

GKB OPHTHALMICS PRODUCTS FZE
Balance Sheet as at 31 Mar 2023

	Notes	As at 31 Mar 2023	As at 31 Mar 2022
ASSETS			
Non-current assets			
Property, plant and equipment	6	6,330,051	5,088,672
Financial assets			
Investments	7	8,550,162	7,903,290
Other non-current assets	8	-	-
Total non-current assets		14,880,213	12,991,962
Current assets			
Inventories	9	187,929,794	171,096,458
Financial assets			
Trade receivables	10	203,881,958	163,530,506
Cash and cash equivalents	11	19,184,109	46,313,995
Loans and advances	12	4,706,570	3,367,474
Other current assets	13	4,075,412	5,435,507
Total current assets		419,777,843	389,743,940
Total assets		434,658,056	402,735,902
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	3,353,825	3,100,088
Other equity	15	273,710,971	246,870,021
Total equity		277,064,796	249,970,109
Liabilities			
Non-current liabilities			
Employee benefit obligations	16	7,449,781	5,406,646
Other non-current liabilities	17	-	-
Total non-current liabilities		7,449,781	5,406,646
Current liabilities			
Financial liabilities			
Trade payables	18	-	-
i)total outstanding dues of micro enterprises and small enterprises		-	-
ii)total outstanding dues of creditors other than micro enterprise and small enterprise		131,358,624	138,936,283
Other current liabilities	19	18,784,855	8,422,864
Total current liabilities		150,143,479	147,359,147
Total liabilities		157,593,260	152,765,793
Total equity and liabilities		434,658,056	402,735,902

For EXL AUDITING

RASHID ABDULLAH DARWISH ALRAHMAH
 Partner
 Membership No: 1245

Place:
 Date:



FOR GKB OPHTHALMICS PRODUCTS FZE

MARUTI NAIK
 GENERAL MANAGER

Place:
 Date:



GKB OPHTHALMICS PRODUCTS FZE
Statement of Profit and Loss for the Year ended 30 Mar 2023

	Notes	Year ended 31 Mar 2023	Year ended 31 Mar 2022
Income			
Revenue from operations	21	351,275,673	336,183,743
Other income	22	435,532	950,766
Total income		351,711,205	337,134,509
Expenses			
Cost of material consumed	23	-	-
Purchase of Stock-in-trade		283,255,002	265,733,963
Changes in inventories of finished goods, stock-in-trade and work-in-progress	24	-16,833,336	-7,064,185
Employee benefits expense	25	19,413,994	16,265,428
Finance costs	26	759,201	645,372
Depreciation and amortization expense	27	2,114,821	1,286,154
Other expenses	28	26,331,273	22,128,644
Total expenses		315,040,955	298,995,376
Profit/(Loss) before exceptional items and tax		36,670,250	38,139,133
Exceptional items	29	-	-
Profit/(Loss) before tax		36,670,250	38,139,133
Tax expense			
Current tax	30	-	-
Deferred tax	30	-	-
Total income tax expense		-	-
Profit/(Loss) for the year from continuing operations		36,670,250	38,139,133
Profit/(Loss) for the year from discontinued operations		-	-
Tax expense of discontinued operations		-	-
Profit/(Loss) for the year from discontinued operations, net of tax		-	-
Profit for the period		36,670,250	38,139,133
Other comprehensive income			
<i>Items that will be reclassified subsequently to profit or loss</i>			
Net (loss)/gain on FVTOCI debt securities		-	-
Income tax effect		-	-
Exchange differences on translation of foreign operations		-	-
Income tax effect		-	-
<i>Items that will not be reclassified to profit or loss</i>			
Net (loss)/gain on FVTOCI equity Securities		-	-
Remeasurement of net defined benefit liability		-	-
Income tax effect		-	-
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year		36,670,250	38,139,133

For EXL AUDITING

RASHID ABDULLAH DARWISH ALRAHMAH
 Partner
 Membership No: 1245

Place:
 Date:



FOR GKB OPHTHALMICS PRODUCTS FZE

MARUTI NAIK
 GENERAL MANAGER

Place:
 Date:



GKB OPHTHALMICS PRODUCTS FZE

Statement of changes in equity for the Year ended 31 Mar 2023

	As at 31 Mar 2023		As at 31 Mar 2022	
	No. of shares	Amount	No. of shares	Amount
(A) Equity share capital				
Equity shares of [Face value] each issued, subscribed and fully paid				
Opening	100	3,353,825	100	3,100,088
Add: issue during the period	-	-	-	-
Closing	100	3,353,825	100	3,100,088

(B) Other equity

	Securities premium	General reserve	Retained earnings	Items of OCI		FCTR		Total
				Reserve	OCI	Reserve	Others	
Balance as at 1 April 2021	-	-	234,543,504	-	-	-	(13,399,037)	221,144,467
profit /Loss for the year	-	-	38,139,133	-	-	-	-	38,139,133
Other comprehensive income	-	-	-	-	-	-	-	-
Dividend paid	-	-	-	-	-	-	-	-
Foreign currency translation reserve	-	-	8,264,721	-	-	-	(5,446,536)	2,818,185
Dividend paid	-	-	(15,231,764)	-	-	-	(18,845,573)	(15,231,764)
Balance as at 31 Mar 2022	-	-	265,715,594	-	-	-	(18,845,573)	246,870,021
Balance as at 1 April 2022	-	-	265,715,594	-	-	-	(18,845,573)	246,870,021
Profit for the period	-	-	36,670,250	-	-	-	-	36,670,250
Other comprehensive income	-	-	-	-	-	-	-	-
Foreign currency translation reserve	-	-	20,205,902	-	-	-	(13,556,745)	6,649,157
Dividend paid	-	-	(16,478,458)	-	-	-	(32,402,318)	(16,478,458)
Balance as at 31 Mar 2023	-	-	306,113,288	-	-	-	(32,402,318)	273,710,970

For EXL AUDITING

FOR GKB OPHTHALMICS PRODUCTS FZE

RASHID ABDULLAH DARWISH ALRAHMAH
Partner
Membership No: 1245

MARUTI NAIK
GENERAL MANAGER

Place:
Date:

Place:
Date:



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GKB OPHTHALMICS PRODUCTS FZE

Notes forming part of the Financial Statements for the Year ended 31 March 2023
(Amount in INR thousands, unless otherwise stated)

1 General Information

ABC Limited (the "Company") is a private limited company domiciled in India and was incorporated on [Date] under the provisions of the Companies Act, 1956 applicable in India. Its registered and principal office of business is located at [Registered office address]. The Company is primarily engaged in the business of providing [Nature of business].

2 Significant accounting policies

Significant accounting policies adopted by the company are as under:

2.1 Basis of Preparation of Financial Statements

(a) Statement of Compliance with Ind AS

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013 (the "Act") read with the Companies (Indian Accounting Standards) Rules, 2015 and Companies (Indian Accounting Standards) Amendment Rules, 2016.

The financial statements up to year ended 31 March 2018 were prepared in accordance with the accounting standards notified under the section 133 of the Act, read with with paragraph 7 of the Companies (Accounts) Rules, 2014 (Indian GAAP).

These financial statements for the year ended 31 March 2019 are the first set of financial statements prepared in accordance with Ind AS. Refer note 5 for an explanation of how the Company has adopted Ind AS.

a Accounting policies have been consistently applied to all the years presented except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

(b) Basis of measurement

The financial statements have been prepared on a historical cost convention on accrual basis, except for the following material items that have been measured at fair value as required by relevant Ind AS:-

- Certain financial assets and liabilities measured at fair value (refer accounting policy on financial instruments)
- Share based payment transactions
- Embedded derivative
- Asset classified as held for sale and
- Specific others, if any

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services and the time between the rendering of service and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as twelve months for the purpose of current and noncurrent classification of assets and liabilities.

(c) Use of estimates

The preparation of financial statements in conformity with Ind AS requires the Management to make estimate and assumptions that affect the reported amount of assets and liabilities as at the Balance Sheet date, reported amount of revenue and expenses for the year and disclosures of contingent liabilities as at the Balance Sheet date. The estimates and assumptions used in the accompanying financial statements are based upon the Management's evaluation of the relevant facts and circumstances as at the date of the financial statements. Actual results could differ from these estimates. Estimates and underlying assumptions are reviewed on a periodic basis. Revisions to accounting estimates, if any, are recognized in the year in which the estimates are revised and in any future years affected. Refer Note 3 for detailed discussion on estimates and judgments.

2.2 Property, plant and equipment

Property, plant and equipment are stated at historical cost less depreciation. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Subsequent costs are included in the asset's carrying amount or recognized as a separate asset, as appropriate, 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. The carrying amount of any component accounted for as a separate asset is derecognized when replaced. All other repairs and maintenance are charged to Statement of Profit and Loss during the year in which they are incurred.

Advances paid towards the acquisition of property, plant and equipment outstanding at each balance sheet date is classified as capital advances under other non-current assets and the cost of assets not put to use before such date are disclosed under 'Capital work-in-progress'.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognized as at 1 April 20XX measured as per the Indian GAAP and use that carrying value as the deemed cost of the property, plant and equipment.

Depreciation methods, estimated useful lives

The Company depreciates property, plant and equipment over their estimated useful lives using the straight line method. The estimated useful lives of assets are as follows:

Property, plant and equipment	Lease period
Leasehold improvement*	10 years
Plant & Machinery	10 years
Furniture and Fixtures	10 years
Office Equipment	5 years



2.6 Foreign Currency Transactions

(a) Functional and presentation currency

Items included in the financial statements are measured using the currency of the primary economic environment in which the entity operates ('the functional currency'). The financial statements are presented in Indian rupee (INR), which is the Company's functional and presentation currency.

(b) Transactions and balances

On initial recognition, all foreign currency transactions are recorded by applying to the foreign currency amount the exchange rate between the functional currency and the foreign currency at the date of the transaction. Gains/Losses arising out of fluctuation in foreign exchange rate between the transaction date and settlement date are recognised in the Statement of Profit and Loss.

All monetary assets and liabilities in foreign currencies are restated at the year end at the exchange rate prevailing at the year end and the exchange differences are recognised in the Statement of Profit and Loss.

Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions.

2.7 Fair value measurement

The Company measures financial instruments, such as, derivatives at fair value at each balance sheet date.

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. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- ▶ In the principal market for the asset or liability, or
- ▶ In the absence of a principal market, in the most advantageous market for the asset or liability accessible to the Company.

The Company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs. The Company's management determines the policies and procedures for fair value measurement such as derivative instrument.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

- ▶ Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities
- ▶ Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable
- ▶ Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

2.8 Revenue Recognition

Sale of goods

Revenue from the sale of goods is recognised when the significant risks and rewards of ownership of the goods have passed to the buyer, usually on delivery of the goods. Revenue from the sale of goods is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are inclusive of excise duty and net of returns and allowances, trade discounts and volume rebates, value added taxes, goods and service tax (GST) and amounts collected on behalf of third parties.

Rendering of services

The Company primarily earns revenue from [Nature of Business, for example: online and offline coaching services]. Revenue from online and offline coaching is received in the form of subscription fees which is recognised over the period that coaching is imparted.

Revenue is recognised when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met as described below.

Revenue is measured at the fair value of the consideration received or receivable. Amounts disclosed as revenue are net of indirect taxes, trade allowances, rebates and amounts collected on behalf of third parties and is not recognised in instances where there is uncertainty with regard to ultimate collection. In such cases revenue is recognised on reasonable certainty of collection.

In respect of above, the amounts received in advance are reflected in the Balance sheet under "Other Current and Non-current Liabilities" as "Revenue received in advance".

Other Income

Interest Income is recognised on a basis of effective interest method as set out in Ind AS 109, Financial Instruments, and where no significant uncertainty as to measurability or collectability exists.

2.9 Taxes

Tax expense for the year, comprising current tax and deferred tax, are included in the determination of the net profit or loss for the year.

(a) Current income tax

Current tax assets and liabilities are measured at the amount expected to be recovered or paid to the taxation authorities. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted, at the year end date. 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 realize the asset and settle the liability simultaneously.



Computers:

-Servers	6 years
-End user devices such as, desktops, laptops etc.	3 years

* Leasehold improvements are amortized over the lease period, which corresponds with the useful lives of the assets.

Based on the technical experts assessment of useful life, certain items of property plant and equipment are being depreciated over useful lives different from the prescribed useful lives under Schedule II to the Companies Act, 2013. Management believes that such estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Depreciation on addition to property plant and equipment is provided on pro-rata basis from the date of acquisition. Depreciation on sale/deduction from property plant and equipment is provided up to the date preceding the date of sale, deduction as the case may be. Gains and losses on disposals are determined by comparing proceeds with carrying amount. These are included in Statement of Profit and Loss under 'Other Income'.

Depreciation methods, useful lives and residual values are reviewed periodically at each financial year end and adjusted prospectively, as appropriate.

2.3 Investment properties

Investment properties are measured initially at cost, including transaction costs. Subsequent to initial recognition, investment properties are stated at cost less accumulated depreciation and accumulated impairment loss, if any.

The cost includes the cost of replacing parts and borrowing costs for long-term construction projects if the recognition criteria are met. When significant parts of the investment property are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. All other repair and maintenance costs are recognized in profit or loss as incurred.

The Company depreciates building component of investment property over 30 years from the date of original purchase

The Company, based on technical assessment made by technical expert and management estimate, depreciates the building over estimated useful lives which are different from the useful life prescribed in Schedule II to the Companies Act, 2013. The management believes that these estimated useful lives are realistic and reflect fair approximation of the period over which the assets are likely to be used.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Though the Company measures investment property using cost based measurement, the fair value of investment property is disclosed in the notes. Fair values are determined based on an annual evaluation performed by an accredited external independent valuer applying a valuation model recommended by the International Valuation Standards Committee.

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. The difference between the net disposal proceeds and the carrying amount of the asset is recognized in profit or loss in the period of derecognition.

Transition to Ind AS

On transition to Ind AS, since there is no change in the functional currency, the Company has elected to continue with the carrying value for all of its investment property as recognized in its Indian GAAP financial statements as deemed cost at the transition date, viz., 1 April 2016.

2.4 Goodwill

Goodwill represents the future economic benefits arising from a business combination that are not individually identified and separately recognised. Goodwill is carried at cost less accumulated impairment losses. Refer Note 8.1 for a description of impairment testing procedures.

2.5 Other Intangible Assets

Intangible assets are stated at acquisition cost, net of accumulated amortization.

Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its all intangible assets recognised as at 1 April 20XX measured as per the Indian GAAP and use that carrying value as the deemed cost of the intangible assets.

The Company amortized intangible assets over their estimated useful lives using the straight line method. The estimated useful lives of intangible assets are as follows:

Intangible assets

Computer Software	6 years
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Intangible assets with finite lives are assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortization period and the amortization method for an intangible asset with a finite useful life are reviewed at least at each financial year end.



The Company adopted Ind AS 116 "Leases" and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method and has taken the cumulative adjustment to retained earnings, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental borrowing rate and the right of use asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental borrowing rate at the date of initial application. The Company has not restated comparative information, instead, the cumulative effect of initially applying this standard has been recognised as an adjustment to the opening balance of retained earnings as on April 1, 2019.

The difference between the lease obligation recorded as of March 31, 2019 under Ind AS 17 and the value of the lease liability as of April 1, 2019 is primarily on account of _____. The weighted average incremental borrowing rate applied to lease liabilities as at April 1, 2019 is ____%.

If the company follows the full retrospective approach as mentioned in Ind AS 116, the lessee shall disclose it as per the Ind AS 8.

2.12 Inventories

Inventories are valued at the lower of cost and net realisable value.

Costs incurred in bringing each product to its present location and condition are accounted for as follows:

Raw materials, packaging materials and stores and spare parts are valued at lower of cost and net realizable value. Cost includes purchase price, (excluding those subsequently recoverable by the enterprise from the concerned revenue authorities), freight inwards and other expenditure incurred in bringing such inventories to their present location and condition. In determining the cost, weighted average cost method is used.

Work in progress, manufactured finished goods and traded goods are valued at the lower of cost and net realisable value. Cost of work in progress and manufactured finished goods is determined on the weighted average basis and comprises direct material, cost of conversion and other costs incurred in bringing these inventories to their present location and condition. Cost of traded goods is determined on a weighted average basis.

Excise duty liability, wherever applicable, is included in the valuation of closing inventory of finished goods. Excise duty payable on finished goods is accounted for upon manufacture and transfer of finished goods to the stores. Payment of excise duty is deferred till the clearance of goods from the factory premises.

Provision of obsolescence on inventories is considered on the basis of management's estimate based on demand and market of the inventories.

Net realizable value is the estimated selling price in the ordinary course of business, less the estimated cost of completion and the estimated costs necessary to make the sale.

The comparison of cost and net realizable value is made on item by item basis.

2.13 Impairment of non-financial assets

The Company assesses at each year end whether there is any objective evidence that a non financial asset or a group of non financial assets is impaired. If any such indication exists, the Company estimates the asset's recoverable amount and the amount of impairment loss.

An impairment loss is calculated as the difference between an asset's carrying amount and recoverable amount. Losses are recognized in Statement of Profit and Loss and reflected in an allowance account. When the Company considers that there are no realistic prospects of recovery of the asset, the relevant amounts are written off. If the amount of impairment loss subsequently decreases and the decrease can be related objectively to an event occurring after the impairment was recognised, then the previously recognised impairment loss is reversed through Statement of Profit and Loss.

The recoverable amount of an asset or cash-generating unit (as defined below) is the greater of its value in use and its fair value less costs to sell. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets are grouped together into the smallest group of assets that generates cash in flows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit").

2.14 Provisions and contingent liabilities

Provisions are recognized when there is a present obligation as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of the obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the Balance sheet date.

If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The Company records a provision for decommissioning costs. Decommissioning costs are provided at the present value of expected costs to settle the obligation using estimated cash flows and are recognized as part of the cost of the particular asset. The cash flows are discounted at a current pre-tax rate that reflects the risks specific to the decommissioning liability. The unwinding of the discount is expensed as incurred and recognized in the statement of profit and loss as a finance cost. The estimated future costs of decommissioning are reviewed annually and adjusted as appropriate. Changes in the estimated future costs or in the discount rate applied are added to or deducted from the cost of the asset.

Contingent liabilities are disclosed when there is a possible obligation arising from past events, the existence of which will be confirmed only by the occurrence or non occurrence of one or more uncertain future events not wholly within the control of the Company or a present obligation that arises from past events where it is either not probable that an outflow of resources will be required to settle or a reliable estimate of the amount cannot be made.



(b) **Deferred tax**

Deferred income tax is provided in full, using the balance sheet approach, on temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in financial statements. Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the year and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

Deferred tax assets are recognised for all deductible temporary differences and unused tax losses only if it is probable that future taxable amounts will be available to utilize those temporary differences and losses.

Management periodically evaluates positions taken in tax returns with respect to situations in which applicable tax regulation is subject to interpretation. It establishes provisions where appropriate on the basis of amounts expected to be paid to the tax authorities

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority.

Current and deferred tax is recognized in Statement of Profit and 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.

(In case there are any uncertain tax positions, Engagement team to make appropriate disclosures w.r.t the same in accordance with Ind AS 12)

2.10 Assets classified as held for sale

The Company classifies non-current assets (or disposal group) as held for sale if their carrying amounts will be recovered principally through a sale rather than through continuing use.

The criteria for held for sale classification is regarded met only when the assets (or disposal group) is available for immediate sale in its present condition, subject only to terms that are usual and customary for sales of such assets (or disposal group), its sale is highly probable; and it will genuinely be sold, not abandoned. The Company treats sale of the asset (or disposal group) to be highly probable when:

- ▶ The appropriate level of management is committed to a plan to sell the asset (or disposal group),
- ▶ An active programme to locate a buyer and complete the plan has been initiated (if applicable),
- ▶ The asset (or disposal group) is being actively marketed for sale at a price that is reasonable in relation to its current fair value,
- ▶ The sale is expected to qualify for recognition as a completed sale within one year from the date of classification, and
- ▶ Actions required to complete the plan indicate that it is unlikely that significant changes to the plan will be made or that the plan will be withdrawn.

Non-current assets (or disposal group) held for sale are measured at the lower of their carrying amount and the fair value less costs to sell. Assets and liabilities (or disposal group) classified as held for sale are presented separately in the balance sheet.

Property, plant and equipment and intangible assets once classified as held for sale are not depreciated or amortized.

2.11 Leases

The Company as a lessee

The Company's lease asset classes primarily consist of leases for _____. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (i) the contract involves the use of an identified asset (ii) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (iii) the Company has the right to direct the use of the asset.

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

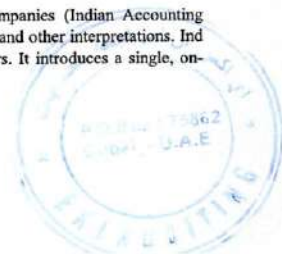
Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows

The Company as a Lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases

Transition to Ind AS 116

Ministry of Corporate Affairs ("MCA") through Companies (Indian Accounting Standards) Amendment Rules, 2019 and Companies (Indian Accounting Standards) Second Amendment Rules, has notified Ind AS 116 Leases which replaces the existing lease standard, Ind AS 17 leases and other interpretations. Ind AS 116 sets out the principles for the recognition, measurement, presentation and disclosure of leases for both lessees and lessors. It introduces a single, on-balance sheet lease accounting model for lessees.



(iv) **Derecognition of financial assets**

A financial asset is derecognized only when

- a) the rights to receive cash flows from the financial asset is transferred or
- b) 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 financial asset is transferred then in that case financial asset is derecognized only if substantially all risks and rewards of ownership of the financial asset is transferred. Where the entity has not transferred substantially all risks and rewards of ownership of the financial asset, the financial asset is not derecognized.

(b) **Financial liabilities**

(i) **Initial recognition and measurement**

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss and at amortized cost, as appropriate.

All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs.

(ii) **Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Separated embedded derivatives are also classified as held for trading unless they are designated as effective hedging instruments. Gains or losses on liabilities held for trading are recognized in the Statement of Profit and Loss.

Loans and borrowings

After initial recognition, interest-bearing loans and borrowings are subsequently measured at amortized cost using the EIR method. Gains and losses are recognized in Statement of Profit and Loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included as finance costs in the Statement of Profit and Loss.

(iii) **Derecognition**

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the Statement of Profit and Loss as finance costs.

(c) **Embedded derivatives**

An embedded derivative is a component of a hybrid (combined) instrument that also includes a non-derivative host contract – with the effect that some of the cash flows of the combined instrument vary in a way similar to a standalone derivative. Derivatives embedded in all other host contract are separated if the economic characteristics and risks of the embedded derivative are not closely related to the economic characteristics and risks of the host and are measured at fair value through profit or loss. Embedded derivatives closely related to the host contracts are not separated.

Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss.

(d) **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 recognized amounts and there is an intention to settle on a net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

2.17 **Convertible preference shares**

Convertible preference shares are separated into liability and equity components based on the terms of the contract.

On issuance of the convertible preference shares, the fair value of the liability portion of an optionally convertible preference shares is determined using a market interest rate for an equivalent non-convertible bonds. This amount is recorded as a liability on an amortised cost basis until extinguished on conversion or redemption of the bonds. The remainder of the proceeds is attributable to the equity portion of the compound instrument since it meets Ind AS 32, Financial Instruments: Presentation, criteria for fixed to fixed classification. Transaction costs are deducted from equity, net of associated income tax. The carrying amount of the conversion option is not subsequently re-measured.

Transaction costs are apportioned between the liability and equity components of the convertible preference shares based on the allocation of proceeds to the liability and equity components when the instruments are initially recognized.

2.18 **Employee Benefits**

(a) **Short-term obligations**

Liabilities for wages and salaries, including non-monetary benefits that are expected to be settled wholly within 12 months after the end of the year in which the employees render the related service are recognized in respect of employees' services up to the end of the year and are measured at the amounts expected to be paid when the liabilities are settled. The liabilities are presented as current employee benefit obligations in the balance sheet.

2.15 Cash and cash equivalents

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

For the purposes of the cash flow statement, cash and cash equivalents include cash on hand, cash in banks and short-term deposits net of bank overdraft.

2.16 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another entity.

(a) Financial assets

(i) Initial recognition and measurement

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

(ii) Subsequent measurement

For purposes of subsequent measurement, financial assets are classified in following categories:

- a) at amortized cost; or
- b) at fair value through other comprehensive income; or
- c) at fair value through profit or loss.

The classification depends on the entity's business model for managing the financial assets and the contractual terms of the cash flows.

Amortized cost: Assets that are held for collection of contractual cash flows where those cash flows represent solely payments of principal and interest are measured at amortized cost. Interest income from these financial assets is included in finance income using the effective interest rate method (EIR).

Fair value through other comprehensive income (FVOCI): Assets that are held for collection of contractual cash flows and for selling the financial assets, where the assets' cash flows represent solely payments of principal and interest, are measured at fair value through other comprehensive income (FVOCI). Movements in the carrying amount are taken through OCI, except for the recognition of impairment gains or losses, interest revenue and foreign exchange gains and losses which are recognized in Statement of Profit and Loss. When the financial asset is derecognized, the cumulative gain or loss previously recognized in OCI is reclassified from equity to Statement of Profit and Loss and recognized in other gains/ (losses). Interest income from these financial assets is included in other income using the effective interest rate method.

Fair value through profit or loss (FVTPL): Assets that do not meet the criteria for amortized cost or FVOCI are measured at fair value through profit or loss. Interest income from these financial assets is included in other income.

Equity instruments: All equity investments in scope of Ind AS 109 are measured at fair value. Equity instruments which are held for trading and contingent consideration recognised by an acquirer in a business combination to which Ind AS103 applies are classified as at FVTPL. For all other equity instruments, the Company may make an irrevocable election to present in other comprehensive income subsequent changes in the fair value. The Company makes such election on an instrument- by-instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

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

(iii) Impairment of financial assets

In accordance with Ind AS 109, Financial Instruments, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on financial assets that are measured at amortized cost and FVOCI.

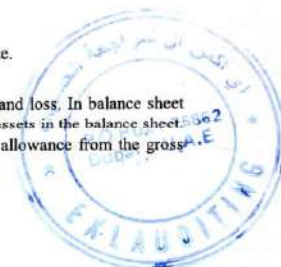
For recognition of impairment loss on financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If in subsequent years, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12 month ECL.

Life time ECLs are the expected credit losses resulting from all possible default events over the expected life of a financial instrument. The 12 month ECL is a portion of the lifetime ECL which results from default events that are possible within 12 months after the year end.

ECL is the difference between all contractual cash flows that are due to the Company in accordance with the contract and all the cash flows that the entity expects to receive (i.e. all shortfalls), discounted at the original EIR. When estimating the cash flows, an entity is required to consider all contractual terms of the financial instrument (including prepayment, extension etc.) over the expected life of the financial instrument. However, in rare cases when the expected life of the financial instrument cannot be estimated reliably, then the entity is required to use the remaining contractual term of the financial instrument.

In general, it is presumed that credit risk has significantly increased since initial recognition if the payment is more than 30 days past due.

ECL impairment loss allowance (or reversal) recognized during the year is recognized as income/expense in the statement of profit and loss. In balance sheet ECL for financial assets measured at amortized cost is presented as an allowance, i.e. as an integral part of the measurement of those assets in the balance sheet. The allowance reduces the net carrying amount. Until the asset meets write off criteria, the Company does not reduce impairment allowance from the gross carrying amount.



(b) **Other long-term employee benefit obligations**

(i) **Defined contribution plan**

Provident Fund: Contribution towards provident fund is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

Employee's State Insurance Scheme: Contribution towards employees' state insurance scheme is made to the regulatory authorities, where the Company has no further obligations. Such benefits are classified as Defined Contribution Schemes as the Company does not carry any further obligations, apart from the contributions made on a monthly basis which are charged to the Statement of Profit and Loss.

(ii) **Defined benefit plans**

Gratuity: The Company provides for gratuity, a defined benefit plan (the "Gratuity Plan") covering eligible employees in accordance with the Payment of Gratuity Act, 1972. The Gratuity Plan provides a lump sum payment to vested employees at retirement, death, incapacitation or termination of employment, of an amount based on the respective employee's salary. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the other comprehensive income in the year in which they arise.

Compensated Absences: Accumulated compensated absences, which are expected to be availed or encashed within 12 months from the end of the year are treated as short term employee benefits. The obligation towards the same is measured at the expected cost of accumulating compensated absences as the additional amount expected to be paid as a result of the unused entitlement as at the year end.

Accumulated compensated absences, which are expected to be availed or encashed beyond 12 months from the end of the year end are treated as other long term employee benefits. The Company's liability is actuarially determined (using the Projected Unit Credit method) at the end of each year. Actuarial losses/gains are recognized in the statement of profit and loss in the year in which they arise.

Leaves under define benefit plans can be encashed only on discontinuation of service by employee.

(c) **Share-based payments**

Employees (including senior executives) of the Company receive remuneration in the form of share-based payments, whereby employees render services as consideration for equity instruments (equity-settled transactions). The cost of equity-settled transactions is determined by the fair value at the date when the grant is made using an appropriate valuation model.

That cost is recognised, together with a corresponding increase in share-based payment (SBP) reserves in equity, over the period in which the performance and/or service conditions are fulfilled in employee benefits expense. The cumulative expense recognised for equity-settled transactions at each reporting date until the vesting date reflects the extent to which the vesting period has expired and the Company's best estimate of the number of equity instruments that will ultimately vest. The statement of profit and loss expense or credit for a period represents the movement in cumulative expense recognised as at the beginning and end of that period and is recognised in employee benefits expense.

No expense is recognised for awards that do not ultimately vest because non-market performance and/or service conditions have not been met. Where awards include a market or non-vesting condition, the transactions are treated as vested irrespective of whether the market or non-vesting condition is satisfied, provided that all other performance and/or service conditions are satisfied.

The dilutive effect of outstanding options is reflected as additional share dilution in the computation of diluted earnings per share.

(d) **Treasury shares**

The Company has created an Employee Stock Option Plan Trust (ESOP trust) for providing share-based payment to its employees. The Company uses ESOP trust as a vehicle for transferring shares to employees under the employee remuneration schemes. ESOP Trust buys shares of the Company from existing shareholders and the Company itself, for giving shares to the Company's employees as part of ESOP scheme. The Company treats ESOP trust as its extension and shares held by ESOP Trust are treated as treasury shares.

Own equity instruments that are reacquired (treasury shares) are recognized at cost and deducted from equity. No gain or loss is recognized in Statement of Profit and Loss on the purchase, sale, issue or cancellation of the Company's own equity instruments. Any difference between the carrying amount and the consideration, if reissued, is recognized in general reserve. Share options exercised during the year are satisfied with treasury shares.

2.19 Contributed equity

Equity shares are classified as equity share capital.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds.

2.20 Earnings Per Share

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year. Earnings considered in ascertaining the Company's earnings per share is the net profit or loss for the year after deducting preference dividends and any attributable tax thereon for the year. The weighted average number of equity shares outstanding during the year and for all the years presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

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

2.21 Rounding off amounts

All amounts disclosed in financial statements and notes have been rounded off to the nearest thousands as per requirement of Schedule III of the Act, unless otherwise stated.

2.22 Specify others, if any.

3 Significant accounting judgments, estimates and assumptions

The preparation of financial statements requires management to make judgments, estimates and assumptions that affect the reported amounts of revenues, expenses, assets and liabilities, and the accompanying disclosures, and the disclosure of contingent liabilities. 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 future years.

3.1 Estimates and assumptions

The key assumptions concerning the future and other key sources of estimation uncertainty at the year end date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are described below. The Company based its assumptions and estimates on parameters available when the financial statements were prepared. Existing circumstances and assumptions about future developments, however, may change due to market changes or circumstances arising that are beyond the control of the Company. Such changes are reflected in the assumptions when they occur.

(a) Share-based payments

Estimating fair value for share-based payment transactions requires determination of the most appropriate valuation model, which is dependent on the terms and conditions of the grant. This estimate also requires determination of the most appropriate inputs to the valuation model including the expected life of the share option, volatility and dividend yield and making assumptions about them. The assumptions and models used for estimating fair value for share-based payment transactions are disclosed in Note 45.

(b) Taxes

Deferred tax assets are recognized for unused tax losses to the extent that it is probable that taxable profit will be available against which the losses can be utilized. Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based upon the likely timing and the level of future taxable profits together with future tax planning strategies.

The Company neither have any taxable temporary difference nor any tax planning opportunities available that could partly support the recognition of these losses as deferred tax assets. On this basis, the Company has determined that it cannot recognize deferred tax assets on the tax losses carried forward except for the unabsorbed depreciation. Refer Note 42.

(c) Defined benefit plans (gratuity benefits and leave encashment)

The cost of the defined benefit plans such as gratuity and leave encashment are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases and mortality rates. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each year end.

The principal assumptions are the discount and salary growth rate. The discount rate is based upon the market yields available on government bonds at the accounting date with a term that matches that of liabilities. Salary increase rate takes into account of inflation, seniority, promotion and other relevant factors on long term basis. For details refer Note 44.

(d) Intangible asset under development

The Company capitalises intangible asset under development for a project in accordance with the accounting policy. Initial capitalisation of costs is based on management's judgement that technological and economic feasibility is confirmed, usually when a product development project has reached a defined milestone according to an established project management model. In determining the amounts to be capitalised, management makes assumptions regarding the expected future cash generation of the project, discount rates to be applied and the expected period of benefits. At 31 March 20XX, the carrying amount of capitalised intangible asset under development was INR XX thousands (31 March 20XX: INR YY thousands, 1 April 20XX: Nil). This amount includes significant investment in the development of an innovative fire prevention system. Prior to being marketed, it will need to obtain a safety certificate issued by the relevant regulatory authorities. The innovative nature of the product gives rise to some uncertainty as to whether the certificate will be obtained.

(e) Impairment of non-financial assets and goodwill

In assessing impairment, management estimates the recoverable amount of each asset or cash-generating units based on expected future cash flows and uses an interest rate to discount them. Estimation uncertainty relates to assumptions about future operating results and the determination of a suitable discount rate (refer note ___). During the year, the Company recognised an impairment loss on goodwill (refer note 8).

(f) Specify others, if any.

4 Standards (including amendments) issued but not yet effective

The standards and interpretations that are issued, but not yet effective up to the date of issuance of the financial statements are disclosed below. The Company intends to adopt these standards, if applicable, when they become effective.

(a) Ind AS 116- Leases

On March 30, 2019, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 116, Leases. This Standard sets out the principles for the recognition, measurement, presentation and disclosure of leases. The objective of the standard is to ensure that lessees and lessors provide relevant information in a manner that faithfully represents those transactions. The effective date for adoption of Ind AS 116 is financial periods beginning on or after April 1, 2019. The Company is currently evaluating the requirements of amendments. The Company believe that the adoption of this amendment will not have a material effect on its financial statements.



(b) Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments :

On March 30, 2019, Ministry of Corporate Affairs has notified Ind AS 12 Appendix C, Uncertainty over Income Tax Treatments which is to be applied while performing the determination of taxable profit (or loss), tax bases, unused tax losses, unused tax credits and tax rates, when there is uncertainty over income tax treatments under Ind AS 12. According to the appendix, companies need to determine the probability of the relevant tax authority accepting each tax treatment, or group of tax treatments, that the companies have used or plan to use in their income tax filing which has to be considered to compute the most likely amount or the expected value of the tax treatment when determining taxable profit (tax loss), tax bases, unused tax losses, unused tax credits and tax rates. The standard permits two possible methods of transition - i) Full retrospective approach – Under this approach, Appendix C will be applied retrospectively to each prior reporting period presented in accordance with Ind AS 8 – Accounting Policies, Changes in Accounting Estimates and Errors, without using hindsight and ii) Retrospectively with cumulative effect of initially applying Appendix C recognized by adjusting equity on initial application, without adjusting comparatives. The effective date for adoption of Ind AS 12 Appendix C is annual periods beginning on or after April 1, 2019. The Company will adopt the standard on April 1, 2019 and has decided to adjust the cumulative effect in equity on the date of initial application i.e. April 1, 2019 without adjusting comparatives. The effect on adoption of Ind AS 12 Appendix C would be insignificant in the standalone financial statements.

(c) Amendment to Ind AS 12 – Income taxes :

On March 30, 2019, Ministry of Corporate Affairs issued amendments to the guidance in Ind AS 12, 'Income Taxes', in connection with accounting for dividend distribution taxes. The amendment clarifies that an entity shall recognise the income tax consequences of dividends in profit or loss, other comprehensive income or equity according to where the entity originally recognised those past transactions or events. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company is currently evaluating the effect of this amendment on the standalone financial statements.

(d) Amendment to Ind AS 19 – plan amendment, curtailment or settlement

On March 30, 2019, Ministry of Corporate Affairs issued amendments to Ind AS 19, 'Employee Benefits', in connection with accounting for plan amendments, curtailments and settlements. The amendments require an entity: • to use updated assumptions to determine current service cost and net interest for the remainder of the period after a plan amendment, curtailment or settlement; and • to recognise in profit or loss as part of past service cost, or a gain or loss on settlement, any reduction in a surplus, even if that surplus was not previously recognised because of the impact of the asset ceiling. Effective date for application of this amendment is annual period beginning on or after April 1, 2019. The Company does not have any impact on account of this amendment

5 First-time adoption of Ind-AS

These financial statements are the first set of Ind AS financial statements prepared by the Company. Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ending on 31 March 20XX, together with the comparative year data as at and for the year ended 31 March 20XX, as described in the significant accounting policies. In preparing these financial statements, the Company's opening balance sheet was prepared as at 1 April 20XX, being the Company's date of transition to Ind AS. This note explains the principal adjustments made by the Company in restating its Indian GAAP financial statements, including the balance sheet as at 1 April 20XX and the financial statements as at and for the year ended 31 March 20XX.

5.1 Exemptions availed on first time adoption of Ind AS

Ind AS 101, First-time Adoption of Indian Accounting Standards, allows first-time adopters certain exemptions from the retrospective application of certain requirements under Ind AS. The Company has accordingly applied the following exemptions.

(a) Deemed Cost

Since there is no change in the functional currency, the Company has elected to continue with carrying value for all of its property, plant and equipment as recognized in its Indian GAAP financial statements as its deemed cost at the date of transition after making adjustments for de-commissioning liabilities. This exemption can also be used for intangible assets covered by Ind AS 38, Intangible Assets and investment properties. Accordingly the management has elected to measure all of its property, plant and equipment, investment properties and intangible assets at their Indian GAAP carrying value.

(b) Decommissioning liabilities included in the cost of property, plant and equipment

Appendix A of Ind AS 16, Changes in Existing Decommissioning, Restoration and Similar Liabilities, requires specified changes in a decommissioning, restoration or similar liability to be added to or deducted from the cost of the asset to which it relates; the adjusted depreciable amount of the asset is then depreciated prospectively over its remaining useful life. The Company is not required to comply with these requirements for changes in such liabilities that occurred before the date of transition to Ind AS. Instead, the decommissioning liability is calculated at the date of transition and it is assumed that the same liability (adjusted only for the time value of money) existed when the asset was first acquired/constructed.

(c) Compound financial instruments

When the liability component of a compound financial instrument is no longer outstanding at the date of transition to Ind AS, a first-time adopter may elect not to apply Ind AS 32, Financial Instruments: Presentation, retrospectively to split the liability and equity components of the instrument.

(d) Specify others, if any.



5.2 Mandatory Exemption on first-time adoption of Ind AS

(a) Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with Indian GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 20XX are consistent with the estimates as at the same date made in conformity with Indian GAAP. The Company made estimates for following items in accordance with Ind AS at the date of transition as these were not required under Indian GAAP:

- (i) Impairment of financial assets based on expected credit loss model.
- (ii) Fair valuation of compound instrument.
- (iii) FVTPL – debt securities
- (iv) FVTOCI – debt securities
- (v) Effective interest rate used in calculation of security deposit.

(b) Derecognition of financial assets and financial liabilities

A first-time adopter should apply the derecognition requirements in Ind AS 109, Financial Instruments, prospectively to transactions occurring on or after the date of transition. Therefore, if a first-time adopter derecognized non-derivative financial assets or non-derivative financial liabilities under its Indian GAAP as a result of a transaction that occurred before the date of transition, it should not recognize those financial assets and liabilities under Ind AS (unless they qualify for recognition as a result of a later transaction or event). A first-time adopter that wants to apply the derecognition requirements in Ind AS 109, Financial Instruments, retrospectively from a date of the entity's choosing may only do so, provided that the information needed to apply Ind AS 109, Financial Instruments, to financial assets and financial liabilities derecognized as a result of past transactions was obtained at the time of initially accounting for those transactions.

The Company has elected to apply the de-recognize provisions of Ind AS 109 prospectively from the date of transition to Ind AS.

(c) Classification and measurement of financial assets

Ind AS 101, First-time Adoption of Indian Accounting Standards, requires an entity to assess classification and measurement of financial assets (investment in debt instruments) on the basis of the facts and circumstances that exist at the date of transition to Ind AS.



FZE - FA Schedule

Gross Block		AED		Opening		Closing		Average				
Sr. No.	Asset details	Opening balance	Additions	Date of addition	Deletions	Date of deletion	Closing	Opening / purchase rate considered	Opening / purchase less deletion value	Closing rate considered	Closing value	FCTR
1	Furniture and Fixtures	101,784.79					Rs. 101,785	20.67	2,103,611.80	22.36	2,275,788.92	(172,177.12)
2	Office Equipment	140,709.96					Rs. 140,710	20.67	2,908,088.06	22.36	3,146,110.22	(238,022.15)
3	Building	125,000.00					Rs. 125,000	20.67	2,583,406.38	22.36	2,794,853.88	(211,447.50)
4	Vehicles	336,424.00					Rs. 336,424	20.67	6,952,959.25	22.36	7,522,047.36	(569,088.11)
		703,918.75					Rs. 703,919		14,548,065.49		15,738,800.37	(1,190,734.88)
Q1	Furniture and Fixtures		21,984.68				21,984.68	21.52	473,109.52	22.36	491,551.74	(18,442.22)
Q1	Office Equipment		50,527.09				50,527.09	21.52	1,087,341.16	22.36	1,129,726.67	(42,385.51)
Q1	Vehicles		61,099.00				61,099.00	21.52	1,314,848.28	22.36	1,366,102.22	(51,253.93)
Q2	Furniture and Fixtures						-	22.16	-	22.36	-	-
Q2	Office Equipment		133,618.77				133,618.77	22.16	2,875,298.96	22.36	2,987,380.63	(112,081.67)
		703,918.75	133,618.77				837,537.52	22.36	17,423,364.45	-	18,726,181.00	(1,302,816.54)
TOTAL												

Depreciation

Sr. No.	Asset details	Depreciation for the Period (AED)	Depreciation for the Period (INR)	Depreciation at closing rate	Difference
1	Accu. Dep. Furn. & Fixt.	8,734.57	190,980.97	195,294.77	(4,305.80)
2	Accu. Dep. Off. Equipments	24,089.00	526,726.94	538,601.88	(11,874.94)
3	Accu. Dep. Merzanne Floor	25,002.04	546,091.35	559,016.39	(12,325.03)
4	Accu. Dep. Vehicle	38,892.30	850,411.97	869,586.36	(19,172.39)
		96,717.91	2,114,821.24	2,162,499.40	(47,678.17)

Accumulated depreciation

Gross Block		AED		Opening		Closing		Average		
Sr. No.	Asset details	Opening depreciation (AED) 1 Apr 22	Opening depreciation (INR) 1 Apr 21	Addition	Deletion (AED)	Deletion (INR)	Closing Acc. Dep (AED)	Closing Acc. Dep (INR)	Accumulated Depreciation At Closing rate	FCTR
1	Accu. Dep. Furn. & Fixt.	66,160.66	1,367,351.97	8,734.57			74,895.23	1,558,348.00	1,674,570.00	116,222.00
2	Accu. Dep. Off. Equipments	69,954.00	1,445,756.88	24,089.00			94,043.00	1,972,484.00	2,102,692.00	130,208.00
3	Accu. Dep. Merzanne Floor	80,786.03	1,669,621.16	38,892.30			119,678.33	2,520,039.00	2,675,868.00	155,829.00
4	Accu. Dep. Vehicle	240,799.00	4,976,651.37	25,002.04			265,801.04	5,523,344.00	5,943,001.00	419,657.00
		457,699.69	9,459,391.38	96,717.91			554,417.60	11,574,215.00	12,396,131.00	821,916.00

GB 18,726,181.00
 ACD 12,396,131.00
 Net FA 6,330,050.00
 As per Note: 6,330,050.66
 Diff -0.67

As per Tally 269,846
 AED 6,033,448
 INR 6,033,448
 Diff -296,602.18



112,081.67

GKB OPHTHALMICS PRODUCTS FZE

Notes forming part of the Financial Statements for the Year ended 31 March 2023
(Amount in INR thousands, unless otherwise stated)

6 Property, plant and equipment

	Gross block			Depreciation			Net block	
	As at 1 April 2022	Additions/ Adjustments	Deductions/ Adjustments	As at 31 Mar 2023	For the period 1 April 2022 to 31 Mar 2023	Deductions/ Adjustments 31 Mar 2023	As at 31 Mar 2023	As at 31 Mar 2022
Owned assets								
Leasehold Improvement	2,583,407	-	(211,448)	2,794,855	546,691	(419,657)	158,881	913,781
Furniture and Fixtures	1,399,041	473,110	(172,177)	2,044,327	190,989	(116,222)	369,757	31,682
Office Equipment	5,696,033	1,097,341	(350,104)	7,133,478	526,727	(130,208)	4,711,226	3,930,716
Motor Vehicle	5,189,146	1,314,848	(569,088)	7,073,082	850,414	(155,829)	1,090,186	212,493
Total	14,867,626	2,875,299	(1,302,817)	19,045,742	2,114,821	(821,916)	6,330,051	5,088,672

	Gross block			Depreciation			Net block	
	As at 1 April 2021	Additions/ Adjustments	Deductions/ Adjustments	As at 31 Mar 2022	For the year 1 April 2021 to 31 Mar 2022	Deductions/ Adjustments 31 Mar 2022	As at 31 Mar 2022	As at 31 Mar 2021
Owned assets								
Leasehold Improvement	2,490,337	-	(93,070)	2,583,407	507,109	(51,104)	913,781	1,378,924
Furniture and Fixtures	1,347,268	-	(51,773)	1,399,041	54,280	(48,292)	31,682	82,481
Office Equipment	2,160,540	3,477,027	(58,466)	5,696,033	318,589	(46,402)	3,930,716	760,214
Motor Vehicle	4,993,608	-	(195,538)	5,189,146	406,177	(172,044)	212,493	595,176
Total	10,991,752	3,477,027	(398,847)	14,867,626	1,286,155	(317,842)	5,088,672	2,816,794



GKB OPHTHALMICS PRODUCTS FZE

Notes forming part of the Financial Statements for the Year ended 31 March 2023
(Amount in INR thousands, unless otherwise stated)

7 Financial Assets- Investments

Non-Current Investment

Lensco-The Lens Company, USA

GKB FZC, Sharjah

PRSCRIPTION OPTICAL PRODUCTS LLC

Total (equity instruments)

	31 Mar 2023	31 Mar 2022
	2,463,802	2,277,400
	4,850,748	4,483,760
	1,235,612	1,142,130
	8,550,162	7,903,290



GKB OPHTHALMICS PRODUCTS FZE

Notes forming part of the Financial Statements for the Year ended 31 March 2023
(Amount in INR thousands, unless otherwise stated)

	31 Mar 2023	31 Mar 2022
8 Other non-current assets		
Capital advance*	-	-
Prepaid rent	-	-
Total other non-current other assets	<u>-</u>	<u>-</u>
9 Inventories*		
Finished goods in stock	187,929,794	171,096,458
	<u>187,929,794</u>	<u>171,096,458</u>
10 Trade receivable		
	Non-Current	Current
	31 Mar 2023	31 Mar 2022
Secured, considered good	-	-
Unsecured	-	-
-Considered good	-	203,881,958
-Considered doubtful	-	2,352,785
Less-Allowance for bad and doubtful debts	-	(2,352,785)
	<u>-</u>	<u>203,881,958</u>
Further classified as:		
Receivable from related parties (Refer footnote I)	-	68,674,255
Receivable from others	-	135,207,703
	<u>-</u>	<u>203,881,958</u>
	Non-current	Current
	31 Mar 2023	31 Mar 2022
GKB OPHTHALMICS LTD	-	1,013,146
GKB VISION FZC	-	16,641,611
GKB VISION PRIVATE LTD	-	-
LENSCO - THE LENS COMPANY	-	51,019,499
	<u>-</u>	<u>68,674,255</u>
	<u>-</u>	<u>2,221,586</u>
	<u>19,184,109</u>	<u>46,313,995</u>
11 Cash and cash equivalents		
Balances with banks:		
On current accounts	19,095,842	46,067,735
Fixed deposits with maturity of less than 3 months	-	-
Cheques/drafts on hand	88,267	246,260
Cash on hand	-	-
	<u>19,184,109</u>	<u>46,313,995</u>
12 Current financial assets - Loans		
(a) Unsecured, considered good, unless otherwise stated		
Loans to related party	-	-
(b) Advances to employees recoverable in cash or in kind or for value to be received	409,131	360,069
Considered good	-	-
Considered doubtful	-	-
Less: Allowance for bad and doubtful advances	-	-
	<u>409,131</u>	<u>360,069</u>
(c) Security deposits:		
Considered good	4,297,439	3,007,405
Considered doubtful	-	-
Less: Allowance for bad and doubtful advances	-	-
	<u>4,297,439</u>	<u>3,007,405</u>
(d) Other receivable:		
Considered good	-	-
Considered doubtful	-	-
Less: Allowance for bad and doubtful advances	-	-
	<u>-</u>	<u>-</u>
	<u>4,706,570</u>	<u>3,367,474</u>
13 Other current assets		
Advance recoverable in kind	1,511,711	3,058,054
Balance with service tax authorities	-	-
Prepaid expense	1,975,830	2,026,733
Balance with tax authorities	587,871	350,720
Total	<u>4,075,412</u>	<u>5,435,507</u>

All amounts are short-term. The net carrying value of trade receivables is considered a reasonable approximation of fair value.



GKB OPHTHALMICS PRODUCTS FZE

Notes forming part of the Financial Statements for the Year ended 31 March 2023
(Amount in INR thousands, unless otherwise stated)

14 Share capital

(a) Equity shares

	31 Mar 2023	31 Mar 2022
Authorized		
100 equity shares	3,353,825	3,100,088
	3,353,825	3,100,088
Issued, subscribed and paid up		
100 equity shares of Rs.30.045 each	3,353,825	3,100,088
Total	3,353,825	3,100,088

(a) Reconciliation of equity shares outstanding at the beginning and at the end of the Period

	31 Mar 2023		31 Mar 2022	
	Number of shares	Amount	Number of shares	Amount
Outstanding at the beginning of the Period	100	3,100,088	100	2,988,404
Add: Issued during the Period	-	-	-	-
Add/Less: Foreign currency translation adjustment	-	253,737	-	111,684
Outstanding at the end of the Period	100	3,353,825	100	3,100,088

(b) Rights, preferences and restrictions attached to shares

Equity Shares: The Company has only one class of equity shares having par value of [Face value] per share. Each shareholder is entitled to one vote per share held. Dividend if any declared is payable in Indian Rupees. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. 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.

(d) Details of shares held by shareholders holding more than 5% of the aggregate shares in the Company

Name of the shareholder	31 Mar 2023		31 Mar 2022	
	Number of shares	% of holding in the class	Number of shares	% of holding in the class
GKB Ophthalmics, Ltd	100	100%	100	100%

(e) No class of shares have been issued as bonus shares or for consideration other than cash by the Company during the period of five Periods immediately preceding the current Period end.

(e) No class of shares have been bought back by the Company during the period of five Periods immediately preceding the current Period end.

15 Other equity

(A) Surplus/(deficit) in the Statement of Profit and Loss

	31 Mar 2023	31 Mar 2022
Opening balance	265,715,594	234,543,504
Add: Net loss/profit for the current Period	36,670,250	38,139,133
Add/(Less): Foreign currency translation adjustment	20,205,902	8,264,721
Dividend paid	(16,478,458)	(15,231,764)
Closing balance	306,113,288	265,715,594
Total other equity	306,113,288	265,715,594

(B) (iv) Foreign Currencies Translation Reserve

	31 Mar 2023	31 Mar 2022
-As at beginning of Period	(18,845,573)	(13,399,037)
-Addition/(deletion) during the period	(13,556,745)	(5,446,536)
Closing balance	(32,402,318)	(18,845,573)

16 Employee benefit obligations

	Long term		Short term	
	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022
Provision for employee benefits				
Provision for gratuity (unfunded)	7,449,781	5,406,646	-	-
Total Provisions	7,449,781	5,406,646	-	-

18 Trade payables

	Non - Current		Current	
	31 Mar 2023	31 Mar 2022	31 Mar 2023	31 Mar 2022
Total outstanding dues of micro enterprises and small enterprises	-	-	-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises*	-	-	131,358,624	138,936,283
Total trade payables (II)	-	-	131,358,624	138,936,283

Disclosure relating to suppliers registered under MSMED Act based on the information available with the Company:

Particulars	Current	
	31 Mar 2023	31 Mar 2022
(a) Amount remaining unpaid to any supplier at the end of each accounting Period:		
Principal	-	-
Interest	-	-
Total	-	-
(b) The amount of interest paid by the buyer in terms of section 16 of the MSMED Act, along with the amount of the payment made to the supplier beyond the appointed day during each accounting Period.	-	-
(c) The amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the Period) but without adding the interest specified under the MSMED Act.	-	-
(d) The amount of interest accrued and remaining unpaid at the end of each accounting Period.	-	-
(e) The amount of further interest remaining due and payable even in the succeeding Periods, 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 MSMED Act.	-	-

Total financial liability (I+II+III) 131,358,624 138,936,283

19 Other current liabilities

	31 Mar 2023	31 Mar 2022
Advance from customer	2,306,400	767,378
Creditors for capital goods	-3	39,604
Dividend payable	16,478,458	7,615,882
Total other current liabilities	18,784,855	8,422,864

20 Current tax liabilities (net)

	31 Mar 2023	31 Mar 2022
Total current tax liabilities	-	-



GKB OPHTHALMICS PRODUCTS FZE

Notes forming part of the Financial Statements for the Year ended 31 March 2023
(Amount in INR thousands, unless otherwise stated)

	31 Mar 2023	31 Mar 2022
21 Revenue from operations		
Sale of goods	351,275,673	336,183,743
Sale of services	-	-
Total revenue from operations	351,275,673	336,183,743
22 Other income		
Freight recovery	-	-
Foreign Exchange gain	435,532	950,766
Miscellaneous income	-	-
Total other income	435,532	950,766
23 Cost of revenue		
Inventory at the beginning of the period	-	-
Add: Purchases	-	-
Less: Inventory at the end of the period	-	-
	-	-
24 Changes in inventories of finished goods, stock-in-trade and work-in-progress		
Inventories at the beginning of the period		
-Finished goods	-	-
-Work-in-progress	171,096,458	164,032,273
-Stock-in-trade	171,096,458	164,032,273
Less: Inventories at the end of the period		
-Finished goods	-	-
-Work-in-progress	187,929,794	171,096,458
-Stock-in-trade	187,929,794	171,096,458
Net decrease/ (increase)	-16,833,336	-7,064,185
Add: Increase decrease in excise duty on closing stock	-	-
	359,026,252	335,128,731
25 Employee benefits expense		
Salaries, wages, bonus and other allowances	18,098,157	15,277,356
Contribution to Provident Fund and ESI	-	-
Gratuity and compensated absences expenses	892,949	709,746
Employee stock option scheme compensation	-	-
Staff welfare expenses	422,888	278,326
Total employee benefits expense	19,413,994	16,265,428
26 Finance costs		
Interest on borrowing	-	-
Interest on delay in payment of taxes	-	-
Finance charges payable under finance leases	759,201	645,372
Interest Expense on lease liability	-	-
Total finance costs	759,201	645,372
27 Depreciation and amortization expense		
Depreciation (Refer note 6)	2,114,821	1,286,154
Total depreciation and amortization expense	2,114,821	1,286,154



28 Other expenses	31 Mar 2023	31 Mar 2022
Electricity and water	1,397,273	1,097,367
Rent	7,117,846	5,320,080
Repairs and maintenance - others	2,373,900	1,666,646
Rates and taxes	691,069	560,449
Freight & Forwarding	1,134,969	93,736
Printing & Stationery	219,774	211,627
Communication, broadband and internet expenses	724,561	589,772
Legal and professional charges	-199,685	290,639
Audit fees	242,711	204,874
Advertisement	49,798	61,766
Commission	8,274,769	8,904,025
Foreign exchange fluctuation	-	-
Miscellaneous expenses	3,653,036	2,878,145
Bad debts	283,828	-
Insurance	367,424	249,518
Total other expenses	26,331,273	22,128,644

*Note : The following is the break-up of Auditors remuneration

	31 Mar 2023	31 Mar 2022
As auditor:		
Statutory audit	242,711	204,874
In other capacity:		
Tax audit	-	-
Other matters	-	-
Reimbursement of expenses	-	-
Total	242,711	204,874

29 Exceptional items

	31 Mar 2023	31 Mar 2022
Bid defense costs	-	-
	-	-

Bid defense costs were incurred in respect of obtaining advice in defending a hostile takeover bid by a competitor. The competitor did not proceed the bid.

30 Income Tax

(A) Deferred tax relates to the following:

	31 Mar 2023	31 Mar 2022
Deferred tax assets		
On property, plant and equipment	-	-
On provision for employee benefits	-	-
On disallowance u/s 40A of Income Tax Act, 1961	-	-
On unabsorbed depreciation and carry forward business losses	-	-
Current year losses	-	-
Previous year losses	-	-
Unabsorbed depreciation	-	-
On convertible preference shares	-	-
On others	-	-
	-	-
Deferred tax liabilities		
On asset classified as held for sale	-	-
On convertible preference shares	-	-
On re-measurements gain/(losses) of post-employment benefit obligations	-	-
On others	-	-
	-	-
Deferred tax income	-	-
Less: Deferred tax asset not recognized	-	-
Deferred tax asset, net	-	-

In absence of reasonable certainty of taxable income in future years, during the year ended 31 March 2019, the Company has created deferred tax asset on unabsorbed depreciation and other items to the extent of deferred tax liability. During the year ended 31 March 2018, the Company had recognized deferred tax asset to the extent of deferred tax liability only.



	31 Mar 2023	31 Mar 2022	-
(B) Recognition of deferred tax asset to the extent of deferred tax liability			
Balance sheet			
Deferred tax asset	-	-	-
Deferred tax liabilities	-	-	-
Deferred tax assets/ (liabilities), net	-	-	-
(C) Reconciliation of deferred tax assets/ (liabilities) (net):			
	31 Mar 2023	31 Mar 2022	
Opening balance as of 1 April	-	-	-
Tax liability recognized in Statement of Profit and Loss	-	-	-
Tax liability recognized in OCI	-	-	-
On re-measurements gain/(losses) of post-employment benefit obligations	-	-	-
Tax liability recognized directly in equity	-	-	-
On convertible preference shares	-	-	-
Tax asset recognized in Statement of Profit and Loss	-	-	-
Closing balance as at 31 March	-	-	-
(D) Deferred tax assets/ (liabilities) to be recognized in Statement of Profit and Loss			
	31 Mar 2023	31 Mar 2022	
Tax liability	-	-	-
Tax asset	-	-	-
(E) Tax losses of [Amount] (31 March 20XX: [Amount], 1 April 20XX: [Amount]) are available for offsetting for a maximum period of eight years against future taxable profits of the Company. Deferred tax assets have not been recognized in respect of these losses as they may not be used to offset taxable profits and there are no other tax planning opportunities or other evidence of recoverability in the near future. If the Company were able to recognize all unrecognized deferred tax assets, the loss would decreased by [Amount] (31 March 20XX: [Amount]).			
(F) Income tax expense	31 Mar 2023	31 Mar 2022	
- Current tax taxes	-	-	-
- Adjustments in respect of current income tax of previous year	-	-	-
- Deferred tax charge / (income)	-	-	-
Income tax expense reported in the statement of profit or loss	-	-	-
(G) Income tax expense charged to OCI	31 Mar 2023	31 Mar 2022	
Unrealised (gain)/loss on FVTOCI debt securities	-	-	-
Unrealised (gain)/loss on FVTOCI equity securities	-	-	-
Net loss/(gain) on remeasurements of defined benefit plans	-	-	-
Income tax charged to OCI	-	-	-
(H) Reconciliation of tax charge	31 Mar 2023	31 Mar 2022	
Profit before tax	-	-	-
Income tax expense at tax rates applicable	-	-	-
Tax effects of:	-	-	-
- Item not deductible for tax	-	-	-
- Others	-	-	-



GKB OPHTHALMICS PRODUCTS FZE

Notes forming part of the Financial Statements for the Year ended 31 March 2023
(Amount in INR thousands, unless otherwise stated)

31 Earnings/ Loss per share

Basic earnings /(loss) per share amounts are calculated by dividing the profit/loss for the year attributable to equity holders by the weighted average number of equity shares outstanding during the year.

Diluted earnings /(loss) per share amounts are calculated by dividing the profit/loss attributable to equity holders (after adjusting for interest on the convertible preference shares) by the weighted average number of equity shares outstanding during the year plus the weighted average number of equity shares that would be issued on conversion of all the dilutive potential equity shares into equity shares.

The following reflects the income and share data used in the basic and diluted EPS computations:

	31 Mar 2023	31 Mar 2022
Loss attributable to equity holders	36,670,250	38,139,133
Less: preference dividend after-tax (Refer Note 14(f))	-	-
Loss attributable to equity holders after preference dividend	36,670,250	38,139,133
Add: Interest on convertible preference shares	-	-
Loss attributable to equity holders adjusted for the effect of dilution	36,670,250	38,139,133
Weighted average number of equity shares for basic EPS*	100	100
Effect of dilution:		
Share options		
Convertible preference shares		
Weighted average number of equity shares adjusted for the effect of dilution	<u>100</u>	<u>100</u>
Basic loss per share (INR)	366,703	381,391
Diluted loss per share (INR)		

* The weighted average number of shares takes into account the weighted average effect of changes in treasury share transactions during the year.

The Company is having following potential equity shares:

- (a) Shares allotted to the ABC Stock Option Plan Trust for issuance to employees in pursuance of the Employee Stock Option Plan.
(b) Convertible preference shares

Since conversion of above mentioned potential equity shares (Shares allotted to ESOP trust and Convertible preference shares) would decrease loss per share from continuing ordinary activities, these are anti-dilutive in nature and thus the effects of anti-dilutive potential equity shares are ignored in calculating diluted earning per share.

32 Employee benefits

(A) Defined Contribution Plans

During the year, the Company has recognized the following amounts in the Statement of Profit and Loss – Employees' Contribution to Provident Fund and Employee State Insurance (Refer note 37)

	31 Mar 2023	31 Mar 2022
	-	-

(B) Defined benefit plans

- a) Gratuity payable to employees
b) Compensated absences for Employees

i) Actuarial assumptions

Discount rate (per annum) 0.00%
Rate of increase in Salary 0.00%
Expected average remaining working lives of employees (years) 0
Attrition rate 0

	31 Mar 2023	31 Mar 2022
Discount rate (per annum)	0.00%	0.00%
Rate of increase in Salary	0.00%	0.00%
Expected average remaining working lives of employees (years)	0	0
Attrition rate	0	0

ii) Changes in the present value of defined benefit obligation

Present value of obligation at the beginning of the year

Interest cost -
Past service cost -
Current service cost -
Curtailments -
Settlements -
Benefits paid -
Actuarial (gain)/ loss on obligations -
Present value of obligation at the end of the year*

*Included in provision for employee benefits (Refer note 26)

Employee's gratuity fund	
31 Mar 2023	31 Mar 2022
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-

iii) Expense recognized in the Statement of Profit and Loss

Current service cost -
Past service cost -
Interest cost -
Expected return on plan assets -
Actuarial (gain)/ loss on obligations -
Settlements -
Curtailments -
Total expenses recognized in the Statement Profit and Loss*

*Included in Employee benefits expense (Refer Note 37). Actuarial (gain)/loss of INR (31 March 2017: INR) is included in other comprehensive income.

Employee's gratuity fund	
31 Mar 2023	31 Mar 2022
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-
-	-

iv) Assets and liabilities recognized in the Balance Sheet:

Present value of unfunded obligation as at the end of the year -
Unrecognized actuarial (gains)/losses -
Unfunded net asset / (liability) recognized in Balance Sheet*

*Included in provision for employee benefits (Refer note 26)

Employee's gratuity fund	
31 Mar 2023	31 Mar 2022
-	-
-	-
-	-

v) Expected contribution to the fund in the next year

Gratuity

	31 Mar 2023	31 Mar 2022
	-	-

vi) A quantitative sensitivity analysis for significant assumption as at 31 March 20XX is as shown below:

Impact on defined benefit obligation

Discount rate
0.5% increase
0.5% decrease

Rate of increase in salary
0.5% increase
0.5% decrease

Employee's gratuity fund	
31 Mar 2023	31 Mar 2022
-	-
-	-
-	-



vii) Maturity profile of defined benefit obligation

Year

Apr 2018- Mar 2019
Apr 2019- Mar 2020
Apr 2020- Mar 2021
Apr 2021- Mar 2022
Apr 2022- Mar 2023
Apr 2023 onwards

Employee's gratuity fund	
31 Mar 2023	31 Mar 2022
-	-
-	-
-	-
-	-
-	-
-	-

33 Employee Stock Option Scheme 2009 (ESOP)

The board vide its resolution dated 29 December 2009 approved ESOP 2009 for granting Employee Stock Options in form of equity shares linked to the completion of a minimum period of continued employment to the eligible employees of the Company, monitored and supervised by the Board of Directors. The employees can purchase equity shares by exercising the options as vested at the price specified in the grant.

The following table illustrates the number and weighted average exercise prices (WAEP) of, and movements in, share options during the year

Particulars	31 Mar 2023		31 Mar 2022	
	Number	WAEP (INR)	Number	WAEP (INR)
Options outstanding at beginning of year	-	-	-	-
Add:				
Options granted during the year	-	-	-	-
Less:				
Options exercised during the year	-	-	-	-
Options forfeited during the year*	-	-	-	-
Options outstanding at the end of year	-	-	-	-
Option exercisable at the end of year	-	-	-	-

In accordance with the above mentioned ESOP Scheme, INR (Previous Year INR) has been charged to the Statement of Profit and Loss in relation to the options granted during the year ended 31 March 20XX as Employee Stock Option Scheme Compensation. (Refer note 37)

The options outstanding at the year ending on 31 March 20XX with exercise price of [exercise price] are [No. of outstanding options] options (31 March 20XX: XXX options) and a weighted average remaining contractual life of all options are [no. of years] (31 March 20XX: no. of years).

The fair value of each option is estimated on the date of grant using the Black Scholes model. The following tables list the inputs to the [Option pricing model] used for the years ended:

	31 Mar 2023	31 Mar 2022
Weighted average fair value of the options at the grant dates (INR)	0	0
Dividend yield (%)	0%	0%
Risk free interest rate (%)	0.00%	0.00%
Expected life of share options (years)	0	0
Expected volatility (%)	0.00%	0.00%
Weighted average share price (INR)	0	0

*During the year ended 31 March 20XX, the Company has granted [No. of options] and has forfeited the same during the current year only. Therefore, no expenses in respect of these options has been recognized in the financial statement.

34 Leases where company is a lessee

(Below disclosures are illustrative and not exhaustive. Engagement team to refer to the relevant paragraphs of Ind AS 116 and ensure appropriate disclosures are given in the financial statements as applicable to the Company)

(A)(i) Changes in the carrying value of Right-of-use Assets

Particulars	Category of ROU Asset			Total
	Asset Class 1 (Example: Land and Building)	Asset Class 2 (Example: Plant & Machinery)	Asset Class 3 (Example: Office Equipments)	
Balance as at 1 April XXXX	-	-	-	-
Additions	-	-	-	-
Deletion	-	-	-	-
Depreciation	-	-	-	-
Balance as at 31 March XXXX	-	-	-	-
Additions	-	-	-	-
Deletion	-	-	-	-
Depreciation	-	-	-	-
Balance as at 31 March XXXX	-	-	-	-

(ii) Changes in the Lease liabilities

Particulars	Category of ROU Asset			Total
	Asset Class 1 (Example: Land and Building)	Asset Class 2 (Example: Plant & Machinery)	Asset Class 3 (Example: Office Equipments)	
Balance as at 1 April XXXX	-	-	-	-
Additions	-	-	-	-
Lease Payments	-	-	-	-
Balance as at 31 March XXXX	-	-	-	-
Additions	-	-	-	-
Lease Payments	-	-	-	-
Balance as at 31 March XXXX	-	-	-	-

(iii) Break-up of current and non-current lease liabilities

Particulars	31 Mar 2022
Current Lease Liabilities	-
Non-current Lease Liabilities	-

(iv) Maturity analysis of lease liabilities

Particulars	31 Mar 2022
Less than one year	-
One to five years	-
More than five years	-
Total	-

As per Para B11 of Ind AS 107 Financial Instruments: Disclosure, In preparing the maturity analyse an entity uses its judgement to determine an appropriate number of time bands.



(iv) Amounts recognised in statement of Profit and Loss account:

<u>Particulars</u>	<u>31 Mar 2022</u>
Interest on Lease Liabilities	-
Variable lease payments (not included in the measurement of lease liabilities)	-
Income from subleasing	-
Low-value leases expensed	-
Short-term leases expensed	-
Total	-

(v) Amounts recognised in statement of Cash Flows

<u>Particulars</u>	<u>31 Mar 2022</u>
Total Cash outflow for leases	-

(vi) Gains or losses arising from sale and leaseback transactions

(vii) Commitments for short-term leases if the current period expense is dissimilar to future commitments.

(B) A lessee shall disclose following additional qualitative and quantitative information about its leasing activities

- Summary of nature of the lessee's leasing activities
- Potential cash outflows the entity is exposed to that are not included in the measured lease liability, including:
 - (i) Variable lease payments
 - (ii) Extension options and termination options
 - (iii) Residual value guarantees
 - (iv) Leases not yet commenced to which the lessee is committed.
- Restrictions or covenants imposed by leases
- Sale and leaseback transactions

(C) Entities applying short term and/or low value exemption are required to disclose this fact

(D) Where Company is a lessor:

(i) A lessee shall disclose nature of the lessor's leasing activities

(ii) Amounts recognised for Finance Lease

	<u>31 Mar 2023</u>	<u>31 Mar 2022</u>
-Selling profit or loss	-	-
-Finance income on the net investment in the lease	-	-
-Income from variable lease payments	-	-

(iii) Lease Income (for Operating Leases)

<u>31 Mar 2023</u>	<u>31 Mar 2022</u>
-	-

(iv) Explanation of the significant changes in the carrying amount of the net investment in finance leases.

(v) Maturity analysis on lease payments receivable.(for operating as well as finance leases)

<u>Particulars</u>	<u>31 Mar 2022</u>
Less than one year	-
One to five years	-
More than five years	-
Total	-

As per Para B11 of Ind AS 107 Financial Instruments: Disclosure, In preparing the maturity analyse an entity uses its judgement to determine an appropriate number of time bands.

35 Related Party Disclosures: 31 March 20XX

(A) Names of related parties and description of relationship as identified and certified by the Company:

Holding Company
[Name]

Entity under common control
[Name]

Key Management Personnel (KMP)
[Name]

(B) Details of transactions with related party in the ordinary course of business for the year ended:

	<u>31 Mar 2023</u>	<u>31 Mar 2022</u>
(i) Holding Company	-	-
Sale/purchase	-	-
Loan received	-	-
Interest on borrowing	-	-

(i) Entity under common control*

Preference share capital	-	-
Borrowings	-	-
Embedded derivative liability	-	-
Interest expense on liability component of convertible preference shares	-	-
Interest expense on derecognition of liability component of convertible preference shares*	-	-

* The transactions are non financial transactions arising to comply with Ind AS. Also refer Note 38.

(ii) Key Management Personnel (KMP)

Compensation of key management personnel

Short term employee benefit	-	-
Long term employee benefit	-	-
Post-employment benefits	-	-
Termination benefits	-	-
Salaries including bonuses	-	-
Share based payments	-	-



(C) Amount due to/from related party as on:

	31 Mar 2023	31 Mar 2022	
(i) Holding Company			
Short term borrowing	-	-	-
Interest accrued but not due on loan	-	-	-
Entity under common control			
Borrowings	-	-	-
Embedded derivative liability	-	-	-
(ii) Key Management Personnel (KMP)			
Employee related payables	-	-	-
Other payables	-	-	-
Director Loans	-	-	-

(D) Terms and conditions of transactions with related parties

The transactions with related parties are made on terms equivalent to those that prevail in arm's length transactions. Outstanding balances at the year-end are unsecured and interest free except for borrowings and settlement occurs in cash. There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31 March 20XX, the Company has not recorded any impairment of receivables relating to amounts owed by related parties (31 March 20XX: Nil, 1 April 20XX: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

(E) Terms and conditions of transactions with key management personnel

During the year 18-19 and 17-18, the Company made purchases at market prices from Tab Limited, of which the spouse of one of the directors of the Company is a director and controlling shareholder. One director has a 25% (31 March 20XX: 25%, 1 April 20XX: 25%) equity interest in Fire safety Limited. The Company has a contract for the supply of safety equipment's. During 31 March 20XX and 31 March 20XX, the Company supplied such safety equipment's to Tab Limited at market prices.

Director loans: The Company has a scheme of providing loans to its employees and key management personnel. During 20XX, the Company's key management received short term loans totalling INR _____ (2015-16: INR _____)

36 Segment reporting

The Company's operations predominantly relate to providing [Nature of business]. The Chief Operating Decision Maker (CODM) reviews the operations of the Company as one operating segment. Hence no separate segment information has been furnished herewith.

An analysis of the Company's revenue from [for example: online and offline education] is as follows:

	31 Mar 2023		31 Mar 2022	
	Amount (INR)	%	Amount (INR)	%
Online educational services	-	-	-	-
Offline educational services	-	-	-	-
	-	-	-	-

The Company categorizes its revenue based on delivery channel and further by geographical region, as summarized below, which as per management is most appropriate:

	31 Mar 2023		31 Mar 2022	
	Amount (INR)	%	Amount (INR)	%
(A) Online educational services				
India	-	-	-	-
Outside India (specify names, if material)	-	-	-	-
(B) Offline educational services				
India	-	-	-	-
Outside India (specify names, if material)	-	-	-	-
(C) Non-current asset				
India	-	-	-	-
Outside India (specify names, if material)	-	-	-	-

(OR There are no non-current assets located in foreign countries other than domicile country.)

37 Convertible preference shares and embedded derivative

The Company allotted [No. of shares] Convertible Preference Shares on XX June 20XX vide Agreement dated XX May 20XX. As per the agreement, in the event the Company and/or the Promoters raise(s) additional funding of at least INR 250,000 thousand from any Person ("Additional Funding") within 18 months from the date of allotment of Convertible Preference Shares issued during the year ended 31 March 20XX, then holder has the right to convert Convertible Preference Shares into such number of Ordinary Shares on the basis of the pre-money valuation of the Company at the rate of such additional funding raised by the Company. Provided however that, if the Company and/or the Promoters do not raise any additional funding within 18 months from the date of allotment of Convertible Preference Shares, then the holder of such shares will not be entitled to convert the same into ordinary shares of the Company during this period.

If the holder of Convertible Preference Shares proposes to convert all or any part of the Convertible Preference Shares held by such holder after 18 months from the date of allotment of Convertible Preference Shares, then every 77,897 Convertible Preference Shares will be converted into 1 ordinary share of Rs. 10 such resulting in an issue of 3,209 Equity shares.

As on 31 March 20XX, Convertible Preference Shares had conversion feature as an embedded derivative which is required to be separated. This embedded derivative have been separated and are carried at fair value through profit or loss. The carrying values of the embedded derivatives at 31 March 2017 amounted to [Amount] (1 April 2016: NIL) (Refer Note 22).

As on 31 March 20XX, Convertible Preference Shares has been reassessed as compound instrument containing conversion feature as equity component. Therefore, the Company treats change in terms over a passage of time as an extinguishment of the existing financial liability. So the original debt instrument is derecognized, and the new instruments issued are recognized at fair value. The difference between the amount of embedded derivative liability and financial liability derecognized and the carrying amount of the newly recognized financial liability is recognized as a gain or loss in Statement of Profit and Loss.

38 Fair values of financial assets and financial liabilities

The fair value of other current financial assets, cash and cash equivalents, trade receivables, investments, trade payables, short-term borrowings and other financial liabilities approximate the carrying amounts because of the short term nature of these financial instruments.

The amortized cost using effective interest rate (EIR) of non-current financial assets consisting of security and term deposits are not significantly different from the carrying amount.

Financial assets that are neither past due nor impaired include cash and cash equivalents, security deposits, term deposits, and other financial assets.

Non-current borrowing comprises liability portion on liability component of Convertible Preference Shares. The impact of fair value on such portion is not material and therefore not considered for above disclosure. Similarly, carrying values of non-current security deposits and non-current term deposits are not significant and therefore the impact of fair value is not considered for above disclosure.



39 Fair value hierarchy

The following is the hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

•Level 1 - Quoted prices (unadjusted) in active markets for identical assets or liabilities.

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

•Level 3 - Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

No financial assets/liabilities have been valued using level 1 fair value measurements.

The following table presents fair value hierarchy of assets and liabilities measured at fair value on a recurring basis:

<u>Fair value measurement hierarchy of assets</u>	<u>31 Mar 2023</u>	<u>31 Mar 2022</u>	<u>00-Jan-00</u>
(a) <u>Financial Assets measured at fair value</u>			
<u>Level 1 (Quoted price in active markets)</u>			
Investments in mutual funds FVTPL	-	-	-
<u>Level 2</u>			
<u>Derivative financial assets</u>			
Foreign exchange forward contracts - US dollar	-	-	-
<u>Level 3</u>			
<u>Derivative financial assets</u>			
Embedded foreign exchange derivatives	-	-	-
(b) <u>Financial assets measured at FVTOCI</u>			
<u>Level 1 (Quoted price in active markets)</u>			
Investments in bonds FVTOCI	-	-	-
<u>Level 3</u>			
<u>Investments in equity instruments FVTOCI</u>			
-Investment in equity shares is designated as FVTOCI. These have been fair valued using DCF method and .Details of significant unobservable inputs used in fair value measurement categorized within Level 3 of fair value hierarchy together with sensitivity analysis have been furnished under table given below.			
(c) <u>Assets for which fair values are disclosed:</u>			
<u>Level 3</u>			
Investment property	-	-	-
There have been no transfers between Level 1 and Level 2 during the period			
<u>Fair value measurement hierarchy for liabilities:</u>			
(a) <u>Financial liabilities measured at fair value:</u>			
<u>Level 2</u>			
<u>Financial liabilities measured at fair value through profit or loss</u>			
Embedded derivative (Refer note XX)*	-	-	-
Foreign exchange forward contracts - US dollar	-	-	-
*Embedded Derivative instruments classified in Level 2, are valued based on inputs that are directly or indirectly observable in the market place.			
(b) <u>Liabilities for which fair values are disclosed:</u>			
<u>Level 2</u>			
Convertible preference shares	-	-	-
Obligations under finance lease (India)	2,306	767	-
There have been no transfers between Level 1 and Level 2 during the period			
<u>Financial assets measured at amortized cost</u>			
Trade receivables	-	-	-
Loans	-	-	-
Cash and cash equivalents	-	-	-
<u>Financial liabilities measured at amortized cost</u>			
Liability component of convertible preference shares	-	-	-
Borrowings (non-current)	-	-	-
Borrowings (current)	-	-	-
Current maturity of long term loans (note 14)	-	-	-
Trade payables (note 20A)	-	-	-
Other Payables (Note 20B)	-	-	-

The carrying amount of cash and cash equivalents, trade receivables, fixed deposits, trade payables, other payables and short-term borrowings are considered to be the same as their fair values. The fair values of borrowings, liability component of convertible preference shares and security deposits were calculated based on cash flows discounted using a current lending rate. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including own and counterparty credit risk.

40 Financial risk management objectives and policies

The Company is exposed to various financial risks. These risks are categorized into market risk, credit risk and liquidity risk. The Company's risk management is coordinated by the Board of Directors and focuses on securing long term and short term cash flows. The Company does not engage in trading of financial assets for speculative purposes.

(A) 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: interest rate risk, currency risk and other price risk, such as equity price risk and commodity risk. Financial instruments affected by market risk include borrowings and derivative financial instruments.

(i) 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 exposure to the risk of changes in market interest rates relates primarily to the Company's long-term debt obligations with floating interest rates.

The Company manages its interest rate risk by having a balanced portfolio of fixed and variable rate loans and borrowings.

Interest rate sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in interest rates on that portion of loans and borrowings. With all other variables held constant, the Company's profit before tax is affected through the impact on floating rate borrowings, as follows:

	Increase/ decrease in basis points	Effect on profit before tax
20XX		
INR	+45	-
INR	-45	-
2018		
INR	+45	-
INR	-45	-



(ii) Foreign currency risk

Foreign currency risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's operating activities (when revenue or expense is denominated in a different currency from the Company's functional currency).

Foreign currency sensitivity

The following table demonstrates the sensitivity to a reasonably possible change in the US dollar exchange rate (or any other material currency), with all other variables held constant, of the Company's profit before tax (due to changes in the fair value of monetary assets and liabilities). The Company's exposure to foreign currency changes for all other currencies is not material.

	Change in US\$ rate	Effect on profit before tax
2019	+9 -9	
2018	+8 -8	

(B) 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. Credit risk arises principally from the Company's receivables from deposits with landlords and other statutory deposits with regulatory agencies and also arises from cash held with banks and financial institutions. The maximum exposure to credit risk is equal to the carrying value of the financial assets. The objective of managing counterparty credit risk is to prevent losses in financial assets. The Company assesses the credit quality of the counterparties, taking into account their financial position, past experience and other factors.

The Company limits its exposure to credit risk of cash held with banks by dealing with highly rated banks and institutions and retaining sufficient balances in bank accounts required to meet a month's operational costs. The Management reviews the bank accounts on regular basis and fund drawdowns are planned to ensure that there is minimal surplus cash in bank accounts. The Company does a proper financial and credit check on the landlords before taking any property on lease and hasn't had a single instance of non-refund of security deposit on vacating the leased property. The Company also in some cases ensure that the notice period rentals are adjusted against the security deposits and only differential, if any, is paid out thereby further mitigating the non-realization risk. The Company does not foresee any credit risks on deposits with regulatory authorities.

The Company's maximum exposure to credit risk for the components of the balance sheet at 31 March 20XX, 31 March 20XX and 1 April 20XX is the carrying amounts as mentioned in Note 8 to 12.

(C) 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. (For example: The key liquidity risk the Company can face is the risk of subscription fee refund. As per the Company policy, no refunds are allowed once a subscription has been taken and it is only in exceptional cases that fee is refunded with proper approvals from senior Management. The Management believes that the probability of a liquidity risk arising due to fee refund is not there.)

The table below summarizes the maturity profile of the Company's financial liabilities:

	Less than 3 months	3 to 12 months	1 to 5 years	More than 5 years	Total
31 Mar 2023					
Short term borrowings	-	-	-	-	-
Long-term borrowings	-	-	-	-	-
Trade payables	-	-	-	-	-
Other financial liability	-	-	-	-	-
31 Mar 2022					
Short term borrowings	-	-	-	-	-
Long-term borrowings	-	-	-	-	-
Trade payables	-	-	-	-	-
Other financial liability	-	-	-	-	-
00-Jan-00					
Long-term borrowings	-	-	-	-	-
Trade payables	-	-	-	-	-
Other financial liability	-	-	-	-	-

41 Capital management

For the purpose of the Company's capital management, capital includes issued equity capital, convertible preference shares, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value and to ensure the Company's ability to continue as a going concern.

The Company has not distributed any dividend to its shareholders. The Company monitors gearing ratio i.e. total debt in proportion to its overall financing structure, i.e. equity and debt. Total debt comprises of non-current borrowing which represents liability component of Convertible Preference Shares and current borrowing from ultimate holding company of the Company. The Company manages the capital structure and makes adjustments to it in the light of changes in economic conditions and the risk characteristics of the underlying assets.

		31 Mar 2023	31 Mar 2022	
Equity		277,065	249,970	-
Convertible preference share		-	-	-
Total equity	(i)	277,065	249,970	-
Borrowings other than convertible preference shares		-	-	-
Less: cash and cash equivalents		-	-	-
Total debt	(ii)	-	-	-
Overall financing	(iii) = (i) + (ii)	277,065	249,970	-
Gearing ratio	(ii)/(iii)	-	-	-

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 20XX, 31 March 20XX and 1 April 20XX.

42 Previous year figures have been regrouped/ reclassified to confirm presentation as per Ind AS as required by Schedule III of the Act.



43 Specify other, if any.

As per our report of even date
For EXL AUDITING
Chartered Accountants
Firm Registration No.:105047W

RASHID ABDULLAH DARWISH ALRAHMAH
Partner
Membership No: 1245

Place:
Date:

For and on behalf of the Board of Directors of
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0

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Director
DIN:
Place:
Date:

0
Director
DIN:
Place:
Date:

0
Company Secretary
Membership No:
Place:
Date:

Chief Finance officer

Place:
Date:



