

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

**(Referred to in paragraph 2(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the members of AP TECHNOHORIZON PRIVATE LIMITED of even date)**

### **Report on the Internal Financial Controls Over Financial Reporting 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 **AP TECHNOHORIZON PRIVATE LIMITED** ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

#### **Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") issued by ICAI 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. 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 were 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 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.



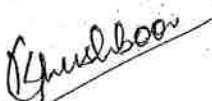
## **Inherent Limitations of Internal Financial Controls over Financial Reporting**

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.

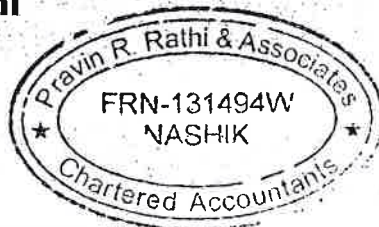
### **Opinion**

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 31st March, 2023, based on the internal control over financial reporting criteria established by the company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For Pravin R Rathi & Associates.  
Chartered Accountants  
Firm Regn No. 131494W**

  
**CA Khushboo Rathi  
Partner  
M No. 419090**

**Place: Nashik  
Date: 03.05.2023  
UDIN: 23419090BGYNHN4333**




Particulars	Note No	As At Mar 31, 2023	As at Mar 31, 2022
<b>I ASSETS</b>			
<b>1 CURRENT ASSETS</b>			
(A) Financial assets			
(i) Cash and cash equivalents	1	0.08	12.18
(B) Other current assets	2	0.43	0.17
<b>TOTAL CURRENT ASSETS</b>		<b>0.51</b>	<b>12.35</b>
<b>TOTAL ASSETS</b>		<b>0.51</b>	<b>12.35</b>
<b>II EQUITY &amp; LIABILITIES</b>			
<b>1 EQUITY</b>			
(A) Equity share capital	3	1.00	1.00
(B) Other equity	4	(0.69)	(0.26)
<b>TOTAL EQUITY</b>		<b>0.31</b>	<b>0.74</b>
<b>2 NON-CURRENT LIABILITIES</b>			
(A) Financial Liabilities			
(i) Borrowings	5	0.10	-
(ii) Trade Payables		-	-
(B) Deferred tax liabilities (Net)		-	-
(c) Other non-current liabilities		-	-
(D) Provisions		-	-
<b>TOTAL NON-CURRENT LIABILITIES</b>		<b>0.10</b>	<b>-</b>
<b>2 CURRENT LIABILITIES</b>			
(A) Financial liabilities			
(i) Borrowings		-	-
(ii) Trade Payables		-	-
(B) Other Current Liabilities	6	-	11.51
(C) Short Term Provisions	7	0.10	0.10
<b>TOTAL CURRENT LIABILITIES</b>		<b>0.10</b>	<b>11.61</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>0.51</b>	<b>12.35</b>
Significant Accounting Policies	25		

The accompanying notes are an integral part of the financial statements

As per our report of even date attached  
For Pravin R. Rathi & Associates  
Chartered Accountants  
Firm Registration No. 131494W

For & on behalf of the Board of Directors

  
CA Khushboo A. Rathi  
Partner  
Membership No. : 419090



  
Vijayadevi V Borkar  
Director  
DIN : 09342798

  
Narayanmurthy Kanthanvar  
Director  
DIN : 08915062

Place: Nashik  
Date : 03/05/2023  
UDIN No : 23419090BGYNHN4333

Profit and Loss statement for the Year Ended on March 31, 2023

(\* In Lacs)

Particulars	Note No.	For Year Ended 31, 2023	March	For Year Ended 31, 2022	March
Revenue from Operations	8		-		151.39
Other Income	9		0.01		-
<b>I Total Income</b>			<b>0.01</b>		<b>151.39</b>
<b>Operating Expenses</b>					
Cost of material consumed			-		-
Purchases of Stock in Trade	10		-		151.39
Changes in Inventory			-		-
Employee Cost			-		-
Finance Cost	11		0.02		0.00
Depreciation and Amortization			-		-
Other Expenses	12		0.41		0.26
<b>II Total Expenses</b>			<b>0.44</b>		<b>151.65</b>
<b>III Profit before Tax (I - II)</b>			<b>(0.43)</b>		<b>(0.26)</b>
<b>IV Tax Expense:</b>					
Current Tax			-		-
Tax For Earlier Years			-		-
Deferred Tax			-		-
<b>V Profit for the period (III - IV)</b>			<b>(0.43)</b>		<b>(0.26)</b>
<b>VI Other Comprehensive Income</b>			-		-
<b>VII Total comprehensive income for the period (V + VI)</b>			<b>(0.43)</b>		<b>(0.26)</b>
<b>VIII Earnings per Equity Share of Nominal Value Rs. 10 each:</b>					
Basic			(4.31)		(2.60)
Diluted	13		(4.31)		(2.60)
<b>Significant Accounting Policies</b>	25				

The accompanying notes are an integral part of the financial statements

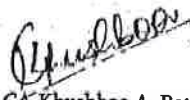
As per our report of even date attached

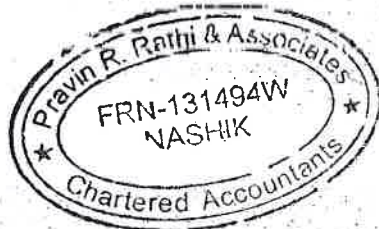
For Pravin R. Rathi & Associates

Chartered Accountants

Firm Registration No. 131494W

For & on behalf of the Board of Directors

  
GA Khushboo A. Rathi  
Partner  
Membership No. : 419090



  
Vijayadevi V Burkar  
Director  
DIN : 09342798

  
Narayanmurthy Kanthanvar  
Director  
DIN : 08915062

Place: Nashik  
Date : 03/05/2023  
UDIN No : 23419090BGYNH4333

Cash Flow Statement for the Period Ended on Mar 31, 2023

Particulars	For year ended 31-Mar-2023	For year ended 31-Mar-2022
	( ₹ in Lacs)	( ₹ in Lacs)
<b>A CASH FLOW FROM OPERATING ACTIVITIES :</b>		
Net Profit Before Extraordinary Items and Taxation	(0.43)	(0.26)
Adjustment for :		
Depreciation and Amortisation	-	-
Expense write off, grouped as 'Intangible Assets under development' in previous year	-	-
Operating Profit Before Changes in Working Capital	(0.43)	(0.26)
Adjustments for changes in Operating Assets / Liabilities		
(Decrease)/increase in Trade and other Receivables	-	-
(Decrease)/increase in Inventories	-	-
(Decrease)/increase in long-term loans and advance	-	-
(Decrease)/increase in short-term loans and advance	-	-
(Decrease)/increase in other Non-Current financial assets	-	-
(Decrease)/increase in other Non-Current assets	-	-
(Decrease)/increase in other Current assets	(0.26)	(0.17)
(Decrease)/increase in other Current Financial assets	-	-
Decrease/(Increase) in Other Bank Balances	-	-
(Decrease)/increase in Trade and Operating Payables	-	-
Increase / (Decrease) in Long term provision	-	-
Increase / (Decrease) in Short term borrowings	-	-
Increase / (Decrease) Current tax liabilities (Net)	-	-
(Decrease)/increase in Other Current Financial Liabilities	(11.51)	11.51
(Decrease)/increase in Other Current Liabilities	-	-
Increase / (Decrease) in Other short term Liabilities	-	-
Increase / (Decrease) in Short term provision	-	0.10
Cash Generated from operations	(12.20)	11.18
Income Tax	-	-
<b>NET CASH FLOW FROM OPERATING ACTIVITIES</b>	<b>(12.20)</b>	<b>11.18</b>
<b>B CASH FLOW FROM INVESTING ACTIVITIES :</b>		
Purchase of Assets	-	-
(Increase) in Intangible Assets under development	-	-
Right of use assets	-	-
Loans given	-	-
<b>NET CASH USED IN INVESTING ACTIVITIES</b>	<b>-</b>	<b>-</b>
<b>C CASH FLOW FROM FINANCING ACTIVITIES</b>		
Proceeds from Issues of Shares & Share Application Money	-	1.00
Proceeds from Borrowing	0.10	-
Preliminary Expenses written off	-	-
<b>NET CASH RECEIPT FROM FINANCING ACTIVITIES</b>	<b>0.10</b>	<b>1.00</b>
Net Increase In Cash & Cash Equivalents	(12.10)	12.18
Cash and Cash Equivalents at the beginning of the period	12.18	-
<b>Cash and Cash Equivalents at the end of the period/Year</b>	<b>0.08</b>	<b>12.18</b>

Notes :

All figures in bracket are outflow.

Direct taxes paid are treated as arising from operating activities and are not bifurcated between investing and financing activities.

The cash flow statement has been prepared under Indirect Method as per Ind AS 7 "Statement of Cash Flows" as under section 133 of Companies Act, 2013.

As per our report of even date attached

For Pravin R. Rathi & Associates

CA Khushboo A. Rathi

Partner

Firm Registration No. 131494W

CA Khushboo A. Rathi

Partner

Membership No. 141268

Place: Nashik

Date : 03/05/2023

For & on behalf of the Board of Directors



*P. Borkar*  
Vijayadevi V Borkar  
Director  
DIN : 09342798

*Narayanmurthy Kanthanvar*  
Narayanmurthy Kanthanvar  
Director  
DIN : 08915062

Notes to the Financial Statements for Year ended 31 Mar 2023

Note -25(A) - General Information :

The Company was incorporated on 30.09.2021, to primarily carry on the business of software development, maintenance, implementation, operation, promote digitization of educational institutes and to engage in corporate training, knowledge management, ERP, Fintech solutions and MIS solutions, educational IT governance projects, IT consulting and advisory services, creation of ICT infrastructure, etc.

Note -25(B) - Significant Accounting Policies:

1.01 Compliance with Ind AS :

The Company's financial statements have been prepared in accordance with the provisions of the Companies Act, 2013 and the Indian Accounting Standards (Ind AS) notified under the Companies (Indian Accounting Standards) Rules, 2015 as amended from time to time.

These financial statements include Balance sheet, Statement of Profit and Loss, Statement of Changes in Equity and Statement of Cash flows and notes, comprising a summary of significant accounting policies and other explanatory information.

Standards.

1.02 Basis of Accounting :

The Company maintains its accounts on accrual basis following the historical cost convention except certain financial instruments that are measured at fair values in accordance with Ind AS.

Fair value measurements are categorized into Level 1, 2 or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- ▶ Level 1 - inputs are quoted prices in active markets for identical assets or liabilities that entity can access at measurement date
- ▶ Level 2 - inputs are inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly or indirectly; and
- ▶ Level 3 - inputs are unobservable inputs for the asset or liability

1.03 Presentation of financial statements :

i) The financial statements (except Statement of Cash-flow) are prepared and presented in the format prescribed in Division II - IND AS Schedule III ("Schedule III") to the Companies Act, 2013.

ii) The Statement of Cash Flow has been prepared and presented as per the requirements of Ind AS 7 "Statement of Cash flows".

ii) Amounts in the financial statements are presented in Indian Rupees in Lakh in as per the requirements of Schedule III. "Per share" data is presented in Indian Rupees upto two decimals places.

1.04 Key Estimates & Assumptions :

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates and assumptions that impact the reported amount of assets, liabilities, income, expenses and disclosure of contingent liabilities as at the date of the financial statements. The estimates and assumptions used in the accompanying financial statements are based upon management's evaluation of the relevant facts and circumstances as on the date of the financial statements. Actual results may differ from the estimates and assumptions used in preparing the accompanying financial statements. Difference between the actual and estimates are recognised in the period in which they actually materialise or are known. Any revision to accounting estimates is recognised prospectively. Management believes that the estimates used in preparation of Financial Statements are prudent and reasonable.

1.05 Current Versus Non-Current Classification :

The assets and liabilities in the balance sheet are presented based on current/non-current classification.

An asset is current when it is:

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

All other assets are classified as non-current.

A liability is current when it is:

- ▶ Expected to be settled in normal operating cycle, or
- ▶ Held primarily for the purpose of trading, or
- ▶ Due to be settled within twelve months after the reporting period, or



► There is no unconditional right to defer the settlement of the liability

All other liabilities are treated as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

#### 1.06 Property, Plant and Equipment (PPE) :

PPE is recognized when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All items of PPE are stated at cost net of tax/duty credits availed, if any, less accumulated depreciation and cumulative impairment. Cost includes expenditure that is directly attributable to the acquisition and installation of such assets, if any. Subsequent expenditure relating to Property, Plant and Equipment is capitalised only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repairs and maintenance costs are charged to the Statement of Profit and Loss as incurred.

Items such as spare parts and servicing equipment are recognised as PPE if they meet the definition of property, plant and equipment and are expected to be used during more than one year. All other items of spares and servicing equipments are classified as item of Inventories.

PPE not ready for the intended use on the date of the Balance Sheet is disclosed as "Capital Work-in-Progress" and carried at cost, comprising of directly attributable costs and related incidental expenses.

Assets individually costing less than Rs 5000/- are fully depreciated in the year of acquisition.

Property, plant and equipment are eliminated from financial statements, either on disposal or when retired from active use. Losses arising in the case of the retirement of property, plant and equipment and gains or losses arising from disposal of property, plant and equipment are recognised in the statement of profit and loss in the year of occurrence.

#### 1.07 Depreciation methods, estimated useful lives and residual value :

Depreciation has been provided on the written down value method, as per the useful lives specified in schedule II to the Companies Act, 2013, or as per the useful life determined by technical evaluation, carried out by the management's expert, in order to reflect the actual usage of the assets. The asset's useful lives are reviewed and adjusted, if appropriate, at the end of each reporting period. The useful lives of PPE are as under:

Category of assets	Useful life as per schedule II	Useful life adopted by the company
Office equipment	5	5
Computers and data processing equipment (End user devices)	3	3

The asset's residual values, useful lives and methods of depreciation are reviewed at each financial year end and adjusted prospectively, if appropriate.

#### 1.08 Intangible Assets :

Intangible assets comprise of the know how being developed by the company relating to various software products to be launched by it in future. Since, the company was involved in know how development for the whole year, all the relatable expenditure incurred on the development like Salary, Rent, Travelling, etc. is grouped under 'Intangible assets under development'. As at year end all the products were under development phase and were not ready for use, therefore they have not been amortized /impaired for the year.

#### 1.09 Impairment of Non-Financial Assets

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

#### 1.10 Financial instruments:

##### Initial Recognition

Financial instruments i.e. Financial Assets and Financial Liabilities are recognised when the Company becomes a party to the contractual provisions of the instruments. Financial instruments are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial instruments (other than financial instruments at fair value through profit or loss) are added to or deducted from the fair value of the financial instruments, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial instruments assets or financial liabilities at fair value through profit or loss are recognised in profit or loss.

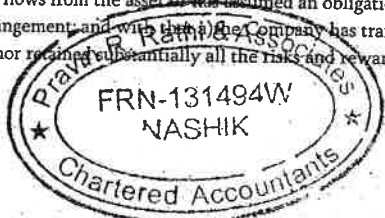
##### Financial Assets

###### a. Subsequent Measurement

All recognised financial assets are subsequently measured at amortized cost using effective interest method except for financial assets carried at fair value through Profit and Loss (FVTPL) or fair value through other comprehensive income (FVOCI).

###### b .De-recognition

A financial asset is primarily derecognised 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 with that 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.





### c. Impairment of financial assets

The Company assesses at each date of balance sheet whether a financial asset or a group of financial assets is impaired. Ind AS 109 requires expected credit losses to be measured through a loss allowance. The Company recognises lifetime expected losses for all contract assets and/or all trade receivables that do not constitute a financing transaction. For all other financial assets, expected credit losses are measured at an amount equal to the 12 month expected credit losses or at an amount equal to the life time expected credit losses if the credit risk on the financial asset has increased significantly since initial recognition.

### Financial Liabilities

#### a. Classification

Financial liabilities and equity instruments issued by the Company are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument.

#### b. Subsequent measurement

Loans and borrowings are subsequently measured at amortised cost using Effective Interest Rate (EIR), except for financial liabilities at fair value through profit or loss. 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. Amortisation arising on unwinding of the financial liabilities as per EIR is included as a part of Finance Costs in the Statement of Profit and Loss.

Financial liabilities recognised at FVTPL, including derivatives, are subsequently measured at fair value.

#### c. Derecognition

A financial liability is derecognised when the obligation under the liability is discharged or cancelled or expires.

### Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

### Re-classification of financial instruments

The Company determines classification of financial assets and liabilities on initial recognition. After initial recognition, no reclassification is made for financial assets which are equity instruments and financial liabilities. For financial assets which are debt instruments, a reclassification is made only if there is a change in the business model for managing those assets.

## 1.11 Revenue recognition :

Revenue is recognised when the company satisfies the performance obligation and ownership rights to its customers.

Revenue is measured based on the transaction price, which is the consideration, adjusted for volume discounts, service level credits, performance bonuses, price concessions and incentives, if any, as specified in the contract with the customer. Revenue also excludes taxes collected from customers.

### a. Interest Income

Interest Income from a financial asset is recognised using effective interest rate method.

Other Income represents income earned from the activities incidental to the business and is recognised when the right to receive the income is established as per the terms of the contract.

### Contract Balances :

#### b. Trade receivables

A receivable represents the Company's right to an amount of consideration that is unconditional.

#### Contract Liabilities

A contract liability is the obligation to transfer real estate, goods or services to a customer for which the Company has received consideration from the customer. If a customer pays consideration before the Company transfers real estate, goods or services to the customer, a contract liability is recognised when the payment is made. Contract liabilities are recognised as revenue when the Company performs under the contract.

## 1.12 Inventories :

i. Inventory of Raw Materials, Stores and spares and land are valued at cost or net realizable value whichever is lower. Cost includes all non-refundable taxes and expenses incurred to bring the inventory to present location. Cost is determined using FIFO (first in - first-out) method of valuation.

## 1.13 Impairment of Non-Financial Assets :

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use.

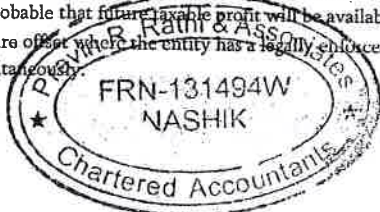
## 1.14 Income Tax :

Income tax expense for the period is the tax payable on the current period's taxable income based on the applicable income tax rate and changes in deferred tax assets and liabilities attributable to temporary differences. The current income tax charge is calculated in accordance with the provisions of the Income Tax Act 1961.

Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted at the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax liabilities are recognised for all taxable temporary differences and deferred tax assets are recognised for all deductible temporary differences and brought forward losses only if it is probable that future taxable profit will be available to realise the temporary differences.

Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.



Current and deferred tax is recognised in profit or loss, except to the extent that it relates to items recognised in other comprehensive income or directly in equity. In this case, the tax is also recognised in other comprehensive income or directly in equity, respectively.

#### 1.15 Borrowing Cost :

- i. Borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalised during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.
- ii. Other borrowing costs are charged to Statement of Profit and Loss in the period in which they are incurred.

#### 1.16 Current Investments:

As per Ind AS 109, mutual fund investments needs to be stated at fair value. The Company has designated these investments at fair value through profit or loss (FVTPL). Accordingly, these investments are required to be measured at fair value.

#### 1.17 Leases:

The Company, as a lessee, recognises a right-of-use asset and a lease liability for its leasing arrangements, if the contract conveys the right to control the use of an identified asset. The contract conveys the right to control the use of an identified asset, if it involves the use of an identified asset and the Company has substantially all of the economic benefits from use of the asset and has right to direct the use of the identified asset. The cost of the right-of-use asset 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 plus any initial direct costs incurred. The right-of-use assets is subsequently measured at cost less any accumulated depreciation, accumulated impairment losses, if any and adjusted for any remeasurement of the lease liability. The right-of-use assets is depreciated using the straight-line method from the commencement date over the shorter of lease term or useful life of right-of-use asset.

##### Short term leases and leases of low value of assets

The Company applies the short-term lease recognition exemption to its short-term leases. It also applies the lease of low-value assets recognition exemption to leases 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.

#### 1.18 Provisions & Contingencies:

Provisions are recognised when the Company has a present legal or constructive obligation as a result of past events for which it is probable that an outflow of resources will be required to settle the obligation and the amount can be reliably estimated as at the balance sheet date. Provisions are measured based on management's estimate required to settle the obligation at the balance sheet date and are discounted using a rate that reflects the time value of money.

When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

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. Information on contingent liabilities is disclosed in the notes to financial statements unless the possibility of an outflow of resources embodying economic benefit is remote.

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

#### 1.19 Employee benefits

##### a. Short-term obligations

All employee benefits falling due wholly within twelve months of rendering the service are classified as short term employee benefits. These 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.

##### b. Post-employment obligations i.e.

- Defined benefit plans and
- Defined contribution plans.

##### Defined benefit plans:

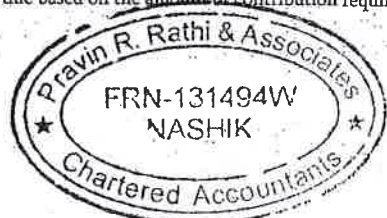
The plan has not been funded as on the valuation date. The present value of obligation is determined based on actuarial valuation carried out as at the end of each financial year using the Projected Unit Credit Method.

The obligation is measured at the present value of the estimated future cash flows. The discount rate used for determining the present value of the obligation under defined benefit plans, is based on the market yield on government securities, of a maturity period equivalent to the weighted average maturity profile of the related obligations at the Balance Sheet date.

Re-measurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), is reflected immediately in the balance sheet with a charge or credit recognised in other comprehensive income in the period in which they occur. Re-measurement recognised in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognised in the statement of profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset.

##### Defined contribution plans:

The Company's contribution to provident fund, employee state insurance scheme are considered as defined contribution plans and are charged as an expense as they fall due based on the amount of contribution required to be made and when services are rendered by the employee.



1.20 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's cash management.

As per our report of even date attached

For Pravin R. Rathi & Associates

Chartered Accountants

Firm Registration No. 131494W

  
CA Khushboo A. Rathi  
Partner

Membership No. : 419090


Place: Nashik

Date : 03/05/2023

UDIN No : 23419090BGYNHN4333



For & on behalf of the Board of Directors

  
Vijayadevi V Borkar  
Director  
DIN : 09342798

  
Narayamurthy Kanthanvar  
Director  
DIN : 08915062