
	c)	Long-Term Provisions	4	-	-
	3	<b><u>Current Liabilities</u></b>			
	a)	Short-Term Borrowings	5	-	-
	b)	Trade Payables	6	23,56,174.40	27,55,470.40
	c)	Other Current Liabilities	7	10,16,327.00	10,16,327.00
	d)	Short-Term Provisions	8	20,000.00	10,000.00
				33,92,501.40	37,81,797.40
		<b>TOTAL</b>		<b>1,61,60,846.18</b>	<b>1,35,65,979.45</b>
<b>II</b>		<b><u>ASSETS</u></b>			
	1	<b><u>Non-Current Assets</u></b>			
	a)	Property, Plant and Equipment	9		
	i)	Tangible Assets			
	ii)	Intangible Assets			
	iii)	Capital Work-in-progress			
	b)	Non-Current Investments			
	c)	Deferred Tax Assets (Net)	10		
	d)	Long-Term Loans and Advances	11		
	e)	Other Non-Current Assets	12		
	2	<b><u>Current Assets</u></b>			
	a)	Current Investments			
	b)	Inventories	13		
	c)	Trade Receivables	14		
	a)	Trade Receivables considered good - Secured		44,71,667.66	21,96,923.16
	b)	Trade Receivables considered good - Unsecured			
	c)	Trade Receivables that have an increase in Credit Risk that is Significant.			
	d)	Trade Receivables - Credit Impaired.			
	d)	Cash and Cash Equivalents	15	1,02,11,428.80	1,08,91,139.00
	e)	Deposits, Short-Term Loans and Advances	16	2,84,717.00	25,000.00
	f)	Other Current Assets	17	11,93,032.72	4,52,917.29
				1,61,60,846.18	1,35,65,979.45
		<b>TOTAL</b>		<b>1,61,60,846.18</b>	<b>1,35,65,979.45</b>

SIGNIFICANT ACCOUNTING POLICIES AND  
NOTES TO THE FINANCIAL STATEMENTS

1 to 27

The Notes referred to above form an integral part of the Financial Statements

As per our report of even date attached  
For SEKHAR & CO.,  
CHARTERED ACCOUNTANTS

*C. Amarnath*

CA C. AMARNATH  
PARTNER

M.No. 021427

Secunderabad Dated : 25-04-2022



RAJIV M SANGHVI

DIRECTOR

KOKILA M SANGHVI

DIRECTOR

*Kokila M. Sanghvi*



**AMPOIL APAR LUBRICANTS PRIVATE LIMITED**

**CASH FLOW STATEMENT FOR THE YEAR ENDED 31.03.2022**

		For the Year ended 31st Mar, 2022		For the Year ended 31st March, 2021
	Rs.	Rs.	Rs.	Rs.
<b>A. Cash Flow from Operating Activities</b>				
Profit / (Loss) before Taxes		2984162.73		(68667.81)
Adjustments for:				
Depreciation / Amortisation on Fixed Assets	0.00	0.00		0.00
<b>Operating Profit / (Loss) before Working Capital Changes</b>		2984162.73		(68667.81)
Adjustments for:				
Trade & Other Receivables	(3274576.93)		1679134.81	
Inventories	0.00		0.00	
Trade Payables, Other Liabilities and Provisions	(389296.00)	(3663872.93)	(1365018.00)	314116.81
Cash Generated from Operations		(679710.20)		245449.00
Direct Taxes Paid		0.00		
<b>Net Cash from Operating activities</b>		(679710.20)		245449.00
<b>B. Cash Flow from Investing Activities</b>				
Purchase of Fixed Assets	0.00			
Sale of Fixed Asset	0.00		0.00	
<b>Net Cash used in Investing Activities</b>		0.00		0.00
<b>C. Cash Flow from Financing Activities</b>				
Increase / (Decrease) in Working Capital Borrowings	0.00			
Proceeds from Long term Borrowings	0.00		0.00	
Share Capital	0.00		4000000.00	
<b>Net Cash from Financing Activities</b>		0.00		4000000.00
Net (Decrease) / Increase in Cash and Cash Equivalents		(879710.20)		4245449.00
Cash and Cash Equivalents at the beginning of the year		10891139.00		6645690.00
Cash and Cash Equivalents at the end of the year		10211428.80		10891139.00

As per our report of even date attached

For SEKHAR & CO.,

Chartered Accountants

*C. Amarnath*

CA. C. AMARNATH

Partner

M.No:021427

Secunderabad Dated :25-04-2022



*Kokila M. Sanghvi*

RAJIV M SANGHVI

Director

KOKILA M SANGHVI

Director

**AMPOIL APAR LUBRICANTS PRIVATE LIMITED**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31st MARCH, 2022**

	Particulars	Note No.	Current Year 2021-22	Previous Year 2020-21
I	Revenue from Operations	18	66,78,611.78	35,89,078.50
II	Other Income	19	8,59,271.00	21,196.00
III	<b>TOTAL REVENUE (I+II)</b>		<b>75,37,882.78</b>	<b>36,10,274.50</b>
IV	<b>EXPENSES:</b>			
	Purchases of Stock-in-Trade	20	44,40,520.00	35,96,814.90
	Changes in Inventories of Stock-in-Trade	21	-	-
	Employee Benefits Expense	22	-	-
	Finance Costs	23	-	-
	Depreciation and Amortisation Expense	24	-	-
	Other Expenses	25	1,13,200.05	02,127.11
	<b>TOTAL EXPENSES</b>		<b>45,53,720.05</b>	<b>36,78,942.31</b>
V	(Loss)/Profit Before Exceptional Items and Tax (III-IV)		29,84,162.73	(68,667.81)
VI	Exceptional Items		-	-
VII	Profit Before Tax (V+VI)		29,84,162.73	(68,667.81)
VIII	Tax Expense: - Current Tax - Deferred Tax		-	-
IX	Profit After Tax (VII-VIII)		29,84,162.73	(68,667.81)
X	Earnings Per Equity Share Basic and Diluted		298.42	(6.87)

SIGNIFICANT ACCOUNTING POLICIES AND  
NOTES TO THE FINANCIAL STATEMENTS

1 to 27

The Notes referred to above form an integral part of the Financial Statements

As per our report of even date attached  
For SEKHAR & CO.  
CHARTERED ACCOUNTANTS

*C. Amarnath*

CA C. AMARNATH  
PARTNER



*Rajiv M. Sanghvi*  
RAJIV M. SANGHVI

DIRECTOR

KOKILA M SANGHVI

DIRECTOR

*Kokila M. Sanghvi*

Secunderabad Dated :25-04-2022

## NOTES FORMING PART OF THE FINANCIAL STATEMENTS

		Current Year 2021-22	Previous Year 2020-21
	<b>NOTE NO. 1</b>		
	<b>SHARE CAPITAL</b>		
	Authorised: 10,00,000 - Equity Shares of 10 each	1,00,00,000.00	1,00,00,000.00
	Issued, Subscribed and fully paid-up 10,00,000 - Equity Shares of 10 each	1,00,00,000.00	1,00,00,000.00
	<b>Shareholders holding more than 5% Shares in the Company.</b>		
	<u>Name of the Shareholders :</u>	No. of Shares held & %	No. of Shares held
	M/s PPS Motors Pvt Ltd CIN: U50404AP2010PTC071634 APAR INDUSTRIES LTD Rajiv M Sanghvi	510000 - 51% 400000 - 40% 90000 - 9%	510000 - 51% 400000 - 40% 90000 - 9%
		Current Year 2021-22	Previous Year 2020-21
	<b>NOTE NO. 2</b>		
	<b>RESERVES AND SURPLUS</b>		
	a General Reserve		
	Opening Balance		-
	Add: Transferred from Statement of Profit and Loss	-	
	Closing Balance		-
	b Surplus		
	Opening Balance	(2,15,817.95)	(1,47,150.14)
	Add: Net Profit for the Current Year	29,84,162.73	(68,667.81)
	Less: Depreciation pursuant to enactment of Schedule II of Companies Act 2013	-	
	Less: Transferred to General Reserve	-	
	Less: Income Tax of Earlier Years		
	Closing Balance		
		27,68,344.78	(2,15,817.95)
		27,68,344.78	(2,15,817.95)



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

		Current Year 2021-22	Previous Year 2020-21
<b>NOTE NO. 3</b>			
<b>OTHER LONG TERM LIABILITIES</b>			
a	Trade Payables		
b	Others		
	Payable towards Customer Balances, Capital Goods, Deposits, Claims etc.		
<b>NOTE NO. 4</b>			
<b>LONG TERM PROVISIONS</b>			
	Provision for Employee Benefits - Gratuity		



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

		Current Year 2021-22	Previous Year 2020-21
<b>CURRENT LIABILITIES</b>			
<b>NOTE NO. 5</b>			
<b>SHORT TERM BORROWINGS</b>			
SECURED			
Loans repayable on demand-from Banks & FI'S/NBFC's			
-		-	-
UNSECURED			
Fixed Deposits			
- Related Parties - From Holding Company		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
		-	-
<b>NOTE NO. 6</b>			
<b>TRADE PAYABLES</b>			
Trade Payables			
i) to Micro and Small Enterprises			
ii) Enterprises other than Micro and Small Enterprises	23,56,174.40	23,56,174.40	27,55,470.40
<b>NOTE NO. 7</b>			
<b>OTHER CURRENT LIABILITIES</b>			
a Current maturities of long-term debts			-
b Interest accrued but not due on borrowings			-
c Income received in advance against supply of vehicles and Trade Advance			
d Other Payables			
- Statutory Dues towards TDS, VAT, Service Tax etc.			
- Payable towards Customer Balances, Deposits, Claims etc			
- Due to Employees towards bonus,voluntary retirement scheme, incentive etc.			
- Due to Directors / Share holders			
1. Rajiv M Sanghvi	2,22,620.00		2,22,620.00
2. M/s PPS Motors Private Limited	7,93,707.00		7,93,707.00
		10,16,327.00	10,16,327.00
		10,16,327.00	10,16,327.00
		10,16,327.00	10,16,327.00
		10,16,327.00	10,16,327.00
<b>NOTE NO. 8</b>			
<b>SHORT TERM PROVISIONS</b>			
a Provision For Audit fee	20,000.00		10,000.00
Others	-		-
b Others			
- Proposed Dividend	-		-
- Tax on Proposed Dividend	-		
		20,000.00	
		20,000.00	10,000.00
		20,000.00	10,000.00
		20,000.00	10,000.00



**NOTES FORMING PART OF THE**  
**NOTE NO. 9**

Fixed Assets	AT COST (UNLESS OTHERWISE STATED)				DEPRECIATION (INCLUDING AMORTISATION )			NET DEPRECIATED BLOCK		
	Gross Block As at 31.03.2021	Additions During the year	Deductions During the year	Gross Block As at 31.3.2022	Total upto 31.3.2021	Additions for the year	Deductions During the year	Total upto 31.03.2022	As at 31.3.2022	As at 31.3.2021
TANGIBLE ASSETS -										
A) LAND										
FREE HOLD LAND	-	-	-	-	-	-	-	-	-	-
LEASE HOLD LAND	-	-	-	-	-	-	-	-	-	-
B) BUILDINGS (AT BOOK VALUE)										
C) PLANT AND EQUIPMENT										
D) FURNITURE AND FIXTURES										
E) VEHICLES (AT BOOK VALUE)										
F) OFFICE EQUIPMENT (AT BOOK VALUE)										
G) ELECTRONIC DATA PROCESSING MACHINES										
H) ELECTRIC INSTALLATIONS										
TOTAL TANGIBLE CURRENT YEAR	-	-	-	-	-	-	-	-	-	-
TOTAL TANGIBLE PREVIOUS YEAR										
INTANGIBLE ASSETS -										
COMPUTER SOFTWARE			-	-			-	-	-	
TOTAL INTANGIBLE CURRENT YEAR	-	-	-	-	-	-	-	-	-	-
TOTAL INTANGIBLE PREVIOUS YEAR										
CAPITAL WORK-IN-PROGRESS (AT COST)										



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

		Current Year 2021-22		Previous Year 2020-21
	<b>NOTE NO. 10</b> <b>DEFERRED TAX ASSET</b> Deferred Tax Assets at the year end comprises of timing differences on account of :  Depreciation			
			-	-
	<b>NOTE NO. 11</b> <b>LONG TERM LOANS AND ADVANCES</b> (Unsecured-considered good, unless otherwise stated)			
a	Capital Advances			-
b	Security Deposits			
	- Considered Good			
	- Considered Doubtful			-
c	Other Loans and Advances		-	-
	Advance Payment to Suppliers/Principals (including claims receivable)			
	- Considered Good			
	- Considered Doubtful			-
			-	-
	<b>NOTE NO. 12</b> <b>OTHER NON-CURRENT ASSETS</b> Trade Receivables Unsecured			
	- Considered Good			
	- Considered Doubtful			-
			-	-





**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

	Current Year 2021-22		Previous Year 2020-21
<b>NOTE NO. 13</b> <b>INVENTORIES</b> (As certified by the Management)  WORKSHOP MATERIAL  STOCK-IN-TRADE - Spare parts, Accessories etc. - Vehicles, Trailers and Construction Equipment  (At lower of cost and net realisable value)  GOODS-IN-TRANSIT (At cost) - Spare parts, Accessories etc. - Vehicles and Trailers  LOOSE TOOLS (At net depreciated value)			
		-	-
		-	-
		-	-
		-	-
		-	-
<b>NOTE NO. 14</b> <b>TRADE RECEIVABLES</b> a) Trade Receivables considered good - Secured b) Trade Receivables considered good - Unsecured c) Trade Receivables that have an increase in Credit Risk that is Significant. d) Trade Receivables - Credit Impaired.	44,71,667.66		21,96,923.16
	-		-
	-		-
	-		-
		44,71,667.66	21,96,923.16
		44,71,667.66	21,96,923.16
<b>NOTE NO. 15</b> <b>CASH AND CASH EQUIVALENTS</b>  - Balances with banks - Fixed Deposits (against BG) - Cash on Hand	98,41,459.80		1,05,46,004.00
	3,69,969.00		3,45,135.00
	-	1,02,11,428.80	
		1,02,11,428.80	1,08,91,139.00



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

		Current Year 2021-2022		Previous Year 2020-21
	<b>NOTE NO. 16</b> <b>DEPOSITS, SHORT TERM LOANS AND ADVANCES</b> (Unsecured-considered good,unless otherwise stated)			
a	Loans and Advances to: - Related Party - 100% Subsidiary Company - Other Companies	-		- -
b	Deposits Advance Payment to Suppliers/Principals (including claims receivable) - Considered Good - Considered Doubtful  - Loans and Advances to Employees - Other Sundry Advances - Prepaid Expenses	2,84,717.00  2,84,717.00  -  2,84,717.00	-     2,84,717.00  2,84,717.00	-  25,000.00 - 25,000.00 - - - 25,000.00
			<b>2,84,717.00</b>	<b>25,000.00</b>
	<b>NOTE NO. 17</b> <b>OTHER CURRENT ASSETS</b>			
	GST Adjustable		1,74,618.56	1,53,149.00
	Interest Accrued on			
	- Investments			
	- Others		76,729.16	9,746.29
	Pre- operative Expenses		2,41,685.00	2,90,022.00
	TDS Refund Due		-	-
	Advance - Income Tax Paid		7,00,000.00	-
			<b>11,93,032.72</b>	<b>4,52,917.29</b>



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

		Current Year 2021-22		Previous Year 2020-21
	<b>NOTE NO. 18</b> <b><u>REVENUE FROM OPERATIONS</u></b>			
	<b>SALE OF PRODUCTS</b>	66,78,611.78	66,78,611.78	35,89,078.50
	<b>SALE OF SERVICES</b>			
	Commission Received			-
	Workshop Income			-
	Service Charges Received			-
	<b><u>OTHER OPERATING REVENUES</u></b>			
	Sundry Receipts			-
			66,78,611.78	35,89,078.50
	<b>NOTE NO. 19</b> <b><u>OTHER INCOME</u></b>			
	Interest Income on:			
	-Deposits, Advances etc.	17,615.00		21,196.00
	<b><u>Other Non-Operating Income</u></b>		17,615.00	21,196.00
	Discount Received	8,41,656.00		
			8,41,656.00	-
			8,59,271.00	21,196.00



**NOTES FORMING PART OF THE FINANCIAL STATEMENTS**

		Current Year 2021-22	Previous Year 2020-21
	<b>NOTE NO. 20</b> <b>PURCHASES OF STOCK- IN- TRADE</b>		
	<b>Purchase of Traded Goods</b>	44,40,520.00	35,96,814.90
	<b>NOTE NO. 21</b> <b>CHANGES IN INVENTORIES OF STOCK- IN- TRADE</b>		
	<b>OPENING STOCK</b>	-	-
	Less:		
	<b>CLOSING STOCK</b>	-	-
	<b>Net Decrease/(Increase) in Inventories</b>	-	-
	<b>NOTE NO. 22</b> <b>EMPLOYEE BENEFITS EXPENSE</b>		
	Salaries and Wages		
	Contribution to Provident and Other Funds		
	Gratuities		
	Staff Welfare Expenses		
		-	-
	<b>NOTE NO. 23</b> <b>FINANCE COSTS</b>		
	Interest Expense		
	Other Borrowing Costs		
		-	-
	<b>NOTE NO. 24</b> <b>DEPRECIATION AND AMORTISATION EXPENSE</b>		
	On Fixed Assets		
	On Loose Tools		
		-	-



# NOTES FORMING PART OF THE FINANCIAL STATEMENTS

	Current Year 2021-22	Previous Year 2020-21
<b>NOTE NO. 25</b>		
<b><u>OTHER EXPENSES</u></b>		
Commission Paid	-	-
Delivery, Transport and Handling Charges	-	-
Workshop Expenses	-	-
Packing and Forwarding Charges	-	-
Repairs and Maintenance of :	-	-
-Buildings	-	-
-Machineries	-	-
-Vehicles	-	-
-Sundries	-	-
Staff Uniform Expenses	-	-
Rent Paid	-	-
Rates and Taxes	-	-
Power and Fuel	-	-
Water Charges	-	-
Insurance Charges	-	-
Security Service Charges	-	-
Licence and Tender Fees	-	-
Legal and Professional Charges	7,200.00	23,789.00
Audit fee	20,000.00	10,000.00
Pre -Operative Expenses Writtten off (3/10th)	48,337.00	48,337.00
Bank Charges	-	-
Travelling and Conveyance	-	-
Postage, Telegram and Telephones	-	-
Discount Paid	-	-
Printing and Stationery	-	-
Subscription, Books and Periodicals	-	-
Advertisement and Publicity	-	-
Interest paid to others	-	-
Miscellaneous Expenses	24,979.05	1.41
Tender Charges /Caution Money	12,684.00	-
	<b>1,13,200.05</b>	<b>82,127.41</b>



**AMPOIL APAR LUBRICANTS PRIVATE LIMITED**  
**DEPRECIATION (INCOME TAX) ON FIXED ASSETS DURING AY 2022-23 (FY 2021-22)**

(PAISE OMITTED)									
ASSET BLOCK	WDV AS ON 01-04-2021	ADD ASSETS ACQUIRED 01-04-2021 TO 04-10-2021	LESS ASSETS SOLD DURING THE YEAR 2021-22	TOTAL	ADD ASSETS ACQUIRED 05-10-2021 TC 31-03-2022	FULL AGAINST COLUMN 5	HALF AGAINST COLUMN 6	TOTAL DEPRECIATION	CLOSING WDV AS ON 31-03-2022 (5+6-9)
1	2	3	4	5	6	7	8	9	10
RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.	RS.
<b><u>BLOCK - I (10%)</u></b>									
1. BUILDING					0	0	0	0	0
2. (a) FURNITURE&FIXTURES (10%) (b) ELECTRICAL FITTINGS, FANS ETC (10%) (Acquired on or after 01.04.2002)				0	0	0	0	0	0
<b>TOTAL - I</b>	0	0	0	0	0	0	0	0	0
<b><u>BLOCK - I (15%)</u></b>									
3. PLANT & MACHINERY (15%)				0		0	0	0	0
4. PLANT & MACHINERY (80%)				0		0	0	0	0
5. PLANT & MACHINERY (100%)				0		0	0	0	0
6. MOTOR CARS (15%) (Acquired on or after 01.04.1990)				0		0	0	0	0
<b>TOTAL - II</b>	0	0	0	0	0	0	0	0	0
<b><u>BLOCK - III (60%)</u></b>									
7. E.D.P EQUIPMENT (HARDWARE) (60%)			0	0		0	0	0	0
8. E.D.P EQUIPMENT (SOFTWARE) (60%)			0	0		0	0	0	0
<b>TOTAL - III</b>	0	0	0	0	0	0	0	0	0
<b>TOTAL - (I+II+III)</b>	0	0	0	0	0	0	0	0	0
LOOSE TOOLS (15%)		0	0	0		0	0	0	0
<b>GRAND TOTAL</b>	0	0	0	0	0	0	0	0	0



**AMPOIL APAR LUBRICANTS PRIVATE LIMITED.**

Survey No.19&amp;20(GODOWN)

Behind HP Petrol Bunk

NH-7, Kompally, Hyderabad

CIN: U50500TG2017PTC118369

**Trial Balance**

1-Apr-2021 to 31-Mar-2022

Particulars	AMPOIL APAR LUBRICANTS	
	1-Apr-21 to 31-Mar-22	
	Closing Balance	
	Debit	Credit
<b>Capital Account</b>		<b>10000000.00</b>
APAR INDUSTRIES LTD-Capital A/c		4000000.00
PPS MOTORS PVT LTD-Capital A/c		5100000.00
RAJIV M SANGHVI - Capital A/c		900000.00
<b>Current Liabilities</b>	<b>268998.00</b>	<b>3486880.84</b>
Duties & Taxes	268998.00	94379.44
GOODS AND SERVICE TAX	44102.00	94103.44
CGST (Inward)		
CGST (Outward)		47081.72
GST ITC UN-MATCHED RECORDS		
CGST - ITC Un-Matched	0.00	
SGST - ITC Un-Matched	0.00	
IGST (Inward)	44182.80	
<b>SGST (Inward)</b>		
SGST (Outward)		47081.72
GOODS AND SERVICE TAX (RCM)	216.00	216.00
CGST Under RCM Payable @ 9%		108.00
RCM Recoverable ITC Set Off CGST@9%	108.00	
RCM Recoverable ITC Set Off SGST@9%	108.00	
SGST Under RCM Payable@9%		108.00
GST TDS -CGST Recoverable (Cash Ledger)	35014.60	
GST TDS - IGST Recoverable (Cash Ledger)	35014.60	
IGST RECOVERABLE (Cash Ledger)	154570.00	
Provisions		20000.00
Provision for Audit Fee		20000.00
Sundry Creditors	0.00	2356174.40
Apar Industries Ltd		2356174.40
Sekhar & Co	0.00	
PPS MOTORS PVT LTD - ADVANCES		793707.00
Rajiv M Sanghvi - Advances A/c		222620.00
<b>Current Assets</b>	<b>15744542.62</b>	
Opening Stock		
<b>Deposits (Asset)</b>	<b>284717.00</b>	
EMD GHMC	284717.00	
<b>LOANS &amp; ADVANCES</b>	<b>700000.00</b>	
Pratik Ashok Rao		
Advance Income Tax	700000.00	
Sundry Debtors	4471667.66	
Sundry Debtors - Ampoil	4471667.66	





GREATER HYDERABAD MUNICIPAL CORPORA	3866013.50	
MAHARASHTRA STATE ROAD TRANSPORT CC	605654.16	
Bank Accounts	10211428.80	
Fixed Deposit (Against BG-APSRTC)	369969.00	
ICICI Bank A/c-004805016102	9841459.80	
Other Current Asset	76729.16	
TCS RECEIVABLE (0.075%)	5056.96	
TDS Receivable - FY 2021-22	71672.20	
<b>Misc. Expenses (ASSET)</b>	<b>241685.00</b>	
Pre-Operative Expenses (to Extent Not Written Off)	241685.00	
<b>Sales Accounts</b>		<b>6678611.78</b>
Sales		6678611.78
Oil & Grease IGST Sales @18%		6678611.78
<b>Purchase Accounts</b>	<b>4440520.00</b>	<b>841656.00</b>
Purchases	4440520.00	
<b>Indirect Incomes</b>		<b>17615.00</b>
Other Income		17615.00
Discount Received		841656.00
<b>Indirect Expenses</b>	<b>113221.00</b>	<b>20.95</b>
Administration, Selling & Other Exp	32200.00	20.95
Other Expenses	32200.00	20.95
Audit Fees	20000.00	
Legal & Professional Charges	6000.00	
LEGAL & PROFESSIONAL CHRGES	1200.00	
Sundry Expenses		20.95
CAUTION MONEY-GEM	5000.00	
Pre-Operative Expenses Written Off (1/10TH)	48337.00	
Miscellaneous Expenses	25000.00	
Tender Charges	7684.00	
Profit & Loss A/c	215817.95	
<b>Grand Total</b>	<b>21024784.57</b>	<b>21024784.57</b>



## AMPOIL APAR LUBRICANTS PRIVATE LIMITED

NOTE No 26

### Significant Accounting Policies:

#### BASIS OF ACCOUNTING

The Accounts are prepared under historical cost convention on accrual basis.

#### USE OF ESTIMATES

The Presentation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amounts of assets and liabilities on the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Difference between the actual and estimates are recognized in the period in which the results are known / materialized.

#### REVENUE RECOGNITION

In view of the uncertainties, income / credits on account of claims, recovery towards marketing/sales promotion expenses and other support services are deemed to accrue and accounted for in the year in which the claims for such income/credits are finalized and accepted. However, if such claims are finalized and accepted after the year-end but before the finalization of accounts, the income/credits are accounted for in the year under finalization.

#### SALES INCOME

Sales Income is exclusive of GST/Value Added Tax/Service Tax wherever charged and is net of Returns, Rebates, Difference in Rates and trade Discounts.

#### EMPLOYEE BENEFITS

##### A. Short-term employee benefits

Short-term employee benefits consisting of wages and salaries are not applicable during the year.

##### B. Post employment benefits

Benefits in the nature of contribution to provident fund, employee state insurance scheme etc., are not applicable during the year.

#### FIXED ASSETS

There are no Fixed Assets of the company for the year ending 31.03.2022

#### DEPRECIATION/AMORTISATION

Since there are no Fixed Assets of the company, Depreciation on Fixed Assets not applicable.



## CAPITAL WORK-IN-PROGRESS

There are no pending costs incurred for Fixed Assets, the acquisition/construction/installation of which are not completed.

## VALUATION OF INVENTORIES

There is no Stock-in-Trade as on date of closing of Financial Year.

## FOREIGN CURRENCY TRANSACTIONS

There is no Foreign Currency Transactions during the financial year.

## BORROWING COSTS

There is no Borrowing costs which are directly attributable to the acquisition/construction/installation of qualifying fixed assets are capitalized as part of the cost of the assets.

## TAXATION

- a) Provision for current tax is made and retained in the accounts on the basis of estimated tax liability as per the applicable provisions of the Income Tax Act, 1961.
- b) Deferred tax assets and liabilities are recognized for timing differences between the accounting and taxable income, based on the tax rates that have been enacted or substantively enacted by the Balance Sheet date. Deferred tax assets, subject to the consideration of prudence, are recognized only if there is reasonable certainty that sufficient future taxable income will be available, against which they can be realized. At each Balance Sheet date the carrying amount of deferred tax assets is reviewed to reassess its realization.

## NOTE No 27

### Notes on Financial Statements

## OTHER DISCLOSURES

1. Previous year's figures have also been regrouped / reclassified wherever necessary to correspond with the current year's classification/disclosure.

2. Expenses in foreign currency in respect of:

i) Value of imports calculated on C.I.F basis by the company:

		As at 31.03.2022 (Rs in Lakhs)	As at 31.03.2021 (Rs in Lakhs)
a. Capital Goods	:	NIL	NIL
b. Stock-In-Trade	:	NIL	NIL
ii) Travel	:	NIL	NIL



3. Contingent Liabilities in respect of:	As at 31.03.2022	As at 31.03.2021
	(Rs in Lakhs)	(Rs. in Lakhs)

As at 31.03.2022  
(Rs in Lakhs)

As at 31.03.2021  
(Rs. in Lakhs)

- |   |     |     |
|---|-----|-----|
| (a) Claims against the Company not acknowledged as debts in respect of Customer/Supplier claims | NIL | NIL |
| (b) Guarantees given by the Company's Bankers on behalf of the Company                          | NIL | NIL |

- |   |     |     |
|---|-----|-----|
| 4. Estimated amount of Contracts to be executed on Capital account and not provided for | NIL | NIL |
|---|-----|-----|

5. Balances of Trade Payables and Trade Receivables are subject to individual confirmation.

#### 6. Loan Funds

There are no Loan Funds to meet the working capital requirements.

## 7. Leases:

The company has not entered into any lease agreements.

## 8. Related Party Disclosures:

A: List of parties where control exists:

**Dues to Directors / Share holders:**

S.No	Related Party	Director / Share holder	Current Year	Previous Year
01.	Rajiv M. Sanghvi	Director & Share holder	2,22,620	2,22,620
02.	PPS Motors Pvt Ltd	Share holder	7,93,707	7,93,707

B: Other parties with whom transactions have taken place: NIL

[i] Key Management Personnel : NIL

[ii] Enterprises – Key Management Personnel having significant influence (Other Related Parties): NIL



9. INFORMATION IN RESPECT OF OPENING STOCK, PURCHASE, SALES AND CLOSING STOCK

PARTICULARS	Opening Stock		Purchase		Sales		Closing Stock	
	Quantity in Nos.	Value in Lakhs	Quantity in Nos./BRL	Value in Lakhs	Quantity in Nos./BRL	Value in Lakhs	Quantity in Nos.	Value in Lakhs
A) Oils & Lubricants		-	171	43.52	171	65.13	-	-
B) Coolant			04	.88	04	1.65		
Total Rupees		-		44.40		66.78		-

10. Dues to Micro, Small and Medium Enterprises outstanding

2021-22 : NIL

for more than 45 days as at Balance Sheet date

2020-21 : NIL

As per our report of even date attached

For SEKHAR & CO  
Chartered Accountants

*C. Amarnath*

CA C. AMARNATH  
Partner  
M.No.021427



*[Signature]*

RAJIV M SANGHVI  
Director

*Kokila M. Sanghvi*

KOKILA M SANGHVI  
Director

Hyderabad,  
Dated : 25-04-2022

# **PETROLEUM SPECIALITIES PTE. LTD.**

(Registration number: 200403112K)  
Incorporated in Singapore

## **ANNUAL FINANCIAL REPORT**

**For The Financial Year Ended 31 March 2022**

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**PETROLEUM SPECIALITIES PTE. LTD.**  
Registration No. 200403112K

Incorporated in Singapore

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**DIRECTORS' STATEMENT AND AUDITED FINANCIAL STATEMENTS  
FOR THE FINANCIAL YEAR ENDED 31 MARCH 2022**

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## **PETROLEUM SPECIALITIES PTE. LTD.**

### **DIRECTORS' STATEMENT**

*For the Financial Year Ended 31 March 2022*

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The directors are pleased to present their statement together with the audited financial statements of Petroleum Specialities Pte. Ltd. (the "Company") for the financial year ended 31 March 2022.

In the opinion of the directors,

- (i) the financial statements of the Company as set out on pages 7 to 33 are drawn up so as to give a true and fair view of the financial position of the Company as at 31 March 2022 and the financial performance, changes in equity and cash flows of the Company for the year ended on that date in accordance with the provisions of the Singapore Companies Act 1967 and Singapore Financial Reporting Standards; and
- (ii) at the date of this statement, as described in Note 2 (i) to the financial statements with respect to the financial statements with respect to the Company's ability to continue as going concern and the premised positive outcome of the assumption described in Note 2 (i) to the financial statements, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they fall due.

The Board of Directors has, on the date of this statement, authorised these financial statements for issue.

### **DIRECTORS**

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

Kushal Narendra Desai  
Gajjala Sai Sudhakar  
Rishabh Kushal Desai

### **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 1967, and interest in shares and share options of the Company's related corporations are as follows:

**PETROLEUM SPECIALITIES PTE. LTD.****DIRECTORS' STATEMENT***For the Financial Year Ended 31 March 2022***DIRECTORS' INTERESTS IN SHARES AND DEBENTURES (CONTINUED)**

<u>Name of director</u>	<u>Number of ordinary shares</u>			
	<u>Direct interest</u>		<u>Deemed interest</u>	
	<u>At beginning of financial year</u>	<u>At end of financial year</u>	<u>At beginning of financial year</u>	<u>At end of financial year</u>
<b>Apar Industries Ltd.</b>				
Kushal Narendra Desai	9,208,503	9,208,503	47,737	47,737
Rishabh Kushal Desai	42,398	42,398	-	-
<b>Apar Corporation Private Limited</b>				
Kushal Narendra Desai	2,144,651	2,144,651	16,257	16,257
Rishabh Kushal Desai	16,257	16,257	-	-
<b>Apar Technologies Pte. Ltd.</b>				
Gajjala Sai Sudhakar	500,000	500,000	-	-
<b>Catalis World Private Limited</b>				
Kushal Narendra Desai	5,000	5,000	-	-
<b>Apar Transmission &amp; Distribution Projects Pvt. Ltd.</b>				
Kushal Narendra Desai	-	-	1	1
<b>Apar Distribution &amp; Logistics Private Limited</b>				
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.

**PETROLEUM SPECIALITIES PTE. LTD.**

**DIRECTORS' STATEMENT**

*For the Financial Year Ended 31 March 2022*

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**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: **22 MAY 2022**

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBER OF PETROLEUM SPECIALITIES PTE. LTD.**

*For the Financial Year Ended 31 March 2022*

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#### **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 2022, 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 1967 (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 2022 and of the financial performance, changes in equity and cash flows of the Company for the financial year ended 31 March 2022.

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##### *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.

## **INDEPENDENT AUDITOR'S REPORT**

### **TO THE MEMBER OF PETROLEUM SPECIALITIES PTE. LTD.**

#### **PETROLEUM SPECIALITIES PTE. LTD.**

*For the Financial Year Ended 31 March 2022*

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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.

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#### *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.

## **INDEPENDENT AUDITOR'S REPORT**

**TO THE MEMBER OF PETROLEUM SPECIALITIES PTE. LTD.**

**PETROLEUM SPECIALITIES PTE. LTD.**

*For the Financial Year Ended 31 March 2022*

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*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.

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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.



**MRI Moores Rowland LLP**  
Public Accountants and  
Chartered Accountants

Singapore

Date: **22 MAY 2022**

**PETROLEUM SPECIALITIES PTE. LTD.****STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME***For the Financial Year Ended 31 March 2022*

	<b>Note</b>	<b>2022</b> US\$	<b>2021</b> US\$
<b>Revenues</b>	4	-	67,176
Other income	5	17,398	31,558
<b>Other items of expense</b>			
Purchase of base oils/transformer oils		-	(65,683)
Salary expense		(48,168)	(44,096)
Foreign exchange loss		(25,701)	-
Professional fees		(9,880)	(14,816)
Operating lease expense		(10,039)	(19,023)
Bank charge		(210)	(438)
Depreciation		(52)	(392)
Corporate guarantee		(4,244)	(2,500)
Other operating expenses		(3,466)	(572)
<b>Loss before income tax</b>	6	(84,362)	(48,786)
Income tax expense	7	(301)	(2,653)
<b>Loss after tax for the financial year</b>		(84,663)	(51,439)
<b>Other comprehensive income</b>		-	-
<b>Total comprehensive loss for the financial year</b>		(84,663)	(51,439)

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

**PETROLEUM SPECIALITIES PTE. LTD.**

**STATEMENT OF FINANCIAL POSITION**

*As at 31 March 2022*

	<b>Note</b>	<b>2022</b> US\$	<b>2021</b> US\$
<b><u>ASSETS</u></b>			
<b>Non-current assets</b>			
Plant and equipment	8	24	76
Investment in subsidiary	9	12,329,700	12,329,700
		<u>12,329,724</u>	<u>12,329,776</u>
<b>Current assets</b>			
Other receivables	10	1,358,178	45,064
Loan to a third party	11	869,383	1,103,301
Cash and cash equivalents	12	699,412	1,854,583
Total current assets		<u>2,926,973</u>	<u>3,002,948</u>
<b>Total assets</b>		<u>15,256,697</u>	<u>15,332,724</u>
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>Equity</b>			
Share capital	13	59,101	59,101
Accumulated profits		15,126,422	15,211,085
		<u>15,185,523</u>	<u>15,270,186</u>
<b>Current liabilities</b>			
Other payables	14	71,174	62,538
Income tax payable		-	-
Total current liabilities		<u>71,174</u>	<u>62,538</u>
<b>Total equity and liabilities</b>		<u>15,256,697</u>	<u>15,332,724</u>

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 2022*

	<b>Share capital</b> US\$	<b>Accumulated profits</b> US\$	<b>Total equity</b> US\$
<b>2021</b>			
At 1 April 2020	59,101	15,262,524	15,321,625
Loss for the financial year representing total comprehensive loss for the year	-	(51,439)	(51,439)
At 31 March 2021	<u>59,101</u>	<u>15,211,085</u>	<u>15,270,186</u>
<b>2022</b>			
At 1 April 2021	59,101	15,211,085	15,270,186
Loss for the financial year representing total comprehensive loss for the year	-	(84,663)	(84,663)
At 31 March 2022	<u>59,101</u>	<u>15,126,422</u>	<u>15,185,523</u>

*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 2022*

	<b>2022</b>	<b>2021</b>
	US\$	US\$
<b>Operating activities</b>		
Loss before income tax	(84,663)	(48,786)
Adjustments:		
Interest income	(17,395)	(16,027)
Corporate guarantee	4,244	2,500
Depreciation	52	392
<b>Operating cash flows before changes in working capital</b>	<b>(97,762)</b>	<b>(61,921)</b>
Changes in working capital		
Other receivables	-	292
Other payables	4,392	24,096
Cash used in operations	(93,370)	(37,533)
Interest income received	17,395	18,708
Income tax refund	-	-
Income tax paid	-	(10,488)
<b>Net cash flows used in operating activities</b>	<b>(75,975)</b>	<b>(29,313)</b>
<b>Investing activities</b>		
Amount owing by/to a related party	(12,485)	(34,092)
Amount owing by subsidiary	(1,300,629)	-
Loan to a third party	233,918	-
<b>Net cash flows (used in) / generated from investing activities</b>	<b>(1,079,196)</b>	<b>(34,092)</b>
<b>Net (decrease) / increase in cash and cash equivalents</b>	<b>(1,155,171)</b>	<b>(63,405)</b>
Cash and cash equivalents at beginning of the financial year	1,854,583	1,917,988
<b>Cash and cash equivalents at end of the financial year</b>	<b>699,412</b>	<b>1,854,583</b>

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

## **PETROLEUM SPECIALITIES PTE. LTD.**

### **NOTES TO THE FINANCIAL STATEMENTS**

*For the Financial Year Ended 31 March 2022*

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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 2022 were authorised for issue by the Board of Directors on the date of the directors' statement.

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#### **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 Company is a wholly owned subsidiary of another entity, Apar Industries Limited. The Company does not have debt or equity instruments in a stock exchange and the Company did not file nor is in the process of filing, its financial statements with a securities commission or other regulatory organization for the purpose of issuing any debt and equity instruments. 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.

**NOTES TO THE FINANCIAL STATEMENTS**

*For the Financial Year Ended 31 March 2022*

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**2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2.1 Basis of preparation (Continued)**

Going Concern Assumption and Covid 19 implication

The Company incurred operating loss of US\$84,362 (2021: US\$48,786) and has incurred net cash used in operating activities of US\$75,975 (2021: US\$29,313) for the financial year ended 31 March 2022. These conditions indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern. Nevertheless, at the date of the authorisation of the financial statement, management assessed to reasonably expect the Company to have adequate resources to continue its operations for at least the next 12 months and that the going concern assumptions remains appropriate.

The World Health Organisation declared the COVID-19 outbreak as a pandemic on 11 March 2020. The Singapore Government announced on 3 April 2020, the closure of most workplace premises from 7 April to 4 May 2020. The COVID-19 outbreak is an event that occurred during Company's financial reporting year. Therefore, the impact of COVID-19 outbreak on the Company's assets and liabilities should have been assessed and recognised in the Company's financial statements as at 31 March 2021.

The COVID-19 pandemic has developed rapidly in 2020, with a significant number of cases. Measures taken by various governments to contain the virus have affected economic activity. The management have taken a number of measures to monitor and mitigate the effects of COVID-19, such as safety and health measures for the employees (such as social distancing and working from home) and the customers (safe distancing measures). At this stage, the impact on Company's business and results has not been significant.

The Company will continue to follow the various government policies and advice and, in parallel, will do its utmost to continue their operations in the best and safest way possible without jeopardising the health of their people.

**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 2021.

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

## PETROLEUM SPECIALITIES PTE. LTD.

### NOTES TO THE FINANCIAL STATEMENTS

For the Financial Year Ended 31 March 2022

## 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 FRS 103: Reference to the Conceptual Framework	1 January 2022
Amendments to FRS 16: Property, Plant and Equipment—Proceeds before Intended Use	1 January 2022
Amendments to FRS 37: Onerous Contracts—Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to FRS 2018 - 2020	
- FRS 109 Financial Instruments	1 January 2022
- Illustrative Examples accompanying FRS 116 Lease	1 January 2022
Amendments to FRS 12: Deferred Tax related to Assets and Liabilities arising from a Single Transaction	1 January 2023
Amendments to FRS 1: Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to FRS 1 and FRS Practice Statement 2: Disclosure of Accounting Policies	1 January 2023
Amendments to FRS 8: Definition of Accounting Estimate	1 January 2023
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
Amendments to FRS 110 Consolidated Financial Statements and FRS 28 Investments in Associates and Joint Ventures: 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.

**NOTES TO THE FINANCIAL STATEMENTS**

*For the Financial Year Ended 31 March 2022*

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**2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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: -

	<u>Useful lives</u>
Computer equipment	5 years
Plant and machinery	10 years

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.

**NOTES TO THE FINANCIAL STATEMENTS**

*For the Financial Year Ended 31 March 2022*

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**2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2.6 Financial instruments (Continued)**

**(a) Financial assets (Continued)**

**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.

**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.

**NOTES TO THE FINANCIAL STATEMENTS**

*For the Financial Year Ended 31 March 2022*

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**2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**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.

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 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.



**NOTES TO THE FINANCIAL STATEMENTS**

*For the Financial Year Ended 31 March 2022*

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**2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2.9 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.

**2.10 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.

**2.11 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.

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.

**PETROLEUM SPECIALITIES PTE. LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the Financial Year Ended 31 March 2022*

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**2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2.11 Income tax (Continued)**

**(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.

**2.12 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.

**2.13 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.

**2.14 Leases**

The Company assesses at contract inception whether a contract is, or contains, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration.

**As lessee**

The Company applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Company recognises lease liabilities representing the obligations to make lease payments and right-of-use assets representing the right to use the underlying leased assets.

**NOTES TO THE FINANCIAL STATEMENTS**

*For the Financial Year Ended 31 March 2022*

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**2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2.14 Leases (Continued)**

**Right-of-use assets**

The Company recognises right-of-use assets at the commencement date of the lease (i.e. the date the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognised, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received. Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets.

If ownership of the leased asset transfers to the Company at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

**Lease liabilities**

At the commencement date of the lease, the Company recognises lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (including in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Company and payments of penalties for terminating the lease, if the lease term reflects the Company exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognised as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g. changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

**Short-term leases and leases of low-value assets**

The Company applies the short-term lease recognition exemption to its short-term leases of photocopier (i.e. those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). It also applies the lease of low-value assets recognition exemption to leases of office equipment that are considered to be low value. Lease payments on short-term leases and leases of low value assets are recognised as expense on a straight-line basis over the lease term.

**NOTES TO THE FINANCIAL STATEMENTS**

*For the Financial Year Ended 31 March 2022*

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**2. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)**

**2.14 Leases (Continued)**

**As lessor**

Leases in which the Company does not transfer substantially all the risks and rewards incidental to ownership of an asset are classified as operating leases. Rental income arising from operating leases on the Company's investment properties is accounted for on a straight-line basis over the lease terms. Initial direct costs incurred in negotiating and arranging an operating lease are added to the carrying amount of the leased asset and recognised over the lease term on the same basis as rental income. Contingent rents are recognised as revenue in the period in which they are earned.

**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 (b);
  - (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.

**NOTES TO THE FINANCIAL STATEMENTS**

*For the Financial Year Ended 31 March 2022*

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**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.

**Judgements made in applying accounting policies**

There is no instance of application of judgement which is expected to have a significant effect on the amounts recognised in the financial statements, apart from those involving estimations described in Key sources of estimation uncertainty.

**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 was 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) Expected credit loss of loan to a third party, amount owing by a related party and other receivables

The expected credit losses of loan to a third party, amount owing by a related party and other receivables are based on the assumption that repayment of the loan is demanded at the reporting date. If the third party, related party and other receivables have sufficient accessible highly liquid assets in order to repay the loan if demanded at the reporting date, the expected credit loss is likely to be immaterial. If they could not repay the loan if demanded at the reporting date, management considers the expected manner of recovery to measure expected credit losses. This might be a "repay over time" strategy (that allows the borrower time to pay) or a fire sale of liquid assets.

As at 31 March 2022, Management determined there is no significant increase in credit risk on loan to a third party, amount owing by a related party and other receivables since initial recognition. These receivables are subject to immaterial credit loss allowance as at 31 March 2022. The Company's receivables are disclosed in Notes 10, and 11 to the financial statements. A decrease of 10% in the estimated future cash inflows will not lead to further allowance for impairment on the Company's receivables

**PETROLEUM SPECIALITIES PTE. LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the Financial Year Ended 31 March 2022*

**3. SIGNIFICANT ACCOUNTING JUDGMENTS AND ESTIMATES (CONTINUED)**

**Key sources of estimation uncertainty (Continued)**

**(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.

**(iii) Impairment of investment in subsidiary**

At the end of each financial year, an assessment is made on whether there is indication that the investments in subsidiaries are impaired. The management's assessment is based on the estimation of the value-in-use of the CGU by forecasting the expected future cash flows for a period up to 5 years, using a suitable discount rate in order to calculate the present value of those cash flows. The Company's carrying amount of investments in subsidiaries as at 31 March 2022 was US\$12,329,700 (2021: US\$12,329,700).

If the discount rate had been 0.5% higher or lower than management's estimates, the Company's impairment of investment in subsidiary would have been lower or higher by US\$61,649.

**4. REVENUES**

	<b>2022</b>	<b>2021</b>
	US\$	US\$
<u>Timing of revenue recognition:</u>		
At a point in time - sale of base oils/transformer oils	-	67,176

All revenues is generated in United Arab Emirates.

**5. OTHER INCOME**

	<b>2022</b>	<b>2021</b>
	US\$	US\$
Interest income	17,395	16,027
Foreign exchange gain	3	15,531
	<u>17,398</u>	<u>31,558</u>

**PETROLEUM SPECIALITIES PTE. LTD.****NOTES TO THE FINANCIAL STATEMENTS***For the Financial Year Ended 31 March 2022***6. LOSS BEFORE INCOME TAX**

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

	<b>2022</b>	<b>2021</b>
	US\$	US\$
Foreign exchange gain (loss)	(25,690)	15,531
Operating lease expense	(10,039)	(19,023)
Salary expense - Director	(48,168)	(44,096)

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 2022 and 2021.

**7. INCOME TAX**

	<b>2022</b>	<b>2021</b>
	US\$	US\$
<i>Current income tax:</i>		
Current year		-
Under provision in respect of prior years	301	2,653
	<u>301</u>	<u>2,653</u>

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

	<b>2022</b>	<b>2021</b>
	US\$	US\$
Loss before income tax	(84,863)	(48,786)
Tax calculated at tax rate of 17%	(14,427)	(8,294)
Tax effects of:		
Non-deductible expenses	14,728	67
Under provision of tax in prior years	-	2,653
Others	-	8,227
Income tax expense	<u>301</u>	<u>2,653</u>

**PETROLEUM SPECIALITIES PTE. LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the Financial Year Ended 31 March 2022*

**8. PROPERTY, PLANT AND EQUIPMENT**

	<b>Computers</b>	<b>Plant and equipment</b>	<b>Total</b>
	US\$	US\$	US\$
<b>Cost</b>			
At 31 March 2021 and 31 March 2022	11,240	98,608	109,848
<b>Accumulated depreciation</b>			
At 31 March 2020	11,112	98,268	109,380
Depreciation charge	52	340	392
At 31 March 2021	11,164	98,608	109,772
Depreciation charge	52	-	52
At 31 March 2022	11,216	98,608	109,824
<b>Carrying amount</b>			
As at 31 March 2022	24	-	24
As at 31 March 2021	76	-	76

**9. INVESTMENT IN SUBSIDIARY**

	<b>2022</b>	<b>2021</b>
	US\$	US\$
Equity investments at cost		
At the beginning and end of the financial year	12,329,700	12,329,700

Details of subsidiary is as follows:

<b>Name of company</b>	<b>Principal activity</b>	<b>Country of incorporation and place of business</b>	<b>Percentage of equity held</b>	
			<b>2022</b>	<b>2021</b>
			%	%
Petroleum Specialities FZE	Manufacturing and marketing of petroleum-based speciality products, all kinds of oil, lubricant and chemicals	United Arab Emirates	100	100



**NOTES TO THE FINANCIAL STATEMENTS**

*For the Financial Year Ended 31 March 2022*

**9. 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.

Key assumptions used in the value in use calculations

Pre-tax discount rates – Discount rate of 2.5%.

Revenue – The projection pertains to the growth rate not exceeding the maximum capacity of the operations at 6%.

Budgeted gross margin – The expected average gross margin of 13% 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.

Sensitivity to changes in assumptions

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 1% increase with all variables are constant will result in a decrease of value in use to approximately US\$304Mn.

**10. OTHER RECEIVABLES**

	<u>2022</u>	<u>2021</u>
	US\$	US\$
Amount owing by subsidiary	1,300,629	-
Amount owing by a related party	45,173	32,688
Deposits	12,376	12,376
	<u>1,358,178</u>	<u>45,064</u>

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.

**PETROLEUM SPECIALITIES PTE. LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the Financial Year Ended 31 March 2022*

**11. 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.

**12. CASH AND CASH EQUIVALENTS**

	<b>2022</b>	<b>2021</b>
	US\$	US\$
Cash at banks	699,412	838,140
Fixed deposit	-	1,016,443
	<u>699,412</u>	<u>1,854,583</u>

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

	<b>2022</b>	<b>2021</b>
	US\$	US\$
Singapore dollars	<u>382,822</u>	<u>238,511</u>

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 2022 is 2.25% per annum (2021: 2.25% per annum).

**13. SHARE CAPITAL**

	<b>2022</b>	<b>2021</b>	<b>2022</b>	<b>2021</b>
	Number of shares		US\$	US\$
<b>Ordinary shares issued and fully paid</b>				
At the beginning and end of the financial year	<u>100,000</u>	<u>100,000</u>	<u>59,101</u>	<u>59,101</u>

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.

**PETROLEUM SPECIALITIES PTE. LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the Financial Year Ended 31 March 2022*

**14. OTHER PAYABLES**

	<b>2022</b>	<b>2021</b>
	US\$	US\$
Accrued expenses	64,430	60,038
Amount owing to holding company	6,744	2,500
	<u>71,174</u>	<u>62,538</u>

Amount owing to holding company is unsecured, interest free and repayable on demand.

**15. 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.

	<b>2022</b>	<b>2021</b>
	US\$	US\$
Rental expense charged by a related party	10,039	19,023
Corporate guarantee charged by holding company	4,244	2,500
Revenues from subsidiary company	<u>-</u>	<u>(67,176)</u>

**NOTES TO THE FINANCIAL STATEMENTS**

*For the Financial Year Ended 31 March 2022*

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**16. 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

**NOTES TO THE FINANCIAL STATEMENTS**

*For the Financial Year Ended 31 March 2022*

**16. 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.

**NOTES TO THE FINANCIAL STATEMENTS**

*For the Financial Year Ended 31 March 2022*

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**16. 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.

**PETROLEUM SPECIALITIES PTE. LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the Financial Year Ended 31 March 2022*

**16. 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:

	<b>2022</b>	<b>2021</b>
	US\$	US\$
<b>Singapore dollars</b>		
Cash and cash equivalents	382,822	238,511

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

	<b>(Decrease)/ Increase in profit</b>	
	<b>before tax</b>	
	<b>2022</b>	<b>2021</b>
	US\$	US\$
Singapore dollars	3,828	2,835

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.

**17. COMMITMENTS**

- (a) The Company provided financial guarantees to various banks as below in connection with the bank facilities granted to its subsidiary company.
- The Company also executed Corporate Guarantee of US\$11,000,000 (2021: 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.

As at reporting date, all the utilisation is done on account of the subsidiary company.

**PETROLEUM SPECIALITIES PTE. LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the Financial Year Ended 31 March 2022*

**18. 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:

	<b>2022</b>	<b>2021</b>
	US\$	US\$
<b>Financial assets measured at amortised cost</b>		
Other receivables	1,358,178	45,064
Loan to a third party	869,383	1,103,301
Cash and cash equivalents	699,412	1,854,583
Total financial assets measured at amortised cost	<u>2,926,973</u>	<u>3,002,948</u>
<b>Financial liabilities measured at amortised cost</b>		
Other payables	<u>71,174</u>	<u>62,538</u>
Total financial liabilities measured at amortised cost	<u>71,174</u>	<u>62,538</u>

**19. 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 2022 and 31 March 2021.

The management monitors capital based on gearing ratio. The gearing ratio is calculated as net debt divided by total equity. Net debt is calculated as other payables less cash and cash equivalents. The gearing of the Company as at 31 March is as follows:

	<b>2022</b>	<b>2021</b>
	US\$	US\$
Net debt	-	-
Total equity	<u>15,185,523</u>	<u>15,270,186</u>
Gearing ratio	<u>0%</u>	<u>0%</u>



**PETROLEUM SPECIALITIES PTE. LTD.**

**NOTES TO THE FINANCIAL STATEMENTS**

*For the Financial Year Ended 31 March 2022*

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**20. FAIR VALUE OF FINANCIAL INSTRUMENTS**

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.

Assets and liabilities not measured at fair value

*Cash and cash equivalents, loan to a third party, other receivables, and other payables*

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