



## **SPECIAL PURPOSE INDEPENDENT AUDITOR'S REPORT**

**To the Board of Directors**

**Freedom Wealth Solutions Private Limited**

**Report on the Audit of the Special Purpose Revised Ind AS Standalone Financial Statements**

### **Opinion**

1. We have audited the accompanying Special Purpose Revised Ind AS Standalone Financial Statements of **Freedom Wealth Solutions Private Limited** ('the Company'), which comprise the Balance Sheet as at August 31, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the period April 01, 2021 to August 31, 2021, and notes to Special Purpose Revised Ind AS Standalone Financial Statements, including a summary of significant accounting policies and other explanatory information as requested by Management of the Company for the internal use of the Board of Directors of the Company (herein after referred to as "Special Purpose Revised Ind AS Standalone Financial Statements").
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Special Purpose Revised Ind AS Standalone Financial Statements, which have been prepared by the Company's management for their internal use, give a true and fair view of the state of affairs of the Company as at August 31, 2021, and its Profit (including other comprehensive income), statement of changes in equity and its cash flows for the period ended on that date, , in accordance with the Basis of accounting specified in Note 2 (a) & 2 (b) to the Special Purpose Revised Ind AS Standalone Financial Statements.

### **Basis for Opinion**

3. We conducted our audit 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 thereunder; and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### **Responsibility of Management for Special Purpose Revised Ind AS Standalone Financial Statements**

4. 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 Special Purpose Revised Ind AS Standalone Financial Statements that give a true and fair view of the financial position, financial performance including other comprehensive income, changes in equity and cash flows of the Company in accordance

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with the accounting principles generally accepted in India, including the Ind AS. 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; 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 Special Purpose Revised Ind AS Standalone Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. In preparing the Special Purpose Revised Ind AS Standalone 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 also responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Special Purpose Revised Ind AS Financial Statements**

5. Our objectives are to obtain reasonable assurance about whether the Special Purpose Revised Ind AS Standalone 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 Special Purpose Revised Ind AS Standalone Financial Statements.

As part of our audit in accordance with SAs we exercise professional judgment 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, to 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 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.

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.

#### **Restriction to use**

6. This report is issued at the request of the Company and is intended for the information and use of the Board of Directors of the Company and should not be circulated to any other person for any other purpose without our prior written consent.

For **Bathiya & Associates LLP**  
Chartered Accountants  
Firm Registration No. 101046W / W100063



**Vinod K. Shah**  
Partner

Membership No.: 032348

**Place:** Mumbai

**Date:** 13<sup>th</sup> November 2021

**UDIN:** 21032348A AAA BW7746



FREEDOM WEALTH SOLUTIONS PVT. LTD.  
 CIN : U74990MH2009PTC190352  
 SPECIAL PURPOSE IND AS STANDALONE BALANCE SHEET AS AT AUGUST 31, 2021

(Rs. In Lakhs)

Particulars	Notes	As at August 31, 2021	As at March 31, 2021
<b>I ASSETS</b>			
<b>Non-Current Assets</b>			
Financial Assets			
- Other Financial Assets	3	-	0.25
Other Non Current Assets	4	64.89	64.91
<b>Total Non-Current Assets</b>		<b>64.89</b>	<b>65.16</b>
<b>Current Assets</b>			
Financial Assets			
- Cash and Cash Equivalents	5	0.51	404.65
- Bank Balance Other Than 5 Above	6	4.76	4.66
- Loans	7	416.00	-
Other Current Assets	8	4.50	4.13
<b>Total Current Assets</b>		<b>425.77</b>	<b>413.44</b>
<b>TOTAL ASSETS</b>		<b>490.66</b>	<b>478.60</b>
<b>II EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
Equity share capital	9	249.64	249.64
Other Equity	10	236.74	225.87
<b>Total Equity</b>		<b>486.38</b>	<b>475.51</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
Financial Liabilities		-	-
<b>Total Non-Current Liabilities</b>		<b>-</b>	<b>-</b>
<b>Current Liabilities</b>			
Financial liabilities			
- Other Financial Liabilities	11	0.52	1.16
Other Current Liabilities	12	-	0.18
Provisions	13	3.76	1.75
<b>Total Current Liabilities</b>		<b>4.28</b>	<b>3.09</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>490.66</b>	<b>478.60</b>
Significant Accounting Policies & Notes Forming Part of the Financial Statement	1-32		

As per our attached report of even date

For and on behalf of the Board of Directors

For Bathiya & Associates LLP  
 Chartered Accountants  
 FRN 101046W/W100063

*Shamir*

Vinod K. Shah  
 Partner  
 Membership No: 032348  
 Place: Mumbai  
 Date: November 13, 2021

UDIN :- 21032348AAAA BW 7746



*Feroze Azeez*      *Girish Kumar Pungaiia*

Feroze Azeez  
 Director  
 DIN :07927989

Girish Kumar Pungaiia  
 Director  
 DIN :00032757



FREEDOM WEALTH SOLUTIONS PVT. LTD.

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SPECIAL PURPOSE STANDALONE STATEMENT OF PROFIT & LOSS FOR THE FIVE MONTHS PERIOD ENDED AUGUST 31, 2021

(Rs. In Lakhs)

Particulars	Notes	For the five months period ended August 31, 2021	For the year ended March 31, 2021
i Revenue From Operations	14	-	149.06
II Other Income	15	16.61	34.37
III Total Income (I+II)		16.61	183.43
IV Expenses:			
Employee Benefits Expense	16	-	32.23
Finance Costs	17	0.00	0.00
Depreciation and Amortisation Expenses	-	-	-
Other Expenses	18	2.08	142.44
Total Expenses		2.08	174.67
V Profit/(Loss) Before Tax (III-IV)		14.53	8.76
VI Tax Expenses:	19		
1. Current Tax		3.66	4.76
2. Deferred Tax		-	1.32
3. Tax Adjustment for Prior Period		-	(3.34)
Total Tax Expenses		3.66	2.74
VII Profit/(Loss) for the period / year (V-VI)		10.87	6.02
VIII Other Comprehensive Income/(Loss)			
Loss, Net of tax		-	-
Items that will be reclassified subsequently to the statement of Profit and Loss, Net of tax		-	-
Total Other comprehensive income/(loss)		-	-
<b>TOTAL COMPREHENSIVE INCOME FOR THE PERIOD / YEAR</b>		<b>10.87</b>	<b>6.02</b>
IX Earning Per Equity Share: (Face Value Rs. 10) *			
Basic - In Rs.	22	0.44	0.24
Diluted - In Rs.		0.44	0.24
* not annualised for period ended August 31, 2021			
Significant Accounting Policies & Notes Forming Part of the Financial Statement	1-32		

As per our attached report of even date

For and on Behalf of Board of Directors

For Bathiya & Associates LLP  
Chartered Accountants  
FRN 101046W/W100063

*Shame*

Vinod K. Shah  
Partner  
Membership No: 032348  
Place: Mumbai  
Date: November 13, 2021

UDIN: 21032348AAAABW7746



*Feroze Azeez*

Feroze Azeez  
Director  
DIN :07927989

*Girish Kumar Pungalia*

Girish Kumar Pungalia  
Director  
DIN :00032757



FREEDOM WEALTH SOLUTIONS PVT. LTD.

CIN : U74990MH2009PTC190352

SPECIAL PURPOSE STATEMENT OF CHANGES IN EQUITY FOR FIVE MONTHS PERIOD ENDED AUGUST 31, 2021

A. Equity Share Capital	(Rs. In Lakhs)	
	No. of shares	Amount
Equity shares of Rs. 10 each issued, subscribed and fully paid		
At 1 April 2020	24,96,381	249.64
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	24,96,381	249.64
Changes in equity share capital during the year	-	-
At 31 March 2021	24,96,381	249.64
Changes in Equity Share Capital due to prior period errors	-	-
Restated balance at the beginning of the current reporting period	24,96,381	249.64
Changes in equity share capital during the period	-	-
At 31 August 2021	24,96,381	249.64

B. Other Equity

(Rs. In Lakhs)

Particulars	Reserve and Surplus			Total
	Securities Premium	General Reserve	Retained Earnings	
Balance as at April 1, 2020	843.15	30.56	(653.86)	219.86
Profit/(Loss) during the Year	-	-	6.02	6.02
Addition during the Year	-	-	-	-
Other Comprehensive Income/(Loss)	-	-	-	-
Balance as at March 31, 2021	843.15	30.56	(647.84)	225.87
Balance as at April 1, 2021	843.15	30.56	(647.84)	225.87
Profit/(Loss) for the period	-	-	10.87	10.87
Addition during the period	-	-	-	-
Other Comprehensive Income/(Loss)	-	-	-	-
Balance as at August 31, 2021	843.15	30.56	(636.97)	236.74

As per our attached report of even date

For and on Behalf of Board of Directors

For Bathiya & Associates LLP  
Chartered Accountants  
FRN 101046W/W100063



Vinod K. Shah  
Partner  
Membership No: 032348  
Place: Mumbai  
Date: November 13, 2021

UDIN: 21032348AAAA BW7746

Feroze Azeez  
Director  
DIN :07927989

Girish Kumar Pungalia  
Director  
DIN :00032757



(Rs. In Lakhs)

Particulars	For the period ended August 31, 2021	For the year ended March 31, 2021
<b>A. Cash flow from operating activities</b>		
Net profit before tax and extra ordinary items.	14.53	8.76
Add / (Less) :		
Finance Cost	0.00	0.00
Interest Income	(16.61)	(34.20)
Bad Debts written off	-	60.26
<b>Operating profit before working capital changes</b>	<b>(2.08)</b>	<b>34.82</b>
Adjustment for :		
(Increase)/decrease in Loans	(415.75)	290.08
(Increase)/decrease in Other Current Assets	(0.38)	26.88
(Increase)/decrease in Trade Receivables	-	19.24
(Increase)/decrease in other Bank Balance	(0.10)	(0.33)
(Increase)/decrease in Other Financial and Other Current Liabilities	(0.82)	(0.71)
Increase/(decrease) in Trade Payable	-	(1.45)
	<b>(417.05)</b>	<b>333.71</b>
<b>Cash generated from operations</b>	<b>(419.13)</b>	<b>368.53</b>
Add / ( Less) :		
Income Tax (Paid)/ Refund	(1.62)	(6.52)
<b>Net cash from operating activities</b>	<b>(420.75)</b>	<b>362.01</b>
<b>B. Cash flow from investing activities :</b>		
Interest received	16.61	34.20
<b>Net cash from investing activities</b>	<b>16.61</b>	<b>34.20</b>
<b>C. Cash flow from financing activities :</b>		
Finance Cost	(0.00)	(0.00)
<b>Net cash used in financing activities</b>	<b>(0.00)</b>	<b>(0.00)</b>
<b>Net increase / (decrease) in cash and cash equivalents</b>	<b>(404.14)</b>	<b>396.20</b>
<b>Cash and cash equivalents - opening balance</b>	<b>404.65</b>	<b>8.45</b>
<b>Cash and cash equivalents - closing balance</b>	<b>0.51</b>	<b>404.65</b>

Details of cash and cash equivalent at the end of the Period / Year

- Cash on hand	-	-
- Balance in current and Fixed Deposit accounts	0.51	404.65
<b>Total</b>	<b>0.51</b>	<b>404.65</b>

Cash flow is prepared under indirect method as specified under IND AS 7-statements of Cash flow.

As per our attached report of even date  
For Bathiya & Associates LLP  
Chartered Accountants  
FRN 101046W/W100063

*Sham*  
Vinod K. Shah  
Partner  
Membership No: 032348  
Place: Mumbai  
Date: November 13, 2021



For and on Behalf of Board of Directors

*Feroze*  
Feroze Azeez  
Director  
DIN :07927989

*Girish*  
Girish Kumar Pungalia  
Director  
DIN :00032757

UDIN : 21032348AAAABW7746



FREEDOM WEALTH SOLUTIONS PVT. LTD.

CIN : U74990MH2009PTC190352

SPECIAL PURPOSE NOTES TO FINANCIAL STATEMENTS FOR THE FIVE MONTHS PERIOD ENDED AUGUST 31, 2021

## 1 CORPORATE INFORMATION

Freedom Wealth Solutions Pvt Ltd (FWSPL) is a Private limited Company incorporated under the provision of Companies Act, 1956. The Company is engaged in business of providing Investment Advisory Services. However SEBI vide its circular dated 23rd September 2020 issued guidelines for Investment Advisors, requiring them to ensure segregation of advisory and distribution activities at the client level. In view of captioned circular company decided to discontinue advisory activities effective from 1st October 2020 and hence no business activity is being carried out by FWSPL from the aforesaid date.

## 2 SIGNIFICANT ACCOUNTING POLICIES

### (a) Statement of Compliance

These financial statements are prepared in accordance with the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended by the Companies (Indian Accounting Standards) (Amendment) Rules, 2016, the relevant provisions of the Companies Act, 2013 ("the Act").

The financial statements were approved for issue by the Board of Directors of the Company at their meeting held on November 13, 2021.

### (b) Basis of Measurement

These Financial Statements have been prepared on historical cost basis, except for certain financial instruments, which are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. The accounting policies adopted in the preparation of the Financial Statements are consistent with those followed in the previous year by the Company.

### (c) Critical Accounting Judgements and Key Sources of Estimation Uncertainty

The preparation of the Company's Financial Statements requires management to make judgement, estimates and assumptions that affect the reported amount of revenue, expenses, assets and liabilities and the accompanying disclosures. Uncertainty about these assumptions and estimates could result in outcomes that require a material adjustment to the carrying amount of assets or liabilities affected in next financial years.

Estimates and underlying assumptions are reviewed on an on going basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

(i) **Fair value measurement:** Fair Value is a price of orderly transaction between market participants at the measurement date under current market conditions. Company determines Fair Value of Quoted Investment from available market price. When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using appropriate valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility.

(ii) **Provisions:** Provisions are recognized when there is a present obligation (legal or constructive) as a result of past event; and it is probable that an outflow of resources will be required to settle the obligation. Management estimates it by using its best judgement of future cash outflow.

(iii) **Taxes:** The Company periodically assesses its liabilities and contingencies related to income taxes for all years open to scrutiny based on latest information available. For matters where it is probable that an adjustment will be made, the Company records its best estimates of the tax liability in the current tax provision. The Management believes that they have adequately provided for the probable outcome of these matters.

Deferred tax assets are recognised for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilised. Significant management judgement is required to determine the amount of deferred tax assets that can be recognised, based upon the likely timing and the level of future taxable profits.

### (iv) 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 and attrition rate. The discount rate is determined by reference to market yields at the end of the reporting period on government securities.

### (d) Current and Non-Current Classification

Assets & liabilities which are going to materialise in one operating cycle are considered as current and assets & liabilities other than that are considered as non current.





**(e) Financial Instruments**

Financial assets and financial liabilities are recognised when a Company becomes a party to the contractual provisions of the instruments.

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 and ancillary costs related to borrowings) 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 recognised immediately in Statement of Profit and Loss.

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

**(i) Classification & Measurement of Financial Assets**

Financial assets are classified as 'Amortised Cost', 'Fair Value through Profit and Loss' (FVTPL) and 'Fair Value through Other Comprehensive Income' (FVTOCI) in the following categories:

**Debt Instruments at amortised cost:** Debt instruments that meet the following conditions are subsequently measured at amortised cost (except for those designated at FVTPL on initial recognition)

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

**Debt Instruments at FVTOCI:** Debt instruments that meet the following conditions are subsequently measured at FVTOCI (except for those designated at FVTPL on initial recognition)

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

**Debt Instruments at FVTPL:** Any debt instrument which is either initially designated at FVTPL or which does not meet the criteria for Amortised cost or FVTOCI is measured at FVTPL.

**Effective Interest Method:** Interest income from debt instruments is recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument (for example, prepayment, extension, call and similar options) but does not consider the expected credit losses.

**Equity Instruments at FVTOCI:** On initial recognition, the Company can make an irrevocable election (on an instrument by instrument basis) to present the subsequent changes in fair value in other comprehensive income pertaining to investments in equity instruments. This election is not permitted if the instrument is held for trading. The cumulative gain or loss is not reclassified to the Statement of Profit and Loss on disposal of the investment.

**Financial Assets at FVTPL:** Investments in equity instruments are classified at FVTPL, unless they were irrevocably elected on initial recognition as FVOCI. Financial Assets at FVTPL are measured at Fair Value at the end of each reporting period, with any gains or losses arising on remeasurement recognised in the Statement of Profit and Loss.

Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

**(ii) Impairment of financial assets**

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost, FVOCI debt instruments, and other financial assets. The impairment methodology applied depends on whether there has been a significant increase in credit risk. Note 27 details how the Company determines whether there has been a significant increase in credit risk.

For trade receivables only, the Company applies the simplified approach permitted by Ind AS 109 Financial Instruments, which requires expected lifetime losses to be recognised from initial recognition of the receivables.

**(iii) Derecognition of financial assets**

A financial asset is derecognised only when :

- The Company has transferred the rights to receive cash flows from the financial asset or
- retains the contractual rights to receive the cash flows of the financial asset, but assumes a contractual obligation to pay the cash flows to one or more recipients.

Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognised.

Where the entity has neither transferred a financial asset nor retains substantially all risks and rewards of ownership of the financial asset, the financial asset is derecognised if the Company has not retained control of the financial asset. Where the Company retains control of the financial asset, the asset is continued to be recognised to the extent of continuing involvement in the financial asset.



FREEDOM WEALTH SOLUTIONS PVT. LTD.

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SPECIAL PURPOSE NOTES TO FINANCIAL STATEMENTS FOR THE FIVE MONTHS PERIOD ENDED AUGUST 31, 2021

*(iv) Financial Liabilities:*

Financial liabilities which are held for trading or are designated at FVTPL are measured at fair value with changes being recognised in the statement of Profit and Loss.

Financial liabilities that are not held for trading and are not designated as at FVTPL, are measured at amortised cost. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method.

*(v) Derecognition of financial liabilities*

Company derecognises financial liabilities when, and only when, the company's obligations are discharged, cancelled or have expired. A substantial modification in the terms of an existing financial liability is accounted as a discharge of original financial liability and recognition of new financial liability. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable is recognised as profit or loss.

*(vi) Offsetting financial assets and liabilities*

Financial assets and liabilities are offset and the net amount presented in the statement of financial position when, and only when, the Company has a legal right and ability to offset the amounts and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

**(f) Derivatives financial instruments**

Derivatives are initially recognised at fair value on the date a derivative contract is entered into and are subsequently re-measured to their fair value at the end of each reporting period. The resulting gain or loss is recognised in the Statement of Profit and Loss.

**(g) Impairment of Assets**

Property, plant or equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amount may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value in use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent to those from other assets.

The Carrying Amount of Assets is reviewed at each Balance Sheet date if there is any indication of impairment based on internal/external factors. An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss, if any, is charged to Statement of Profit and Loss in the year in which an asset is identified as impaired. Reversal of impairment losses recognized in prior years is recorded when there is an indication that the impairment losses recognized for the assets no longer exists or have decreased

**(h) Cash and cash equivalents**

(i) Cash and cash equivalents in the balance sheet comprise cash at bank and on hand and short-term deposit with original maturity more than 3 Months & less than 12 months, which are subject to insignificant risk of changes in value.

(ii) For the purpose of presentation in the statement of cash flows, cash and cash equivalents consists of cash and short-term deposit, as defined above, net of outstanding bank overdraft as they are considered as an integral part of Company's cash management.

**(i) Borrowing Cost and Finance Charges**

Borrowing cost attributable to acquisition and construction of qualifying assets are capitalized as a part of the cost of such assets up to the date when such assets are ready for its intended use. Other borrowing cost are charged to the statement of profit and loss in the period in which they are incurred. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds and is measured with reference to the effective interest rate applicable to the respective borrowings.

**(j) Employee Benefits**

(i) Defined Contribution plan – Retirement benefit in the form of Provident Fund is a defined contribution scheme. The Company is statutorily required to contribute a specified portion of the basic salary of an employee to a provident fund as a part of retirement benefits to its employees. The contributions during the period are charged to statement of profit and loss. The Company recognizes contribution payable to the Provident Fund scheme as an expenditure when an employee renders related service.

(ii) Defined Benefit Plan – Gratuity, which is in the nature of Defined Benefit Schemes, are payable only to employees and accounted for on accrual basis. The Cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses are recognised in other comprehensive income in the period in which they occur and are not reclassified to the Statement of Profit and Loss.

The Company has not funded its gratuity Liability

(ii) Short Term Employee Benefits - The undiscounted amount of short-term employee benefits expected to be paid in exchange for the services rendered by employees are recognized during the year when the employees render the service. These benefits include incentive and Annual Leave which are expected to occur within twelve months after the end of the period in which the employee renders the related service.



**(k) Revenue Recognition**

(a) Revenue is recognized only when it can be reliably measured and it is reliable to expect ultimate collection on time basis.

(b) In respect financial planning fees since entire work is done at the initial stage entire revenue is recognized at the time of contract.

(c) Interest income is recognized on the time proportion basis taking into account the amount outstanding and the rate applicable.

(d) Dividends are recognised in profit or loss only when the right to receive payment is established, it is probable that the economic benefits associated with the dividend will flow to the Company, and the amount of the dividend can be measured reliably.

(e) The Company derives revenues primarily from sale of advisory services in capacity of financial Services

Revenue is recognized on satisfaction of performance obligation upon transfer of control of promised products or services to customers in an amount that reflects the consideration the Company expects to receive in exchange for those products or services.

The Company does not expect to have any contracts where the period between the transfer of the promised goods or services to the customer and payment by the customer exceeds one year. As a consequence, it does not adjust any of the transaction prices for the time value of money.

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

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

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

Revenue from services are recognised over a time as and when the performance obligation is satisfied.

Revenue from sale of advisory services are recognised at a time on which the performance obligation is satisfied.

Advisory Services do not meet any of the over time conditions hence revenue recognize at the point in time at which obligation is satisfy

**(l) Taxes on Income**

**Current Tax:** Provision for Income Tax is determined in accordance with the provisions of the Income Tax Act, 1961.

**Deferred Tax:** Deferred tax is recognized on timing differences between the accounting income and the taxable income for the year. The tax effect is calculated on the accumulated timing differences at the end of the accounting period based on prevailing enacted or substantively enacted regulations. Deferred tax liabilities are recognized for all timing differences. Deferred tax assets are recognized for deductible timing differences only to the extent there is probability that sufficient future taxable income will be available against which such deferred tax assets can be realized. At each reporting date the Company reassesses the unrecognized deferred tax assets and reviews the deferred tax assets recognized.

Current tax and Deferred tax are recognised in the Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in Other Comprehensive income or directly in equity respectively.

**(m) Provisions, Contingent Liabilities and Contingent Assets**

Provisions are recognized when there is a present obligation (legal or constructive) as a result of past event; and it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made.

Provisions (excluding retirement benefits) are not discounted to its present value and are determined based on best estimate required to settle the obligation at the Balance Sheet date, taking into account the risks and uncertainties surrounding the obligation.

Contingent Liabilities are possible but not probable obligations as on the Balance Sheet date, based on the available evidence. Contingent Liabilities are not recognised in the financial statements.

Contingent Assets are neither recognized nor disclosed as per IND AS 37.

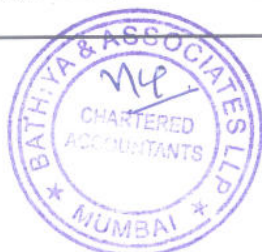
**(n) Earning per share**

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders of the company by the weighted average number of equity shares outstanding during the period/year.

Diluted earnings per share are computed using the weighted average number of equity shares and dilutive potential equity shares outstanding during the period/year. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

**(o) Cash Flow Statement**

Cash flows statement is prepared using the indirect method, whereby profit before tax is adjusted for the effects of transactions of a non-cash nature item of income or expenses associated with investing or financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.



		(Rs. In Lakhs)	
		As at August 31, 2021	As at March 31, 2021
<b>3</b>	<b>OTHER FINANCIAL ASSETS</b>		
	Unsecured Considered Good Security Deposit	-	0.25
		-	-
		-	0.25
		(Rs. In Lakhs)	
		As at August 31, 2021	As at March 31, 2021
<b>4</b>	<b>OTHER NON CURRENT ASSETS</b>		
	Advance Tax Including Tax Deducted at source (Net)	64.89	64.91
		64.89	64.91
		(Rs. In Lakhs)	
		As at August 31, 2021	As at March 31, 2021
<b>5</b>	<b>CASH AND CASH EQUIVALENTS</b>		
	Balances with Banks	0.51	4.65
	- in Current Accounts	-	400.00
	Fixed Deposit with Banks	-	-
		0.51	404.65
		(Rs. In Lakhs)	
		As at August 31, 2021	As at March 31, 2021
<b>6</b>	<b>BANK BALANCE OTHER THAN 5 ABOVE</b>		
	In Deposit Accounts with Original Maturity of more than 3 Months & less than 12 months	4.76	4.66
		4.76	4.66
		(Rs. In Lakhs)	
		As at August 31, 2021	As at March 31, 2021
<b>7</b>	<b>LOANS</b>		
	Loan to Related Parties		
	Unsecured, considered good	416.00	-
	Intercorporate Deposit	-	-
		416.00	-
		(Rs. In Lakhs)	
<b>As at August 31, 2021</b>			
	<b>Type of Borrower</b>	<b>Amount of loan or advance in the nature of loan outstanding</b>	<b>Percentage to the total Loans and Advances in the nature of loans</b>
	Promoters	-	0%
	Directors	-	0%
	KMPs	-	0%
	Related Parties	416.00	100%
		(Rs. In Lakhs)	
<b>As at March 31, 2021</b>			
	<b>Type of Borrower</b>	<b>Amount of loan or advance in the nature of loan outstanding</b>	<b>Percentage to the total Loans and Advances in the nature of loans</b>
	Promoters	-	-
	Directors	-	-
	KMPs	-	-
	Related Parties	-	-
		(Rs. In Lakhs)	
		As at August 31, 2021	As at March 31, 2021
<b>8</b>	<b>OTHER CURRENT ASSETS</b>		
	Prepaid Expenses	0.00	-
	GST Input Credit	4.50	4.13
		4.50	4.13



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		(Rs. In Lakhs)	
		As at August 31, 2021	As at March 31, 2021
<b>9 EQUITY SHARE CAPITAL</b>			
<b>Authorised</b>			
29,50,000 (29,50,000) Equity Shares of Rs.10/-each		295.00	295.00
		<b>295.00</b>	<b>295.00</b>
<b>Issued,Subscribed And Paid Up</b>			
24,96,381 (24,96,381) Equity Shares of Rs.10/-each		249.64	249.64
		<b>249.64</b>	<b>249.64</b>
<b>(i) Reconciliation of No. of equity shares outstanding</b>			
<b>Particulars</b>		As at August 31, 2021	
		No. of Shares	Amount In Lakhs
Shares outstanding at the beginning of the year		24,96,381	249.64
Shares Issued during the year by capitalising of reserve		-	-
Shares Issued during the year for consideration		-	-
Shares outstanding at the end of the year/period		<b>24,96,381</b>	<b>249.64</b>
		As at March 31, 2021	
		No. of Shares	Amount In Lakhs
Shares outstanding at the beginning of the year		24,96,381	249.64
Shares Issued during the year by capitalising of reserve		-	-
Shares Issued during the year for consideration		-	-
Shares outstanding at the end of the year/period		<b>24,96,381</b>	<b>249.64</b>
<b>(ii) Terms/Rights attached to the Equity Shares</b>			
<b>Equity Shares</b>			
<p>The Company has only one class of shares referred to as Equity Shares having a face value of Rs 10 per share. Each holder of equity share is entitled to one vote per share. The dividend proposed by the Board of Directors, if any is subject to the approval of the Shareholders in the ensuing Annual General Meeting. In the event of Liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the Shareholders.</p>			
<b>(iii) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company:</b>			
<b>Name of Shareholders</b>		As at August 31, 2021	
		No. of shares held	% of Holdings
Anand Rathi Wealth Limited (Holding Company)		23,71,625	95
		As at March 31, 2021	
		No. of shares held	% of Holdings
Anand Rathi Wealth Limited (Holding Company)		23,71,625	95
<b>(iv) Shareholding of promoters</b>			
<b>Shares held by promoters at the end of the period</b>		As at August 31, 2021	
<b>Promoter Name</b>		No. of Shares	% of total shares
Anand Rathi Wealth Limited (Holding Company)		23,71,625	95%
<b>Total</b>		23,71,625	95%
		% Change during the year	
			0%
			0%
<b>Shares held by promoters at the end of the period</b>		As at March 31, 2021	
<b>Promoter Name</b>		No. of Shares	% of total shares
Anand Rathi Wealth Limited (Holding Company)		23,71,625	95%
<b>Total</b>		23,71,625	95%
		% Change during the year	
			0%
			0%
<b>(v) Aggregate number of bonus shares issued, share issued for consideration other than cash and shares bought back during the period of five years immediately preceding the reporting date:</b>			
		Bonus shares Issued by the Company	Issue of shares for consideration other than cash
August 31,2021		-	-
March 31,2021		-	-
March 31,2020		-	-
March 31,2019		-	-
March 31,2018		-	-
March 31,2017		-	-



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		(Rs. In Lakhs)	
		As at August 31, 2021	As at March 31, 2021
<b>10</b>	<b>OTHER EQUITY</b>		
	Other equity consist of the following:		
(i)	<b>Securities Premium</b>		
	Opening balance	843.15	843.15
	Less: Utilised for Bonus Issue	-	-
	Add: Addition During the Period / Year	-	-
	Balance as at the end	<u>843.15</u>	<u>843.15</u>
(ii)	<b>General Reserve</b>		
	Opening balance	30.56	30.56
	Add: Addition During the Period / Year	-	-
	Balance as at the end	<u>30.56</u>	<u>30.56</u>
(iii)	<b>Retained Earnings</b>		
	Opening Balance	(647.84)	(653.86)
	Add: Profit/(Loss) During the Period / Year	10.87	6.02
	<i>Items of other comprehensive income recognised directly in retained earnings</i>		
	Remeasurements of post-employment benefit obligation, net of tax	-	-
	Balance as at the end	<u>(636.97)</u>	<u>(647.84)</u>
	<b>Total</b>	<u>236.74</u>	<u>225.87</u>
	<b>Securities Premium</b>		
	Balance of Security premium consist on issue of share over its face value. The balance will be utilised as per section 52 of the Companies Act,2013.		
	<b>Retained earnings</b>		
	Retained earnings comprises of the amounts of profit / (loss)earned by the company.		
	<b>General Reserve</b>		
	The Company appropriates a portion to General Reserves out of the profits voluntarily to meet future contingencies		
<b>11</b>	<b>OTHER FINANCIAL LIABILITIES</b>		
	Other Financial Liabilities - Current		
	Provision for Expenses	0.52	1.16
		<u>0.52</u>	<u>1.16</u>
<b>12</b>	<b>OTHER CURRENT LIABILITIES</b>		
	Statutory Dues	-	0.18
		<u>-</u>	<u>0.18</u>
<b>13</b>	<b>PROVISIONS</b>		
	Provision for Income Tax	3.76	1.75
		<u>3.76</u>	<u>1.75</u>



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SPECIAL PURPOSE NOTES TO FINANCIAL STATEMENT FOR THE FIVE MOTNHS PERIOD ENDED AUGUST 31, 2021

		(Rs. In Lakhs)	
		For the period ended August 31, 2021	For the year ended March 31, 2021
<b>14</b>	<b>REVENUE FROM OPERATIONS</b>		
	Revenue from sale of services		
	Distribution and Advisory Fees	-	149.06
		-	149.06
<b>15</b>	<b>OTHER INCOME</b>		
	Interest income	16.61	34.20
	Miscellaneous income	-	0.17
		16.61	34.37
<b>16</b>	<b>EMPLOYEE BENEFITS EXPENSE</b>		
	Salary, Incentives & Bonus	-	30.81
	Contributions to provident and other fund	-	1.42
	Staff welfare expenses	-	-
		-	32.23
<b>17</b>	<b>FINANCE COSTS</b>		
	Interest	0.00	0.00
		0.00	0.00
<b>18</b>	<b>OTHER EXPENSES</b>		
	Networking expenses	0.00	0.14
	Legal & professional charges	0.53	0.44
	Membership & subscription charges	-	3.36
	SEBI Settlement Charges	-	14.63
	Business promotion and advertisement expenses	-	0.01
	Bad Debts written off	-	60.26
	Conveyance expenses	-	1.00
	Rent Expenses	0.25	0.60
	Auditors remuneration	-	-
	Audit fee	0.52	1.25
	Tax Audit	-	-
	Other Services	0.40	0.50
	Referral Expenses	-	60.23
	Miscellaneous & other expenses	0.38	0.02
		2.08	142.44



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SPECIAL PURPOSE NOTES TO FINANCIAL STATEMENT FOR THE FIVE MOTNHS PERIOD ENDED AUGUST 31, 2021

		(Rs. In Lakhs)	
		For the period ended August 31, 2021	For the year ended March 31, 2021
<b>19</b>	<b>INCOME TAX EXPENSE</b>		
<b>a</b>	<b>Current Tax</b>		
	Current tax on profit for the year	3.66	4.76
	Adjustments for current tax of prior periods	-	(3.34)
	<b>Total Current tax expenses</b>	<b>3.66</b>	<b>1.42</b>
	<b>Deferred Tax</b>		
	(Decrease) / Increase in deferred tax liabilities	-	0.56
	MAT	-	0.76
	<b>Total deferred tax expenses / benefit</b>	<b>-</b>	<b>1.32</b>
	<b>Total Income Tax Expenses</b>	<b>3.66</b>	<b>2.74</b>
<b>b</b>	<b>Reconciliation of tax rate and accounting profit multiplied by India's tax rate:</b>		
		(Rs. In Lakhs)	
	<b>Particulars</b>	<b>For the period ended August 31, 2021</b>	<b>For the year ended March 31, 2021</b>
	<b>Reconciliation :-</b>		
	Profit/(Loss) Before Tax	14.53	8.76
	<b>Enacted tax rate in India</b>	<b>25.17</b>	<b>26.00</b>
	<b>Computed Tax Expense</b>	<b>3.66</b>	<b>2.28</b>
	Expenses Disallowed		3.80
	On Account of Previous Year Adjustments		(3.34)
	<b>Total Tax Expenses Recognised</b>	<b>3.66</b>	<b>2.74</b>
	<b>Effective Tax Rate</b>	<b>25.17%</b>	<b>31.27%</b>

The Government of India has inserted section 115BAA in the Income Tax Act, 1961 which provides domestic companies an option to pay corporate tax at reduced rate of 22% plus applicable surcharge and cess which is effective from 1st April 2019 subject to certain conditions. The Company has adopted the option of reduced rate and accordingly income tax and deferred tax have been calculated.





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SPECIAL PURPOSE NOTES TO FINANCIAL STATEMENT FOR THE FIVE MOTNHS PERIOD ENDED AUGUST 31, 2021

**20 INDIAN ACCOUNTING STANDARD 108:- OPERATING SEGMENTS**

There is one segment namely wealth management services.

**21 RELATED PARTY DISCLOSURE - Ind AS**

**(a) List of Related Parties**

**(i) Holding Company**

Anand Rathi Wealth Ltd

**(ii) Fellow Subsidiary Company**

Ffreedom Intermediary Infrastructure Pvt Ltd

AR Digital Wealth Pvt Ltd

**(iii) Entity of which Holding Company is an associate**

Anand Rathi Financial Services Limited

**(iv) Other Related Parties**

Anand Rathi Global Finance Limited

Anand Rathi Share and Stock Brokers Limited

**(v) Key Management Personnel**

Rakesh Rawal

Feroze Azeez

Girish Pungalia

Rajkumar Jain

**(b) The following transactions were carried out with the related parties in the ordinary course of business:**

(Rs. In Lakhs)

Nature of Transaction/Relationship		(Rs. In Lakhs)	
		For the period ended August 31, 2021	For the year ended March 31, 2021
<b>(i) Loan Given</b>			
Anand Rathi Share and Stock Brokers Limited	Other Related Parties	419.00	-
Anand Rathi Financial Services Limited	Entity of which Holding Company is an associate		243.66
<b>(ii) Loan Repayment Received</b>			
Anand Rathi Financial Services Limited	Entity of which Holding Company is an associate		533.74
Anand Rathi Share and Stock Brokers Limited	Other Related Parties	3.00	-
<b>(iii) Reimbursement of Expenses incurred for</b>			
Ffreedom Intermediary Infrastructure Pvt Ltd	Fellow Subsidiary Company	-	0.53
<b>(iv) Payment of Reimbursement of Expenses Received</b>			
Ffreedom Intermediary Infrastructure Pvt Ltd	Fellow Subsidiary Company		0.53
Anand Rathi Share and Stock Brokers Limited	Other Related Parties	0.01	
<b>(v) Interest Income</b>			
Anand Rathi Share and Stock Brokers Limited	Other Related Parties	16.31	-
Anand Rathi Financial Services Limited	Entity of which Holding Company is an associate	-	33.87
<b>(vi) Referral fees Expenses</b>			
Anand Rathi Wealth Ltd	Holding Company	-	60.23
<b>(vii) Rent Expenses</b>			
Anand Rathi Global Finance Limited	Other Related Parties	0.25	0.60
			(Rs. In Lakhs)
		For the period ended August 31, 2021	For the year ended March 31, 2021
<b>(c) Outstanding balance</b>			
<b>(i) Loan Given</b>			
Anand Rathi Share and Stock Brokers Limited	Other Related Parties	416.00	-



22 Earning Per Share	(Rs. In Lakhs)	
	For the period ended August 31, 2021	For the year ended March 31, 2021
Net Profit after tax	10.87	6.02
Number of equity shares	24,96,381	24,96,381
Face Value Per Share (in Rs)	10.00	10.00
Weighted Average number of equity shares	24,96,381	24,96,381
Diluted Weighted Average number of equity shares	24,96,381	24,96,381
Earnings Per Share (in Rs) *		
– Basic	0.44	0.24
– Diluted	0.44	0.24

\* EPS is not annualised for the period ended August 2021.

### 23 Capital Management

For the purpose of Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to equity holders of company. The Company manages its capital to ensure that it continue as going concern while maximising the return to stakeholders through the optimisation of the debt and equity balance.

The Company monitors capital using a gearing ratio. Capital gearing ratio of company is as follows :

	(Rs. In Lakhs)	
	August 31, 2021	March 31, 2021
Equity	249.64	249.64
Other Equity	236.74	225.87
<b>Total Equity (A)</b>	<b>486.38</b>	<b>475.51</b>
Borrowings	-	-
<b>Total Debt (B)</b>	<b>0.00</b>	<b>0.00</b>
<b>Net Debt to Equity Ratio (B/A)</b>	<b>0.00</b>	<b>0.00</b>

### 24 Contingent Liabilities

Particulars	(Rs. In Lakhs)	
	As at August 31, 2021	As at March 31, 2021
Liabilities disputed - appeals filed with respect to :		
Income Tax demand for Assessment Year 2013-14 *	-	41.66
Income Tax demand for Assessment Year 2013-14 (Penalty order under sec 271(1)(c))	-	46.24
Income Tax demand for Assessment Year 2015-16 *	-	114.36
<b>Total</b>	<b>-</b>	<b>202.26</b>

\* Addition on account of difference in consideration which is received more in comparison to fair market value of shares issued u/s 56(2)(vii)(b)



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25 Ratios as per Schedule III requirements

(Rs. In Lakhs except ratios)

1 Current Ratio = Current Assets divided by Current Liabilities

Particulars	As at August 31, 2021	As at March 31, 2021
Current Assets	425.77	413.44
Current Liabilities	4.28	3.09
Ratio	99.46	134.00
% Change from previous period / year	-26%	84%

Reason for change more than 25%:

During the year ended August 31, 2021 the current liabilities has increased on account of increase in provisions

During the year ended March 31, 2021 the current liabilities has decreased on account of decrease in trade payables

2 Debt Equity Ratio = Total debt divided by Total equity where total debt refers to sum of current and non-current borrowings

Particulars	As at August 31, 2021	As at March 31, 2021
Total Debt	-	-
Total Equity	486.38	475.51
Ratio	0%	0%
% Change from previous period / year	0%	0%

Reason for change more than 25%:

None

3 Debt Service Coverage Ratio = Earnings available for debt services divided by the Total interest, principal and lease repayment during the period

Particulars	As at August 31, 2021	As at March 31, 2021
Profit after tax	10.87	6.02
Add: Non cash operating expenses and finance cost		
Depreciation and Amortisation Expenses	0.00	0.00
Finance Costs	0.00	0.00
Earnings available for debt service	10.87	6.02
Interest cost on borrowings	0.00	0.00
Principal repayments	-	-
lease payments	-	-
Total interest and principal repayments	0.00	0.00
Ratio	-	-
% Change from previous period / year	NA*	0%

Reason for change more than 25%:

None

4 Return on Equity Ratio = Profit after tax divided by Average Equity

Particulars	As at August 31, 2021	As at March 31, 2021
Profit after tax	10.87	6.02
Average Equity	480.94	472.50
Ratio	0.02	0.01
% Change from previous period / year	NA*	-7%

Reason for change more than 25%:

None

5 Trade receivables turnover ratio = Revenue from Operations divided by average trade receivables

Particulars	As at August 31, 2021	As at March 31, 2021
Revenue from Operations	-	149.06
Average trade receivables	-	39.75
Ratio	-	3.75
% Change from previous period / year	NA*	228%

Reason for change more than 25%:

During the year ended March 31, 2021, ratio has increased due to decrease in credit period from 319 days to 97 days.



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SPECIAL PURPOSE NOTES TO FINANCIAL STATEMENT FOR THE FIVE MOTNHS PERIOD ENDED AUGUST 31, 2021

(Rs. In Lakhs except ratios)

**6 Trade payables turnover ratio = Credit purchases divided by average trade payables**

Particulars	As at August 31, 2021	As at March 31, 2021
Credit Purchases / Expenses* (refer note below)	2.08	142.44
Average trade payables	-	1.30
Ratio	-	109.71
% Change from previous period / year	NA*	109%

Note : Credit purchases/ expenses is calculated from the total other expenses

Reason for change more than 25%:

During the year ended March 31, 2021, ratio has increased due to decrease in credit period from 7 days to 3 days.

**7 Net capital turnover ratio = Revenue from Operations divided by Net working capital whereas net working capital = current assets - current liabilities**

Particulars	As at August 31, 2021	As at March 31, 2021
Revenue from Operations	-	149.06
Net Working Capital	421.49	410.36
Ratio	-	0.36
% Change from previous period / year	NA*	15%

Reason for change more than 25%:

None

**8 Net Profit ratio = Profit after tax divided by Revenue from Operations**

Particulars	As at August 31, 2021	As at March 31, 2021
Profit after tax	10.87	6.02
Revenue from Operations	-	149.06
Ratio	-	0.04
% Change from previous period / year	NA*	-19%

Reason for change more than 25%:

None

**9 Return on Capital Employed= EBIT/ Capital Employed**

Particulars	As at August 31, 2021	As at March 31, 2021
Profit for the year (A)	10.87	6.02
Income tax expense (B)	3.66	2.74
Profit before tax (C=A+B)	14.53	8.76
Finance costs (D)	0.00	0.00
Earnings before interest & taxes (EBIT) (E=C+D)	14.53	8.76
Equity share capital (F)	249.64	249.64
Other equity (G)	236.74	225.87
Total Debt (H)	-	-
Deferred Tax Liabilities (I)	-	-
Intangible assets (J)	-	-
Capital Employed (H=F+G+H+I+J)	486.38	475.51
Return on Capital Employed= EBIT (E)/ Capital Employed (H)	0.03	0.02
% Change from previous period / year	NA*	3%

Reason for change more than 25%:

None

Note:- \* Reason for change more than 25% for 31st August 2021 have not been reported as numbers are not comparable with 31st March 2021.



26 Financial Instrument - Fair Values

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.

August 31, 2021	Note No.	Carrying Amount	Fair value			Total
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
<b>Financial assets</b>						
<b>Amortised Cost</b>						
(i) Cash and cash equivalents	5	0.51	-	-	-	-
(ii) Other Bank Balance	6	4.76	-	-	-	-
(iii) Other Financial Assets	3	-	-	-	-	-
(iv) Loans	7	416.00	-	-	-	-
		<b>421.27</b>	-	-	-	-
<b>Financial liabilities</b>						
<b>Amortised Cost</b>						
(i) Other Financial liabilities	11	0.52	-	-	-	-
		<b>0.52</b>	-	-	-	-

March 31, 2021	Note No.	Carrying Amount	Fair value			Total
			Quoted prices in active markets (Level 1)	Significant observable inputs (Level 2)	Significant unobservable inputs (Level 3)	
<b>Financial assets</b>						
<b>Amortised Cost</b>						
(i) Cash and cash equivalents	5	404.65	-	-	-	-
(ii) Other Bank Balance	6	4.66	-	-	-	-
(iii) Other Financial Assets	3	0.25	-	-	-	-
(iv) Loans	7	-	-	-	-	-
		<b>409.57</b>	-	-	-	-
<b>Financial liabilities</b>						
<b>Amortised Cost</b>						
(i) Other Financial liabilities	11	1.16	-	-	-	-
		<b>1.16</b>	-	-	-	-

- (i) The fair value of the financial assets and liabilities are included at the amount at which the instrument can be exchanged in the current transaction between willing parties, other than in a forced or liquidation sale.
- (ii) Financial instruments carried at amortised cost such as cash deposits, trade and other receivables, trade payables, borrowings and other current financial instruments approximate at their fair values largely due to short term maturities of these instruments.

27 Financial instruments – Risk management

Risk management framework

The Company's activities expose it to a variety of financial risks, including market risk, credit risk and liquidity risk. The Company's primary risk management focus is to minimize potential adverse effects on revenue. The Company's risk management assessment and policies and processes are established to identify and analyze the risks faced by the Company, to set appropriate risk limits and controls, and to monitor such risks and compliance with the same. Risk assessment and management policies and processes are reviewed regularly to reflect changes in market conditions and the Company's activities. The Board of Directors and the Audit Committee is responsible for overseeing the Company's risk assessment and management policies and processes.

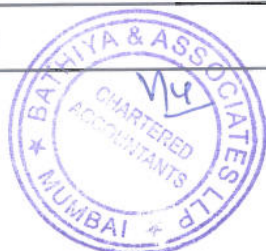
Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. The Company manages its liquidity risk by ensuring, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risk to the Company's reputation.

Exposure to liquidity risk

The table below analyses the Company's financial liabilities into relevant maturity groupings based on their contractual maturities for all financial liabilities

Particulars	Carrying amount	Total	Contractual cash flows (INR lacs)			1-5 years
			On Demand	Less than 3 months	3-12 months	
<b>31 August 2021</b>						
Other Financial Liabilities	0.52	0.52		0.52		
<b>31 March 2021</b>						
Other Financial Liabilities	1.16	1.16		1.16		



**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, security deposits, capital advances and investment securities.

Customer credit risk is managed by company as per its policy, procedures and control relating to customer credit risk. Credit quality of a customer credit risk is assessed based on an extensive credit rating scoreboard and individual credit limits are defined in accordance with this assessment. Outstanding customer receivables are regularly monitored and all possible steps taken to timely realise them.

The credit risk on Fixed Deposits with Banks is limited because the counterparties are Banks

Since the company received payment in advance there is no expected credit loss as per past trend and hence no ageing in terms of percentage loss shall be available

	As at August 31, 2021	As at March 31, 2021
Balance in Current Account	0.51	404.65
Fixed Deposit	4.76	4.66
Loan	416.00	-
Other Financial Assets	-	0.25

**Market Risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market Risk comprises three types of risk: a.) Interest Rate Risk, b.) Currency Risk and c.) Other Price Risk such as equity price risk etc.

**Interest rate risk**

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Company don't have any debt obligation of floating interest rate, so no interest rate risk exists.

**Equity Price Risk**

The Company's Board of Directors reviews and approves all equity investment decisions.

At the reporting date, there is no exposure to equity securities of other entities.

**Currency Risk**

The Company's primary business activities are within India and does not have significant exposure in foreign currency.

**28 Dues to micro, small and medium enterprises**

The Ministry of Micro, Small and Medium Enterprises has issued an office memorandum dated August 26, 2008 which recommends that the Micro and Small Enterprises should mention in their correspondence with its customers the Entrepreneurs Memorandum Number as allocated after filing of the Memorandum in accordance with the 'Micro, Small and Medium Enterprises Development Act, 2006' ('the Act'). Accordingly, the disclosure in respect of the amounts payable to such enterprises as at August 31, 2021 and March 31, 2021 has been made in the financial statements based on information received and available with the Company. Further in view of the Management, There is no latest payable in accordance with the provision of the act. The Company has not received any claim for interest from any supplier as at the balance sheet date.

Particulars	For the year ended	
	As at August 31, 2021	As at March 31, 2021
The principal amount remaining unpaid to any supplier at the end of each accounting year;	-	-
The interest due thereon remaining unpaid to any supplier at the end of each accounting year;	-	-
The amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year;	-	-
The amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006;	-	-
The amount of interest accrued and remaining unpaid at the end of each accounting year; and	-	-
The amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-
	-	-

29 In the opinion of the Management, the value of all Current Assets is not less than their realisable value in the ordinary course of business.

**30 Corporate Social Responsibility (CSR)**

The Company is not liable to spend any amount as per the provisions of Sec 135 of the companies Act, 2013.

**31 Revised Schedule III disclosure**

The Group has adopted the Revised Schedule III as issued by MCA and accordingly numbers of comparative period has been reclassified as required. Considering the reclassification is not significant, a third balance sheet has not been given.

32 The figures of the previous years have been regrouped / rearranged wherever necessary.

As per our attached report of even date

For Bathiya & Associates LLP  
Chartered Accountants  
FRN 101046W/W100063

*Shami*

Vinod K. Shah  
Partner  
Membership No: 032348  
Place: Mumbai  
Date: November 13, 2021

UDIN: 21032348 AAAA 607746



For and on Behalf of Board of Directors

*Feroze Azeez*  
Feroze Azeez  
Director  
DIN :07927989

*Girish Kumar Pungalia*  
Girish Kumar Pungalia  
Director  
DIN :00032757

